

The Business of Esports and Gaming with Evan Kubes

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By listening to Dri's podcasts, you will learn the strategies that successful investors use to become financially independent.

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Biography:

Joining me on the podcast this week is Evan Kubes, President of Rumble Gaming and co-founder of MKM Group. Heading Canada's first, and one of the world's most influential, law firms dedicated to esports and content creators, Evan is considered a thought leader in the industry, and he is often featured in publications like Bloomberg, Yahoo Finance, and Global News. Evan's innovative work has also led to him being recognized as a top influencer manager and esports agent by Business Insider.

In today's episode, Evan shares his journey to his current position, explains esports, gaming and the role that firms such as his play in the field, and reveals how his firm connects with clients. He also discusses how Rumble makes money, offers his advice for others wanting to get involved in the esports scene, details how he invests and protects his income, and finishes off by providing his definition of financial independence and how to achieve it. A talented and knowledgeable visionary, Evan has many keen insights into this relatively new business which he shares with listeners here today.

Highlights:

- Evan entered into his current business when he discovered that there were few law firms working in the esports and gaming space globally, and none in Canada at all
- MKM and Rumble provide law and marketing services
- Simply put, esports are competitive video games
- Rumble primarily represents individual competitors and teams
- Most of Rumble's clients are from the USA, with others from Canada, Europe, and Asia

- Evan's law firm does the legal work and the Rumble agency does the marketing, the content creation, and the consulting for businesses
- Content is the fuel which drives the entire gaming ecosystem
- Rumble is like a traditional agency model where they go out and procure business opportunities such as brand deals and sponsorship deals for their clients, and take a commission based on the total value of whatever that deal is
- Due to the 'gatekept' nature of esports and gaming, Evan networked for about three months before launching their firm.
- For his investments outside of esports businesses, Evan relies on a financial advisor
- Evan's two key approaches to achieving financial independence are living below your means and investing smartly

Quotes:

"Within a few months we were able to scale very, very quickly, to the point that we were representing over 150 esports teams, players, creators, influencers, game developers and just ancillary entities across the ecosystem."

"You begin to realize that maybe esports is more a marketing tool than it is anything else."

"In the same way that an agent would help Leonardo DiCaprio or Tom Hanks or Kahwi Leonard or Matt Ryan facilitate their business interests, and help them improve their quality in all aspects of their life, we would do the same and offer our clients, individuals we work with, and assist them in any way that they need us to."

"We were helping to professionalize the industry and build that supporting infrastructure that was lacking. So as a result, it was really easy to grab a significant market share and do good work for our clients."

"We actually got connected with an individual by the name of Leonard Asper, who some people may know, he was formerly the CEO of Canwest Global."

"So they run with a program or content through YouTube or Twitch, and then that goes a little stale and then there are other means such as...Pluto and Sling, which could potentially expand their reach to another 20 million people or more."

"So we actually help brands enter the space, help them understand it, and help them create their marketing plans to best achieve ROI."

"So obviously you've got to network, you've got to be a little bit shameless in terms of reaching out to people, following up as much as possible."

"Every time I invest in one of these, I assume it's gone right away, which obviously is a nice luxury to have, but I am investing very small amounts."

“Financial independence for me is really the ability for me to go to a Starbucks at 9:00 AM, sit there all day with a coffee and read a book, and not have to check an email.”

Links:

<https://rumblegaming.gg/>

<https://www.mkmesports.com/>

Richard Dri: Welcome Evan to the Richard Dri Wealth Navigator Podcast, and thank you so much for being my guest today.

Evan Kubes: Thanks so much for having me Richard, really excited to be on.

Richard Dri: Well Evan, I've been looking forward to this particular presentation or podcast for several weeks now, ever since we've talked back in, I think it was early part of December.

There's so much I can talk about, but I think I'm going to step back and do this slowly. So could you tell me what was your journey to becoming the president, your current position, that is the president of Rumble Gaming? So just walk us through your educational background, your previous jobs, how you got to where you are today.

How Evan got to where he is today (4:03)

Evan Kubes: So without getting too granular, I'm a lawyer by trade, have both my Canadian as well as US law degrees. While I was in law school, probably spent a little bit too much time playing video games than I should have been. But that's how I got exposure to esports, never looked at it at all from a business or professional perspective, just became a fan of it, and a semi watch NFL, semi watch NBA kind of thing. Fast forward a couple of years, I was actually practicing litigation here in Toronto. I was actually doing medical malpractice of all things, when it was a Friday afternoon, a couple of years ago. I remember I just came across an article. The article really just did a deep dive into the economics of gaming, particularly esports.

Something I had never really considered before, but something that really struck me. Particularly as I was reviewing this article, what really stood out was the fact that the business model just seemed very similar to traditional sports, in the sense that you have teams, players and sponsors, just the key stakeholders driving the industry forward. So I was looking at this, and the article it's portraying, but all the capital that's coming into this space, how large it is economically, et cetera, which some of we can get into later because a lot of that is a misnomer

and people tend to conflate gain with esports but really aren't the same thing, but we can talk about that in a bit. In any case, as I was looking at this, what I further began to wonder was really whether esports had the same kind of infrastructure built in that traditional sports does.

What I mean by that is, let's take a guy like LeBron James, let's say he signs a contract with Lakers or an endorsement deal with Nike. Is he himself negotiating those contracts and drafting the terms? No, he has an agent doing it. So I'm looking at this article again this time, but all the economics of it, blah, blah, blah, and I'm thinking, surely there must be lawyers and agents, helping to facilitate the space so quickly. So quickly took a look and found out that not only was there not a single law firm or agency in Canada doing this, there were really only a couple globally. So from my perspective, saw this as a fairly unique opportunity to get involved. At the time we had just come off the cannabis boom, cryptos right before that, and given Toronto's capital market structure, it just seemed as if not only was esports growing from a popularity perspective, but it was also growing from a market awareness perspective.

So saw a unique opportunity to get involved, and started business from the legal aid and agency side, began doing a little more research, which really cemented this notion that I had to get involved, and left my job, started this firm with a close friend of mine, and fundamentally when we launched it was separated into two main parts. The first being the law firm, which did everything from player contracts, to immigration for players coming inbound and outbound, to intellectual property, to general corporate matters. The law firm was really evaluate to the agency, which we viewed as the core business at the time, being everything from sponsorship deals to brand consulting, to influencer marketing, to content creation and content distribution. So something pretty unique happened in the sense that when we did launch, we thought that we'd be sitting in a dark office for a while waiting for the space to explode. When we did, it was still very much in its infancy.

There was at the time virtually not a single other entity in the Canadian marketplace operating in the esports sector. It was very much in its infancy. I'm happy to say that when we did launch, actually take a step back, the whole goal of which was that when it did explode, we were hoping that we would just be first movers in the sense that, okay, it's here, and now we're first movers, we'll get a lot of business out of that, grow our brand equity, et cetera. Happy to say it didn't turn out that way. We ended up launching in October, 2018, and to put in perspective, in the month prior, September, 2018, there was approximately \$170 million invested worldwide in the esports space, not a nominal number but nothing too big considering it's a global market. But the very next month, the month that we launched, there was 1.8 billion.

That's when you had Drake, Scooter Braun, the new Overwatch League slots were announced, and a whole host of other celebrity investors entered the space. So as a result it really pushed esports or moved esports from the periphery to mainstream consciousness because of this huge capital injection that came in. So as a result, we just ended up getting a lot of press out of it. I think it was more 'right place, right time' than anything else. Like I said, there was no one else really operating at a high level in the Canadian marketplace, so a lot of the reporters in news outlets came to us to comment on it. And won't lie, a lot of it was fake 'til you make it kind of thing. Pretending we know what we were talking about, because again, we were very freshly

minted, but that's how we got our start. Within a few months we were able to scale very, very quickly, to the point that we were representing over 150 esports teams, players, creators, influencers, game developers and just ancillary entities across the ecosystem.

Richard Dri: Wow. That's how-

Evan Kubes: I know I just threw a lot at you.

Richard Dri: Yeah, no, no. You just opened up a whole bunch of questions for me. I think I got to start a little bit at the beginning. I want to explain for people that are not sure. I think I'm in that particular category. What exactly are esports and what is gaming?

Evan's explanation of esports and gaming (9:24)

Evan Kubes: Absolutely. So I think to really break it down as simply as you can, esports is simply competitive video games. It's individuals playing against each other in a competition the same way you would basketball, the same way you would football, the same way you would dodgeball. It's just competitive video games, not every video game however is an esports. So something to help understand the ecosystem a little bit better is esports and gaming really is very community driven. Which is quite different actually than traditional sports in the sense that the community is really the front lines and they gatekeep the industry a little bit to determine what's authentic and what's not authentic. What is an esports, what is not an esports. It really needs to be accepted by the community in order to move forward.

So to break that down a step further, into the dichotomy or the difference between esports and gaming, is pretty actually quite simple. So gaming refers to the broader entire ecosystem. Mobile games, console games, PC games, any video game that you can think of, like Red Dead Redemption, which is not considered an esports like League of Legends is. So when you're looking at it from the top down, where you can begin to understand, is esports is a subset of the entire video game industry. So if video games, I think in 2020, this past year, generated upwards of \$155 billion in total global revenue. Now that's double that of film and music combined, making it the largest entertainment medium in the world. Esports however, generated a mere \$1.5 billion in total revenue, which is actually quite small, considering one, it's a global industry and considering two, how big the gaming ecosystem is. So when looking at it from that perspective, you begin to realize that maybe esports is more a marketing tool than it is anything else.

Richard Dri: Can you give us an example of what an esports is?

Evan Kubes: Absolutely. So one very popular game a lot of people are aware of is League of Legends, that is the most popular game in the world. Another one might be Dota 2, it's a short form for defense of the agents. It's essentially a battle royale game, called a MOBA, sorry, a multiplayer battle arena game. What's fascinating about if you were to watch a YouTube video on it, you wouldn't think much of it, it'd be very difficult to follow. But I think a lot of people

would be surprised when seeing that the last International, which is the largest Dota 2 tournament, which unfortunately was canceled this past year because of COVID-19 but it is taking place this summer tentatively in Shanghai, has a prize pool of upwards of \$40 million. My client, OG Esports, which is the number one Dota team in the world, they won it the last two years, and won collectively over \$30 million in prize winnings for their players.

Richard Dri: Well, that sounds amazing. \$30 million as a prize.

Evan Kubes: More than any golf tournament and-

Richard Dri: Yeah, I would say. And how many people on the team?

Evan Kubes: Five.

Richard Dri: Five people.

Evan Kubes: Yeah, there are substitutes, there are subs and coaches that are compensated very nicely as well, having said that the top major of that games ecosystem is quite significant. It's a Valve game, they're the game publisher.

Richard Dri: When I think of esports, I think of hockey or basketball or football, are they not included or are they not popular?

Evan Kubes: Yeah. So, when you're looking at games like Madden, NBA 2K and NHL, FIFA, they obviously, they do have a place in the esports ecosystem. The NBA has done a really good job incorporating the NBA 2K league, where many teams across the league have their own sub team under it, the Toronto Raptors for example have Raptors Uprising, which compete, and that's owned by the MLSC. But they use it more as a vehicle to promote the NBA itself, as opposed to generate a new demographic of fans who may not be traditional NBA fans, to become fans of the NBA teams. But typically speaking, pro sports games, are not the most popular esports, because they don't provide necessarily that fantasy element. In addition to that, games like NBA, for example they don't actually have the rights to use players likeness in the competition itself.

So the players union, they have no agreement with the NBA 2K league, so as a result it's in some cases, it's less interesting for fans when they may just be following a nameless player. Now that's unique to the NBA because in cross the esports ecosystem it's very personality driven and character driven, but because it's not popular, it's been very difficult for these players who participate in the pro sports esports to get the brand equity that they're looking for, or at least comparable to other games.

Richard Dri: So if I grew up playing video games and my buddies and I get together and form a team, we would come to a law firm like yours to try to represent us to play in other tournaments? Can you help me understand how that works from a customer point of view.

The role that law firms such as Rumble play (14:34)

Evan Kubes: Yeah. So from a customer point of view, so first to take a step back, the thing that makes I think esports so interesting to a large majority of people is unlike traditional sports you don't need to be 6'5" 250 pounds to be a professional athlete. Conceivably you just need two hands and a cell phone, and so a lot of ambition in order to achieve it. Having said that, the ecosystem, unlike traditional sports is there's no central governing body. So every esports title has their own ecosystem within the broader ecosystem. I know this may be confusing a little bit, but let's take a step back.

So you have Activision Blizzard, which is a game publisher. They have the games, Overwatch as well as Call of Duty. Then you go to the other side, you have another game publisher called Valve, they have games like Dota and Counter-Strike. Then you have another game publisher like Epic, who are the creators of Fortnite. As you can see looking at this, you have three very different game publishers, all situated in different places across the globe, which all have very different interests and very different player basis. So in that sense, you may have an organization like you said, who may come and say, "Hey, we are starting a Call of Duty team, What do we need to do in order to, one, compete a tournament or play at the professional level?" That question is very different than if you were to come to me and say, "Hey, Evan, I'm starting a Fortnite roster, I want to play professionally, what do I do? How do I do it?" Again, different game publisher, different set of rules. So it's very different across the ecosystem.

Richard Dri: So you mentioned that you represent both the players and I guess you represent the games itself. How would you work with the game itself? Like what Epic and their game Fortnite, would they come to you for assistance?

Evan Kubes: So, this is, take a step back. So we primarily represent the individual competitors as well as the teams, so the orgs. We work with game publishers on certain marketing endeavors, but mostly we don't represent game publishers. We represent smaller game developers across the Canadian landscape, but we don't directly represent companies like Activision Blizzard or Epic. We actually represent the stakeholders of their systems and their games.

Richard Dri: Got you. So how would I become a popular gamer? I guess you'd have to play well, and then what? But I'm sure a lot of people play well.

Evan Kubes: A lot of people do play well. So again, this is you're opening up a whole other bucket here because something individuals like to conflate additionally, are things like content creation as well as competitive video games, which are, again, two very different things. So people, I think most individuals are aware now of an individual named Ninja. He is one of the most popular gamers in the world, and he's often quoted as the face of esports. I would argue however that he has absolutely nothing to do with esports because he doesn't play competitive video games. What he does is stream content on a platform called Twitch, which is content creation and not video games, which in and of itself is an entirely different industry.

The way I can best explain that or help you conceptualize that, is that we take a back seat and look at what millennials and younger generations are doing that, as you're aware, most people are cord cutting now, particularly younger generations. They're not going out, they're not buying Rogers cable, they're not buying bell media. They're consuming their content through digital means, Netflix, YouTube, Twitch, Facebook, et cetera. So in this pursuit, what content creators are doing, are using the most popular form of entertainment right now which is video games in order to create content and then directly interact with an engaging audience. Which is again, a completely different market segment, and it goes into the broader video game and content industries as opposed to the competitive esports industry.

Richard Dri: Sorry Evan, I'm a little confused on that. Maybe others are as well. This individual Ninja is streaming content, and I understand that's obviously not through cable, and I do that through other means as well, but what exactly is the content? Did you say it was another video game or is it-

Evan Kubes: Absolutely. So the content that he may be streaming could be anything from Fortnite to Call of Duty, to Apex Legends. While he's playing a video game online for others to watch, he is not competing competitively. The key differentiator here is the fact that he's not competing competitively, and that's what makes a distinction between it not being an esports.

Richard Dri: So why would you want to watch him play a game, when you can watch a real game an esports where two teams are competing for a particular prize? Why does he draw so many people, I guess, as an influencer to him playing a particular game?

Evan Kubes: Absolutely. So I think the best way to answer that question is to also ask why would I watch basketball versus playing basketball myself? Two very different things, different entertainment mediums. And it's what younger generations are very intrigued by these days. And to take it a step further, the reason why live streaming content has become so popular, is because that fourth wall has been broken. Because when I'm watching Ninja, when I'm watching one of these creators that I really like, I can directly interact with him as well as his fellow audience in the chat box, et cetera. That is a very unique situation as opposed to watching traditional linear cable where I can't genuinely interact with what's going on. I think that's what's really been the key marker in the proliferation of streaming content.

Richard Dri: So you're saying, "Well, I'm watching him play the game. I'm enjoying that of course, because I like watching him play the game, but then I can also communicate with other people that are watching the game.

Evan Kubes: Absolutely, absolutely. That's correct. One other way to conceptualize this is let's say I was a basketball fan. Let's take LeBron James, because we used that example before. I'm a huge fan of his, he's very good at playing. Let's say he was practicing and he put a GoPro on his chest and he just started practicing. While he's practicing, he's saying today, I'm going to work on my left-hand layups and this is what I do to succeed. That is very akin to a professional, competitive gamer or former competitive gamer like Ninja who's simply streaming. Now he's a

very good at his game Fortnite and when he's playing the game casually, he's still talking about what he's doing, why he's doing it and showing off his skills and helping people to get better, and that's a very unique proposition.

Richard Dri: To me that is obviously a completely different avenue. I didn't grow up playing video games, but my children did and I learned a bit about it, but I don't play it. But that's interesting how, as you called it to fourth... Did you call that the fourth wall?

Evan Kubes: The fourth wall, that's what it's known in TV terms.

Richard Dri: It's mind boggling. Okay. So as an individual or a team, you represent them, you try to get them to, I guess, become more popular or perhaps get them to enter tournaments, you negotiate their contracts. If there are contracts I'm sure there are in tournaments. Do you provide consulting work for them? Do you give them ideas on how to create content or how to become better at their particular game? Do you provide any of that, can I call it consulting work?

Evan Kubes: Absolutely. Fundamentally speaking. So to conceptualize myself on what we do, is we're like a CAA or UTA. Except obviously on a smaller scale, but we just represent esports, and content creators. So in that sense, in the same way that an agent would help Leonardo DiCaprio or Tom Hanks or Kahwi Leonard or Matt Ryan facilitate their business interests, and help them improve their quality in all aspects of their life, we would do the same and offer our clients, individuals we work with, and assist them in any way that they need us to.

Richard Dri: Are your clients here in the Canadian Toronto market or are they global?

Rumble's clients (22:32)

Evan Kubes: They're very global. So I would say 80% of our client base is actually based in the US, whereas 10% is probably in Canada with the remaining being divided between Europe and Asia.

Richard Dri: How do you get these individuals that are esports related businesses? Whether they're players or teams, how do they find you? Do you find them, or do they find you?

Evan Kubes: It's a little bit of, mix of both. Obviously by doing good work you get good referrals. So that always helps. But to take a step back to the beginning of the conversation, like I said when we first launched, there was really no one else doing what we were doing. So it made it really easy in the sense, because we were helping to professionalize the industry and build that supporting infrastructure that was lacking. So as a result, it was really easy to grab a significant market share and do good work for our clients.

Richard Dri: Now, as the president of Rumble, what does your day look like?

The evolution of MKM and Rumble (23:28)

Evan Kubes: Yeah, so something we haven't even discussed yet is, Rumble actually doesn't exist in this point in time from where I began the story. Because when we did launch back in 2018, we were actually called MKM, which still exists today, and that stood for Marcus Kubes Management, me and my business partner. That still exists in terms of law firm, but actually the agency division of our company underwent an M & A in April, 2019, which is really what started Rumble, and that's an interesting story, which we can get into if you'd like.

Richard Dri: Yeah, let's talk about that. I'm sorry, I forgot to mention that there were two components, the law firm and then the agency, and we went down the law firm side. Let's take a look at the Rumble side and tell me a little bit more about the merger in 2019 and where it stands today.

Evan Kubes: Absolutely. So with MKM, after we had launched, continued to scale, continued to do our work as best we could. At this time you really began to see a huge amount of capital injection continue to come to the space. So for people who aren't aware, Ontario and Canada really has a unique capital market structure, where it's very easy to take companies public. There's very little venture capital here, so as a result, a lot of companies who want to raise capital, they go public because it's much easier to raise capital as a public company than it is as a private company. So as a result, that you had a lot of entities and investors looking around a space and how to scale.

As a result of that, we actually got connected with an individual by the name of Leonard Asper, who some people may know, he was formerly the CEO of Canwest Global, which at one time was the biggest media company in Canadian history. He then went on to start Anthem Sports and Entertainment, which is a very large global media company, that I think I can best describe it as a specialty sports/activity channel like hunting and fishing, access TV, Discovery Channel, things like that. So we got connected to him back in February I think 2019, four or five months after we had launched, really began this idea of potentially merging a subsidiary of a company that he owned with MKM. That conversation continued over the next couple of months. We ended up undergoing the M & A with this company in April, 2019, the huge selling point of which was that Anthem and his partners were able to provide us with not only the ability to create content because they had studios in Toronto, New York and LA, but the ability to leverage their distribution network on OTT platforms, such as Pluto TV, Sling TV, Samsung TV, et cetera, to distribute that content.

So it was a real unique offering for us that we can provide our clients, and obviously builds unique revenue streams as a result of which. So that merger occurred in April 2019, and we rebranded the agency to Rumble Gaming, really to show the bifurcation between the law firm as well as the agency.

Richard Dri: So the law firm does the legal work and the Rumble agency does the marketing, the content creation and the consulting for the businesses. My guess is the law firm does some consulting too, but mostly the legal work.

Evan Kubes: Exactly.

Richard Dri: Now, when you mentioned the TV platforms that Anthem sports offers, could you repeat what those platforms are?

Evan Kubes: Absolutely. So even to give a better insight into it, if you're looking at the esports and gaming ecosystems, you begin to realize that there are really two main platforms where gaming content is viewed, YouTube and Twitch. Those are the two primary platforms. So when I was looking at this, they had quite a monopoly and still do have quite a monopoly on gaming content, and to realize, how do you build a competitor to this? How do you have something that you can provide alternative distribution? You had other platforms come and go. Microsoft recently had Mixer, which was a streaming platform that they shut down earlier this year. You have Caffeine, which is owned by Fox, which is trying to do the same thing as well. Having said that I saw a really unique opportunity, not necessarily to compete with YouTube and Twitch, but simply to provide an alternative distribution platform for content that our clients are creating.

So content is the fuel which drives the entire gaming ecosystem. So when I was looking at this I realized we have a pretty significant client base. Not only that, there's a lot of individuals across the ecosystem that just create content on a daily to weekly basis. Can we not take this content that they're creating, and put it on alternative distribution platforms to further promote their brand equity, but as well as create some passive revenue streams for them. So if I'm, let's say, let's take Ninja, I create a YouTube video. So after a week, this YouTube video probably goes a little stale, but it does its work, does its job. Why can't I now take this video and put it on another OTT platform, which stands for 'over the top' media, onto something like Pluto or Sling, where they have audiences an upwards of 20 million households. Provides a unique demographic, provides another CPM rate for them to get into, and just another opportunity to reach more eyeballs, build brand equity.

So what we're doing now is taking existing content and creating new original content. We're not trying to necessarily compete with the YouTubes and Twitch because the content is still going to live there primarily, but just redistribute it on alternative platforms. Because you're having a lot of these digital networks who now feel that they're losing out because a lot of the younger generations are watching their content on YouTube, Twitch, et cetera. But because they're so hungry, I guess for gaming content, so they feel like they're being cannibalized in a way. So why can't we take this content now and put it on new platforms? That's what we've been pushing for, and the unique opportunity that we really see.

Richard Dri: Wow, just gets better and better. So they run with a program or content through YouTube or Twitch, and then that goes a little stale and then there are other means such as you said, Pluto and Sling, which could potentially expand their reach to another 20 million people or more and-

Evan Kubes: Exactly.

Richard Dri: ...that's great. Just continue to build eyeballs and build revenue. So Evan, how does Rumble at the moment, Rumble Gaming, how do you make money?

How Rumble makes money (29:46)

Evan Kubes: No, that's a great question. I think we're always trying to diversify, but fundamentally it's like a traditional agency model where we go out and procure business opportunities such as brand deals and sponsorship deals for our clients, where we take a commission based on the total value of whatever that deal is. So hypothetical, we have a client here and we get them let's say a \$100 deal, a \$100 sponsorship deal, again, hypothetical, that'd be a very small deal. We would take anywhere from 15% to 20% as a commission for procuring and facilitating that deal. Second to that also-

Richard Dri: So you'd look for those deals, eh? You bring those deals to your client.

Evan Kubes: Absolutely. So we have a sales team, which you can also conceptualize as agents, who are speaking to brands on a daily basis, trying to facilitate activations and campaigns on behalf of our client base. That's the traditional agency model. On top of that, we also do a ton of consulting, particularly esports it's a very young industry. You have a lot of brands who are trying to engage with a more youthful demographic. Millennials I'm sure you're aware, they're actually the hardest demographic of all to reach, primarily because they use AdBlocker, they're cord cutters, they don't watch traditional cable. So we actually help brands enter the space, help them understand it and help them create their marketing plans to best achieve ROI. Those were the two main revenue streams.

Now, in 2021, we are pushing much heavier into the content side, which we just spoke about. Not only are we helping to distribute or redistribute current content, we're actually creating original content, and licensing that out and selling it to broadcasters. One such example was actually announced yesterday. So we recently completed a six-part documentary series that covers a different content creator to esports professional, to a game developer, and what it takes for them to ascend to the top of this industry. That documentary premieres this Sunday on Amazon Prime Video.

Richard Dri: I'll look out for that. So that would be what, January the 31st. Great.

Evan Kubes: 31st. Yeah. It's called Gamebreakers.

Richard Dri: Gamebreakers, good title. All right. Let me pivot a bit. We have covered that really well. I'm sure we could go into more detail. But let me just ask you something in terms of advice. If I was a young man or a woman, and I wanted to make it into the esports scene, what advice would you give that individual?

Evan's advice for those wanting to become involved in the esports scene (32:25)

Evan Kubes: Yeah, so it's funny because the advice I would give now would be a little bit different than what I did. But you've got to have a little bit of shame, which is okay. So something that we spoke about early on was the fact that esports is very community driven. It's very gate kept, they don't like individuals or brands or et cetera, coming in and telling them, what is esports, what is gaming, why this brand should be here, et cetera. Luckily for me, that's something I realized very early on. So as a result of that, back in 2018, which again it feels like not so long ago because it's only, what's that? Three years now? Not even. I had to network, and I networked for about three months before we launched the firm.

The main reason, now this might come off a little bit weird. But the main reason why I networked wasn't because I wanted to learn more about esports and gaming, which is a by-product of why I did it. Was more because I realized that esports was very gatekept. If I had launched in October without having any key stakeholders knowing who I was, they would, for lack of a better term, been like, 'Who the hell is this guy coming in here and saying he's now an esports lawyer? I've never heard of him.' That wouldn't have been very accepted. But what I did do, was network as much as I possibly could. So that when I did launch, everyone knew who I was, and it's just like, "Oh, here's Evan. I remember speaking to that guy. Oh, here, X client, whatever, go speak to him. Maybe he can help you." So that actually really helped us scale our business and get clients from a referral basis. Because again, there was no one really doing this in the space, and a lot of the key stakeholders were very open and receptive to speaking with us.

Now that works in a very young industry like esports because like I said earlier, it was very much in its infancy. There wasn't that much going on. So it was really easy to get on a call with virtually anyone you wanted. I could have emailed or LinkedIn virtually anyone from the highest tops of all these esports orgs et cetera, and they were willing to speak. Now esports is just so, so, so mainstream that it's very difficult to get these individuals to speak to you.

If you looked at your LinkedIn, every third person now is an esports consultant, try and they're all claiming to be an expert in the space, which obviously isn't true and that's really muddied the waters in a lot of ways and is not a very good thing. So networking has it become actually a little bit more difficult, even though esports becomes so much more widespread. Because people are abusing this thing, you saw the same way in any new industry, cannabis it happened, blockchain it happened, quantum computing I'm sure it's happening now, et cetera. So obviously you've got to network, you've got to be a little bit shameless in terms of reaching out to people, following up as much as possible. The key thing which is a little bit difficult now about getting into the ecosystem is conferences as well as gaming expos, et cetera, it's a great way to meet people, a great way to network, et cetera.

It's always better to be face-to-face, with COVID-19 that's a lot more difficult.

But the key here to really break in is to find out what actually the ecosystem needs, what does esports need right now that it's missing, and creating something or building a service that can really help facilitate it, and can really help the space grow. There's so much right now of a lot of people doing the same thing, which is actually becoming a problem. There's a thousand online

tournament platforms, There's a thousand online betting companies. There's a lot more agencies being developed. So the next big thing for me is going to be consolidation across these various properties.

So the key thing for me is for someone who's trying to enter the space, it's got to be some shameless networking. It's going to be a lot harder now than it was a couple of years ago, but you've got to do it to talk to as many people as you can. You just got to keep knocking on doors, talk to whoever, but it's also identifying what your goals are, what are you trying to achieve in the space of you want to build. Don't go in there trying to build something that already exists. I don't think it will be that receptive. I get a lot of pitch decks day after day and I tell you now I don't even look through them if they look something I've seen before. Mostly because I don't have the time to, but it's always better to try and find something that the ecosystem needs. The ecosystem needs a lot. So spend some time researching it and really identifying it.

Richard Dri: No, that's really good advice. In fact it probably applies to every other industry, even the more mature industries such as the financial sector. The financial sector has been very stable, very conservative, but now we've got all these fintechs that are creating things that we never thought of, but yet we can use them and they make the whole system better and faster and often very cheap in comparison to the way it used to be done. Good advice. Now, Evan, I'm just going to, again, pivot here, and I know that as an entrepreneur and you've got several different ventures going on at the same time, most of your money will be invested back into the company or companies that you're dealing with, which makes a heck of a lot of sense. But do you invest anywhere else other than those that you are directly involved in, such as Rumble or the law firm? MKM.

How Evan invests and protects his income (37:47)

Evan Kubes: Yeah. That's a great question. So luckily for me, I've had a lot of great opportunities to invest in other esports properties. So another thing we did very early on when you had this mass capital injection come into this space, was we did a lot of consulting for the various institutional and VCs across Toronto from Eight Capital, Cana Corp, Hydra, et cetera, just helping to advise them on their investments and speak to them about what they're doing at the esports space and help them really understand it. So as a result of that we got a lot of exposure. Not only to clients that we represented platforms that they were building, but just other platforms that were raising capital across the Canadian landscape. These weren't necessarily just Canadian companies, these were US companies, et cetera. So we were able to actually do private placements through our corporations to invest directly into these companies at low market value so to speak, so in the hopes that when they get acquired or go public that'll be pretty significant.

But outside of esports, I have a financial advisor. I invest the vast majority of money now quite traditionally. But again I also, especially what's been going on with the last year, I do have a lot of fun just with my risk trading, so to speak. Just some day trading some speculative stuff, whether it's something like a Tesla or any of these tech stocks so to speak that exploded during

COVID, I have a lot of fun doing that. I don't necessarily advocate for that though, because my whole philosophy is, don't invest anything that you're not ready to lose. So that's my approach every time I invest in one of these, I assume it's gone right away, which obviously is a nice luxury to have, but I am investing very small amounts. But on top of that I've also become very interested lately in cryptocurrency and blockchain, just having some exposure to that as well. So that's my portfolio.

Richard Dri: Now do you invest any of this money within RRSP's or tax sheltered accounts or is it all in your corporation or in various corporations?

Evan Kubes: Absolutely. I do do that. I personally don't do that, I have my financial advisor, who I recommend everyone, go and use one because they're a lot smarter than you are at investing your money. So I have my own financial advisor take care of, like I said, the safe and important stuff that I don't have the time or necessarily the bandwidth or even education to really understand how best to do it.

Richard Dri: Good. Now how about from a risk point of view? Do you cover yourself for disability, critical illnesses or potentially even death?

Evan Kubes: Yeah, so I do have a life insurance. I am married, so I thought that was very important to get. It was also for me anyway, for my insurance broker, because I got it at the time that I did, the rate from me being in my mid twenties purchasing it, versus then just getting it let's say at 30 years old was a very significant change. Whereas getting at that point, locked it in a little bit more. So I always, from that I learned it's best to get things like life insurance earlier on because it will save you more dollars or financially in the long run.

Richard Dri: Yeah, for sure. How about income replacement? If you were to become disabled and you can't practice law or you can't work with your contacts at Rumble, and I know it sounds like you would have to be extremely disabled not to be able to do that, but it can happen. Have you looked at anything such as, it's called disability insurance or critical illness. They're not the same, but they're in the same field. Have you looked at that?

Evan Kubes: Yeah, so absolutely. So me personally I have not, having said that that is actually something my corporation is looking into now, for getting that at a preferred rate for all of our employees and contractors who may qualify.

Richard Dri: So a group disability plan that covers you and covers everybody else. Good, good.

Evan Kubes: Yeah. As far as I'm concerned, to be honest, I don't control that aspect of the business, but I know that's a discussion at board meetings.

Richard Dri: Okay. So let me bring this podcast to a close by asking you a favorite question of mine, which starts by trying to define what financial independence means to you and to your family. You've had a pretty interesting runway so far, and I'm sure it's not over and there will be some other areas that you're going to go into. But if we could take a second and just look at the

word or the objective financial independence, now that can mean different things to different people. For sure, and I've asked so many people this particular question, and I'm surprised every time I ask it because there's no consistency. The question is, how do you define financial independence? How will you know when you've hit financial independence? So Evan, take a crack at that, please.

Evan's definition of financial independence and how to achieve it (42:48)

Evan Kubes: Yeah, I think I can put it quite simply. Financial independence for me is really the ability for me to go to a Starbucks at 9:00 AM, sit there all day with a coffee and read a book, and not have to check an email. That's pretty much what it is for me.

Richard Dri: Now. How do you get there? Have you thought of how? That's a great goal, go to Starbucks. I often see people there for hours and hours. And I wonder, "Wow- they either must be financially independent or they must be broke." Or I don't know.

Evan Kubes: Or out of work. They're either out of work or very financially independent. Exactly how I view it too. But then hopefully it's of the latter being financially independent.

Richard Dri: I hope so. Yes. I guess that means that what, you have other people running the company, you have enough money to pay for Starbucks lattes.

Evan Kubes: Exactly.

Richard Dri: Yeah. Maybe add a little more color to that.

Evan Kubes: Yeah, so obviously wealth doesn't just mean financial security. It means your health and a whole lot of other things, but if we're talking strictly what it means or how do you get to financial independence? There's no real answer to that, there's no correct answer. It could be a lot of ways. You can buy a lottery ticket and get financially independent, but obviously that's very unlikely. I think it's investing smart. It's living below your means and just, not investing in a risk-first type of way. It's doing it very safely, very smartly. Like I said I think just living below your means and working hard.

I don't know if there's a clear answer for that for me, that's the approach I take. I use a financial advisor. I invest the vast majority of my income with them in very safe growth type things that are quite stable. Of course I have some fun on the side with whatever I can afford for the play money that may hit big. On the crypto side, on the tech side, whatever, but I'm also always ready to lose it. So it's living below your means and just investing smartly, I think is the two key approaches to achieving financial independence.

Richard Dri: Well very good Evan, I appreciate the definition for you. That's great. Well Evan, I've learned a lot about esports and gaming, and I didn't know that there were so many moving

parts and how big it has become in terms of a global market and in terms of revenue and in terms of people involved. So thank you for that. I think my listeners will have learned quite a bit today. I do wish you the very best in both your law firm and in the agency and, of course, all of the smaller firms or smaller companies that you have invested in. I hope to have you on the podcast again and see how things have gone for you and your investment. So thank you very much Evan.

Evan Kubes: Thank you very much for having me, Richard. It was great.