

Vampire Porn

MindGeek is a cautionary tale of consolidating production and distribution in a single, monopolistic owner.

By [David Auerbach](#)



Illustration by Robert Neubecker

Video sites are by far the biggest consumers of bandwidth on the Web: Netflix, YouTube, Twitch ... MindGeek. Or maybe that last one doesn't ring a bell? MindGeek (formerly known as Manwin) has over 100 million daily visitors and is one of the top 10 consumers of bandwidth; [some reports have them in the top three.*](#) They operate nearly a hundred websites that in total consume more bandwidth than Twitter, Amazon, or Facebook. Of all top content providers, though, MindGeek has by far the most shadowy presence. Its website says they are “pioneering the future of online traffic”—but doesn't say much about what they actually do with all that bandwidth.

MindGeek is a porn provider. Or more accurately, *the* porn provider. MindGeek has become the porn monopoly, putting industry members in the paradoxical position of working for the very company that profits from the piracy of their work. The MindGeek hydra exerts so much force that people in the online-porn industry are scared to talk about it for fear of blacklisting. And MindGeek's dominance should serve as a cautionary tale of the dangers of consolidating production and distribution in a single monopolistic owner.

Because of taboos surrounding pornography, no antitrust actions are going to be taken against MindGeek any time soon.

Specifically, MindGeek owns a large number of porn aggregator “tube sites” (so named because they mimic YouTube’s format) such as Pornhub, YouPorn, and Redtube, which serve up huge amounts of free porn funded by ads. According to porn-industry blogger Mike South, MindGeek now owns eight of the top 10 of these aggregator sites (the exceptions being xHamster and Xvideos). These sites, whether owned by MindGeek or not, notoriously host a *lot* of pirated content. While each individual tube site responds to Digital Millennium Copyright Act (DMCA) takedown requests, most porn producers do not have the resources of movie studios or record labels to monitor piracy; [according to adult film star Siri](#), MindGeek’s sites “force copyright holders to jump through hoops to get our content removed.” South told me that consequently, production of porn films is down 75 percent from where it was eight years ago, and [DVD sales down 50 percent in that time](#). The general sentiment is that the porn business crash around 2008 was due to the rise of widescale piracy on tube sites and torrents, an increase in amateur porn, and the Great Recession.

The decline has continued since then, driving down fees and causing performers to look elsewhere to make ends meet. When South started in the industry, “I could count performers I know who did prostitution on one hand. Now I can count the performers I know who *don’t* do it on one hand.” [According to Salon](#), while performers working as escorts was rare and frowned upon in 2000, by the end of the decade it had become common. Adult performer Houston told *Salon*’s E. J. Dickson last year, “If you look at the escort sites, pretty much every porn star is on there.”

The crash in the porn business provided MindGeek with the opportunity to purchase high-profile porn content producers, including big names like Digital Playground (in 2012), at discounted rates, each of which themselves operate dozens of sites.* Alongside names like *Hustler* and *Vivid*, MindGeek effectively came to control a huge amount of the mainstream “traditional” porn industry—the Hollywood-like production scene based in California’s San Fernando Valley, which has given us Jenna Jameson and Sasha Grey. As Adult Empire director of business development [Colin Allerton told the Daily Dot](#), “every major studio and star is now partnered with MindGeek or has worked for a studio that MindGeek purchased.” Since then, industry workers have been in the difficult situation of seeing their work pirated on sites owned by the same company that pays them—imagine if Warner Brothers also owned the Pirate Bay. [The way Siri puts it](#), it’s as though Walmart drove mom-and-pop stores out of business “and then to top it off, went into the mom-and-pop shops and literally stole all of their products to be resold at Walmart.” It’s a tough time to be a mom-and-pop porn shop.

Even content producers *that MindGeek owns* have trouble getting their movies off MindGeek’s tube sites. The result has been a vampiric ecosystem: MindGeek’s producers make porn films mostly for the sake of being uploaded on to MindGeek’s free tube sites, with lower returns for the producers but higher returns for MindGeek, which makes money off of the tube ads that does not go to anyone involved in the production side.

Porn industry workers do not have many options available. [Actress Tasha Reign told ABC](#), “I kinda have to shoot for [MindGeek] because they own almost everything.” This total industry dominance

has had the effect of silencing performers against criticizing Mindgeek; people like South and Siri, who have openly condemned MindGeek's monopoly and power, are extremely rare. When asked, most [refuse to talk about piracy](#), worrying that MindGeek will blacklist them. Since MindGeek-owned companies provide huge amounts of advertising to Adult Video News and other industry news sites, they wield a great deal of influence over trade publications and events as well.

MindGeek itself has something of a checkered past. In 2009, [the Secret Service seized \\$6.4 million from bank accounts controlled by Mansef](#), a company founded by Stephane Manos and Ouissam Youssef, the assets of which Mansef later sold to German tech investor Fabian Thylmann, who made them part of a company he owned called Manwin. Manwin would later become MindGeek.* (Of the \$6.4 million that was seized, \$4.15 million was later released pursuant to a settlement with the federal government.)* In April 2011, [Manwin quietly secured a \\$362 million loan](#) from Wall Street firm Colbeck Capital, founded by former Goldman Sachs employees Jason Colodne and Jason Beckman. (Goldman Sachs distanced themselves from the two.) Colbeck's funds were in turn secured from other firms including [the troubled Fortress Capital](#), masking the Manwin association. Having used the loan to continue to acquire tube sites and content producers, Thylman was then extradited from Belgium to Germany in 2012 [for tax evasion](#) on Manwin's profits. In late 2013, Thylman was bought out by current CEO Ferras Antoon and COO David Tassillo, longtime players within the company, who now control operations from Montreal. (Manwin's name was changed to Mindgeek in 2013.)

With its business orienting toward optimizing views and links on its tube sites, MindGeek has sought to expand into "cleaner" areas of Internet business and portray itself as your average high-energy startup. It is uncertain whether this strategy will work, since the facade remains fairly transparent. [As one GlassDoor user wrote](#), "If you're interested in the 'Content Formatter' job, just be aware you're basically a glorified child porn screener, and you will be watching disgusting videos all day."

Because of the taboo surrounding pornography, especially in America, no antitrust actions are going to be taken against MindGeek any time soon, nor has much attention been paid to the increasing bind that industry workers find themselves in as a single corporate behemoth gobbles up companies. With shrinking competition, de facto sanctioned piracy, and falling pay rates, industry blogger Lux Alpraum told Mademan's Grant Stoddard that if MindGeek goes down, "it could take most of the porn industry with it."

As content-provider companies like Netflix and Amazon move into the content-production business, MindGeek provides a glimpse of how the alignment of incentives can change. The distributor doesn't necessarily need to make content that generates adequate money for the content producers, as long as it generates money *somehow*. None of these other companies will shift to the free ad-based model that MindGeek's tube sites use, but a company like Netflix may end up in a position of far greater strength if it comes to control a primary means of distribution—especially if it's one cheaper than cable—and movie studios and networks may end up having to cut deals with Netflix rather than the other way around. Right now content producers have tremendous influence with Netflix because Netflix needs their content, but should that balance of power change, Netflix will be

in the position of power, which is why HBO and others are racing to get into the online streaming business.

As for the porn industry, will anyone survive? South said that vertical sites catering to specific fetishes such as Kink.com are far more immune to MindGeek's vampirism ("There are riches in niches," he says), and South hopes that Google will eventually crack down on tube sites in general and derank them for mass piracy, shaking MindGeek's lock on the industry. Still, MindGeek's tremendous success is an unnerving indication of the degree to which centralized commodification can suck the life out of an entire industry.

***Correction, April 29, 2016:** *The original version of this article misstated that Stephane Manos and Ouissam Youssef were the founders of Mindgeek; Manos and Youssef were founders of Mansef. The assets of Mansef were sold to Fabian Thylmann who made them part of a company he owned called Manwin; Manwin would later become Mindgeek. ([Return.](#)) It also misstated that Mindgeek, not Mansef, controlled bank accounts seized by the Secret Service in 2009. ([Return.](#)) Lastly, Mindgeek did not purchase Brazzers in 2010. ([Return.](#))*

***Update, June 22, 2016:** *This article has been updated to state that of the \$6.4 million of Mansef's assets that were seized by the Secret Service, \$4.15 million was later released pursuant to a settlement with the federal government. ([Return.](#))*