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6 IN THE UNITED STATES DISTRICT COURT
7 FOR THE DISTRICT OF ARIZONA

8 XCENTRIC VENTURES, LLC, an Arizona
9 corporation, d/b/a
"RIPOFFREPORT.COM"; ED
10 MAGEDSON, an individual,

11 Plaintiff,

12 v.

13 WILLIAM "BILL" STANLEY, an
individual; WILLIAM "BILL" STANLEY
14 d/b/a DEFAMATION ACTION.COM;
WILLIAM "BILL" STANLEY d/b/a
15 COMPLAINTREMOVER.COM;
WILLIAM "BILL" STANLEY aka JIM
16 RICKSON; WILLIAM "BILL" STANLEY
aka MATT JOHNSON; ROBERT RUSSO,
17 an individual; ROBERT RUSSO d/b/a
COMPLAINTREMOVER.COM;
18 ROBERT RUSSO d/b/a
DEFENDMYNAME.COM; ROBERT
19 RUSSO d/b/a QED MEDIA GROUP,
L.L.C.; QED MEDIA GROUP, L.L.C.;
20 QED MEDIA GROUP, L.L.C. d/b/a
DEFENDMYNAME.COM; QED MEDIA
21 GROUP, L.L.C. d/b/a
COMPLAINTREMOVER.COM;
22 DEFAMATION ACTION LEAGUE, an
unincorporated association; and
23 INTERNET DEFAMATION LEAGUE, an
unincorporated association,

24 Defendants.

Case No. CV07-00954 PHX NVW

**ANSWER AND
COUNTERCLAIM OF
DEFENDANTS ROBERT RUSSO,
QED MEDIA GROUP, L.L.C.,
AND INTERNET DEFAMATION
LEAGUE, L.L.C.**

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1 For their Answer to Plaintiffs' Complaint, Defendants QED Media Group, LLC
2 ("QED Media Group"), Internet Defamation League, LLC ("IDL"), and Robert Russo
3 ("Russo") (collectively, the "QED Defendants") admit, deny, and allege as follows:

4 1. The QED Defendants admit the allegation in paragraph 1.

5 2. The QED Defendants admit the allegations in paragraph 2.

6 3. The QED Defendants admit the allegations in paragraph 3.

7 4. The QED Defendants lack sufficient knowledge or information on which to
8 form a belief as to the truth of the allegations in paragraph 4 and therefore deny the same.

9 5. The QED Defendants lack sufficient knowledge or information on which to
10 form a belief as to the truth of the allegations in paragraph 5 and therefore deny the same.

11 6. Answering paragraph 6, Defendant Russo admits that he is a resident of the
12 State of Maine. The QED Defendants deny the remaining allegations in paragraph 6.

13 7. Answering paragraph 7, the QED Defendants state that Defendant Russo
14 is the CEO and owner of QED Media Group, and that defendmyname.com is a brand
15 name of QED Media Group. The QED Defendants deny the remaining allegations in
16 paragraph 7.

17 8. The QED Defendants admit the allegation in paragraph 8.

18 9. Answering paragraph 9, the QED Defendants state that QED Media Group
19 is a Maine Limited Liability Company.

20 10. The QED Defendants deny the allegations in paragraph 10.

21 11. The QED Defendants deny the allegations in paragraph 11.

22 12. Answering paragraph 12, the QED Defendants admit that Plaintiffs have
23 alleged RICO violations, but deny that the QED Defendants have committed any RICO
24 violations. The QED Defendants further state that the legal conclusions asserted in
25 paragraph 12 require no response.

26 13. Answering paragraph 13, the QED Defendants admit that the Court has
27 subject matter jurisdiction in this case and state that the legal conclusions asserted in
28 paragraph 13 require no response.

1 14. Answering paragraph 14, the QED Defendants admit that Plaintiffs have
2 alleged a claim for Declaratory Judgment under Rule 57, Federal Rules of Civil
3 Procedure, but deny that Plaintiffs are entitled to the declaratory relief sought against the
4 QED Defendants.

5 15. Answering paragraph 15, the QED Defendants deny that they have engaged
6 or participated in any events or omissions giving rise to any of the claims asserted in the
7 Complaint. The QED Defendants lack sufficient knowledge or information on which to
8 form a belief as to the truth of the remaining allegations in paragraph 15 and therefore
9 deny the same.

10 **FACTS**

11 16. Paragraph 16 requires no response.

12 17. The QED Defendants lack sufficient knowledge or information on which
13 to form a belief as to the truth of the allegations in Paragraph 17 and therefore deny the
14 same.

15 18. The QED Defendants lack sufficient knowledge or information on which
16 to form a belief as to the truth of the allegations in Paragraph 18 and therefore deny the
17 same.

18 19. The QED Defendants deny the allegations in paragraph 19 to the extent
19 that those allegations are made against the QED Defendants. The QED Defendants lack
20 sufficient knowledge or information on which to form a belief as to the truth of the
21 remaining allegations in Paragraph 19 and therefore deny the same.

22 20. The QED Defendants lack sufficient knowledge or information on which
23 to form a belief as to the truth of the allegations in Paragraph 20 and therefore deny the
24 same.

25 21. The QED Defendants deny the allegations in paragraph 21 to the extent
26 that those allegations are made against the QED Defendants. The QED Defendants lack
27 sufficient knowledge or information on which to form a belief as to the truth of the
28 remaining allegations in Paragraph 21 and therefore deny the same.

1 22. The QED Defendants deny the allegations in paragraph 22 to the extent
2 that those allegations are made against the QED Defendants. The QED Defendants lack
3 sufficient knowledge or information on which to form a belief as to the truth of the
4 remaining allegations in Paragraph 22 and therefore deny the same.

5 23. The QED Defendants deny the allegations in paragraph 23 to the extent
6 that those allegations are made against the QED Defendants. The QED Defendants lack
7 sufficient knowledge or information on which to form a belief as to the truth of the
8 remaining allegations in Paragraph 23 and therefore deny the same.

9 24. The QED Defendants deny the allegations in paragraph 24 to the extent
10 that those allegations are made against the QED Defendants. The QED Defendants lack
11 sufficient knowledge or information on which to form a belief as to the truth of the
12 remaining allegations in Paragraph 24 and therefore deny the same.

13 25. The QED Defendants deny the allegations in paragraph 25 to the extent
14 that those allegations are made against the QED Defendants. The QED Defendants lack
15 sufficient knowledge or information on which to form a belief as to the truth of the
16 remaining allegations in Paragraph 25 and therefore deny the same.

17 26. The QED Defendants deny the allegations in paragraph 26 to the extent
18 that those allegations are made against the QED Defendants. The QED Defendants lack
19 sufficient knowledge or information on which to form a belief as to the truth of the
20 remaining allegations in Paragraph 26 and therefore deny the same.

21 27. The QED Defendants lack sufficient knowledge or information on which
22 to form a belief as to the truth of the allegations in Paragraph 27 and therefore deny the
23 same.

24 28. The QED Defendants lack sufficient knowledge or information on which
25 to form a belief as to the truth of the allegations in Paragraph 28 and therefore deny the
26 same.

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1 29. The QED Defendants lack sufficient knowledge or information on which
2 to form a belief as to the truth of the allegations in Paragraph 29 and therefore deny the
3 same.

4 30. The QED Defendants lack sufficient knowledge or information on which
5 to form a belief as to the truth of the allegations in Paragraph 30 and therefore deny the
6 same.

7 31. The QED Defendants lack sufficient knowledge or information on which
8 to form a belief as to the truth of the allegations in Paragraph 31 and therefore deny the
9 same.

10 32. The QED Defendants lack sufficient knowledge or information on which
11 to form a belief as to the truth of the allegations in Paragraph 32 and therefore deny the
12 same.

13 33. Answering paragraph 33, the QED Defendants admit that on or about
14 February 3, 2007, Defendant Russo had a telephone conversation with Plaintiff Magedson
15 but denies threatening that his members would “harass ROR’s service providers.”

16 34. The QED Defendants lack sufficient knowledge or information on which
17 to form a belief as to the truth of the allegations in Paragraph 34 and therefore deny the
18 same.

19 35. The QED Defendants lack sufficient knowledge or information on which
20 to form a belief as to the truth of the allegations in Paragraph 35 and therefore deny the
21 same.

22 36. The QED Defendants deny the allegations in paragraph 36.

23 37. Answering paragraph 37, the QED Defendants state that the contents of
24 the “letters” attached to the Complaint as Exhibit “A” speak for themselves. The QED
25 Defendants lack sufficient knowledge or information on which to form a belief as to the
26 truth of the remaining allegations in Paragraph 37 and therefore deny the same.

27 38. Answering paragraph 38, the QED Defendants state that the contents of the
28 “letters” attached to the Complaint as Exhibit “A” speak for themselves.

1 39. The QED Defendants lack sufficient knowledge or information on which
2 to form a belief as to the truth of the allegations in Paragraph 39 and therefore deny the
3 same.

4 40. The QED Defendants deny the allegations in paragraph 40 to the extent
5 that those allegations are made against the QED Defendants. The QED Defendants lack
6 sufficient knowledge or information on which to form a belief as to the truth of the
7 remaining allegations in Paragraph 40 and therefore deny the same.

8 41. The legal conclusions asserted in paragraph 41 require no response. The
9 QED Defendants lack sufficient knowledge or information on which to form a belief as
10 to the truth of the remaining allegations in Paragraph 41 and therefore deny the same.

11 42. The QED Defendants lack sufficient knowledge or information on which
12 to form a belief as to the truth of the allegations in Paragraph 42 and therefore deny the
13 same.

14 43. The QED Defendants lack sufficient knowledge or information on which
15 to form a belief as to the truth of the allegations in Paragraph 43 and therefore deny the
16 same.

17 44. The QED Defendants deny the allegations in paragraph 44.

18 45. The QED Defendants deny the allegations in paragraph 45 to the extent
19 that those allegations are made against the QED Defendants. The QED Defendants
20 lack sufficient knowledge or information on which to form a belief as to the truth of
21 the remaining allegations in Paragraph 45 and therefore deny the same.

22 46. The QED Defendants lack sufficient knowledge or information on which
23 to form a belief as to the truth of the allegations in Paragraph 46 and therefore deny the
24 same.

25 47. The QED Defendants lack sufficient knowledge or information on which
26 to form a belief as to the truth of the allegations in Paragraph 47 and therefore deny the
27 same.

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1 48. The QED Defendants lack sufficient knowledge or information on which
2 to form a belief as to the truth of the allegations in Paragraph 48 and therefore deny the
3 same.

4 49. The QED Defendants lack sufficient knowledge or information on which
5 to form a belief as to the truth of the allegations in Paragraph 49 and therefore deny the
6 same.

7 50. The QED Defendants lack sufficient knowledge or information on which
8 to form a belief as to the truth of the allegations in Paragraph 50 and therefore deny the
9 same.

10 51. The QED Defendants lack sufficient knowledge or information on which
11 to form a belief as to the truth of the allegations in Paragraph 51 and therefore deny the
12 same.

13 52. The QED Defendants lack sufficient knowledge or information on which
14 to form a belief as to the truth of the allegations in Paragraph 52 and therefore deny the
15 same.

16 53. The QED Defendants lack sufficient knowledge or information on which
17 to form a belief as to the truth of the allegations in Paragraph 53 and therefore deny the
18 same.

19 54. The QED Defendants lack sufficient knowledge or information on which
20 to form a belief as to the truth of the allegations in Paragraph 54 and therefore deny the
21 same.

22 55. The QED Defendants lack sufficient knowledge or information on which
23 to form a belief as to the truth of the allegations in Paragraph 55 and therefore deny the
24 same.

25 56. The QED Defendants lack sufficient knowledge or information on which
26 to form a belief as to the truth of the allegations in Paragraph 56 and therefore deny the
27 same.

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1 57. The QED Defendants admit the allegations in paragraph 57.

2 58. Answering paragraph 58, the QED Defendants deny that mariaspeth.com,
3 mariacrimispeth.com, and jaburgwilksucks.com “trace back to QED Media Group, LLC.
4 The QED Defendants lack sufficient knowledge or information on which to form a belief
5 as to the truth of the remaining allegations in Paragraph 58 and therefore deny the same.

6 59. The QED Defendants lack sufficient knowledge or information on which
7 to form a belief as to the truth of the allegations in Paragraph 59 and therefore deny the
8 same.

9 60. The QED Defendants deny the allegations in paragraph 60 to the extent
10 that those allegations are made against the QED Defendants. The QED Defendants
11 lack sufficient knowledge or information on which to form a belief as to the truth of the
12 remaining allegations in Paragraph 60 and therefore deny the same.

13 61. The QED Defendants deny the allegations in paragraph 61 to the extent
14 that those allegations are made against the QED Defendants. The QED Defendants lack
15 sufficient knowledge or information on which to form a belief as to the truth of the
16 remaining allegations in Paragraph 61 and therefore deny the same.

17 62. The QED Defendants deny the allegations in paragraph 62 to the extent
18 that those allegations are made against the QED Defendants. The QED Defendants lack
19 sufficient knowledge or information on which to form a belief as to the truth of the
20 remaining allegations in Paragraph 62 and therefore deny the same.

21 63. The QED Defendants deny the allegations in paragraph 63 to the extent
22 that those allegations are made against the QED Defendants. The QED Defendants lack
23 sufficient knowledge or information on which to form a belief as to the truth of the
24 remaining allegations in Paragraph 63 and therefore deny the same.

25 64. Answering paragraph 64, the QED Defendants admit that they promote
26 multiple lawful services for improving a client’s internet search profile, including services
27 aimed at repositioning or removing negative information about a client. The QED
28 Defendants deny any other allegations in paragraph 64 to the extent that those allegations

1 are made against the QED Defendants. The QED Defendants lack sufficient knowledge
2 or information on which to form a belief as to the truth of the remaining allegations in
3 Paragraph 64 and therefore deny the same.

4 65. The QED Defendants object to paragraph 65 as ambiguous and misleading
5 with respect to the phrase “removed a Rip-off Report or caused a Rip-off Report to be
6 removed,” and on that basis, Defendants deny the allegations in that paragraph to the
7 extent that they are made against the QED Defendants. Subject to this objection, the
8 QED Defendants state that they do not claim the ability to “remove” Rip-off Reports
9 from the ripoffreport.com website.

10 66. The QED Defendants object to paragraph 66 as ambiguous and misleading
11 in that the QED Defendants do not claim the ability to remove Rip-off Reports from the
12 ripoffreport.com website. The QED Defendants deny that they have made false
13 representations regarding their services.

14 **COUNT ONE**
15 **(Defamation)**

16 67. Paragraph 67 requires no response.

17 68. The QED Defendants deny the allegations in paragraph 68 to the extent
18 that those allegations are made against the QED Defendants. The QED Defendants lack
19 sufficient knowledge or information on which to form a belief as to the truth of the
20 remaining allegations in Paragraph 68 and therefore deny the same.

21 69. The QED Defendants deny the allegations in paragraph 69 to the extent
22 that those allegations are made against the QED Defendants. The QED Defendants lack
23 sufficient knowledge or information on which to form a belief as to the truth of the
24 remaining allegations in Paragraph 69 and therefore deny the same.

25 70. The QED Defendants deny the allegations in paragraph 70 to the extent
26 that those allegations are made against the QED Defendants. The QED Defendants lack
27 sufficient knowledge or information on which to form a belief as to the truth of the
28 remaining allegations in Paragraph 70 and therefore deny the same.

1 71. The QED Defendants deny the allegations in paragraph 71 to the extent
2 that those allegations are made against the QED Defendants. The QED Defendants lack
3 sufficient knowledge or information on which to form a belief as to the truth of the
4 remaining allegations in Paragraph 71 and therefore deny the same.

5 72. The QED Defendants deny the allegations in paragraph 72 to the extent
6 that those allegations are made against the QED Defendants. The QED Defendants lack
7 sufficient knowledge or information on which to form a belief as to the truth of the
8 remaining allegations in Paragraph 72 and therefore deny the same.

9 73. The QED Defendants deny the allegations in paragraph 73 to the extent
10 that those allegations are made against the QED Defendants. The QED Defendants lack
11 sufficient knowledge or information on which to form a belief as to the truth of the
12 remaining allegations in Paragraph 73 and therefore deny the same.

13 74. The QED Defendants deny the allegations in paragraph 74 to the extent
14 that those allegations are made against the QED Defendants. The QED Defendants lack
15 sufficient knowledge or information on which to form a belief as to the truth of the
16 remaining allegations in Paragraph 74 and therefore deny the same.

17 75. The QED Defendants deny the allegations in paragraph 75 to the extent
18 that those allegations are made against the QED Defendants. The QED Defendants lack
19 sufficient knowledge or information on which to form a belief as to the truth of the
20 remaining allegations in Paragraph 75 and therefore deny the same.

21 76. The QED Defendants deny the allegations in paragraph 76 to the extent
22 that those allegations are made against the QED Defendants. The QED Defendants lack
23 sufficient knowledge or information on which to form a belief as to the truth of the
24 remaining allegations in Paragraph 76 and therefore deny the same.

COUNT TWO
(False Light)

27 77. Paragraph 77 requires no response.

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1 78. The QED Defendants deny the allegations in paragraph 78 to the extent
2 that those allegations are made against the QED Defendants. The QED Defendants lack
3 sufficient knowledge or information on which to form a belief as to the truth of the
4 remaining allegations in Paragraph 78 and therefore deny the same.

5 79. The QED Defendants deny the allegations in paragraph 79 to the extent
6 that those allegations are made against the QED Defendants. The QED Defendants lack
7 sufficient knowledge or information on which to form a belief as to the truth of the
8 remaining allegations in Paragraph 79 and therefore deny the same.

9 80. The QED Defendants deny the allegations in paragraph 80 to the extent
10 that those allegations are made against the QED Defendants. The QED Defendants lack
11 sufficient knowledge or information on which to form a belief as to the truth of the
12 remaining allegations in Paragraph 80 and therefore deny the same.

13 81. Answering paragraph 81, the QED Defendants deny that they have caused
14 any damages to Plaintiffs.

15 **COUNT THREE**
16 **(Declaratory Judgment)**

17 82. Paragraph 82 requires no response.

18 83. The QED Defendants object to paragraph 83 as vague and ambiguous, and
19 on that basis, the QED Defendants deny the allegations in paragraph 83 to the extent that
20 they are asserted against the QED Defendants.

21 84. Answering paragraph 84, the QED Defendants deny that they made any
22 false statements as alleged by Plaintiffs. The QED Defendants further deny that Plaintiffs
23 are entitled to any declaratory judgment based on Plaintiffs' false allegations of false
24 statements against the QED Defendants. The QED Defendants lack sufficient knowledge
25 or information on which to form a belief as to the truth of the remaining allegations in
26 Paragraph 84 and therefore deny the same.

27 85. Answering paragraph 85, the QED Defendants deny that they committed
28 any acts that caused or risk causing irreparable injury to Plaintiffs. The QED Defendants

1 further deny that Plaintiffs are entitled to any declaratory judgment based on Plaintiffs'
2 allegations of irreparable injury. The QED Defendants lack sufficient knowledge or
3 information on which to form a belief as to the truth of the remaining allegations in
4 Paragraph 85 and therefore deny the same.

5 86. The allegation in paragraph 86 is a legal conclusion that requires no
6 response.

7 87. Answering paragraph 87, the QED Defendants deny that Plaintiffs are
8 entitled to attorneys' fees and costs based on any allegations against the QED Defendants.

9 **COUNT FOUR**
10 **(Conspiracy)**

11 88. Paragraph 88 requires no response.

12 89. The QED Defendants deny the allegations in paragraph 89 to the extent
13 that those allegations are made against the QED Defendants. The QED Defendants lack
14 sufficient knowledge or information on which to form a belief as to the truth of the
15 remaining allegations in Paragraph 89 and therefore deny the same.

16 **COUNT FIVE**
17 **(Wrongful Intentional Interference with Contract)**

18 90. Paragraph 90 requires no response.

19 91. The QED Defendants deny the allegations in paragraph 91 to the extent
20 that those allegations are made against the QED Defendants. The QED Defendants lack
21 sufficient knowledge or information on which to form a belief as to the truth of the
22 remaining allegations in Paragraph 91 and therefore deny the same.

23 92. The QED Defendants deny the allegations in paragraph 92 to the extent
24 that those allegations are made against the QED Defendants. The QED Defendants lack
25 sufficient knowledge or information on which to form a belief as to the truth of the
26 remaining allegations in Paragraph 92 and therefore deny the same.

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1 93. The QED Defendants deny the allegations in paragraph 93 to the extent
2 that those allegations are made against the QED Defendants. The QED Defendants lack
3 sufficient knowledge or information on which to form a belief as to the truth of the
4 remaining allegations in Paragraph 93 and therefore deny the same.

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6 **COUNT SIX**
(Violation of A.R.S. § 13-1804)

7 94. Paragraph 94 requires no response.

8 95. The QED Defendants deny the allegations in paragraph 95 to the extent
9 that those allegations are made against the QED Defendants. The QED Defendants lack
10 sufficient knowledge or information on which to form a belief as to the truth of the
11 remaining allegations in Paragraph 95 and therefore deny the same.

12 96. The QED Defendants deny the allegations in paragraph 96 to the extent
13 that those allegations are made against the QED Defendants. The QED Defendants lack
14 sufficient knowledge or information on which to form a belief as to the truth of the
15 remaining allegations in Paragraph 96 and therefore deny the same.

16 97. The QED Defendants deny the allegations in paragraph 97 to the extent
17 that those allegations are made against the QED Defendants. The QED Defendants lack
18 sufficient knowledge or information on which to form a belief as to the truth of the
19 remaining allegations in Paragraph 97 and therefore deny the same.

20 98. The QED Defendants deny the allegations in paragraph 98 to the extent
21 that those allegations are made against the QED Defendants. The QED Defendants lack
22 sufficient knowledge or information on which to form a belief as to the truth of the
23 remaining allegations in Paragraph 98 and therefore deny the same.

24 99. The QED Defendants deny the allegations in paragraph 99 to the extent
25 that those allegations are made against the QED Defendants. The QED Defendants lack
26 sufficient knowledge or information on which to form a belief as to the truth of the
27 remaining allegations in Paragraph 99 and therefore deny the same.

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COUNT SEVEN
(Violation of 18 U.S.C. § 1961 et. seq)

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100. Paragraph 100 requires no response.

101. The QED Defendants lack sufficient knowledge or information on which to form a belief as to the truth of the allegations in Paragraph 101 and therefore deny the same.

102. The QED Defendants lack sufficient knowledge or information on which to form a belief as to the truth of the allegations in Paragraph 102 and therefore deny the same.

103. The QED Defendants deny the allegations in paragraph 193.

104. The allegations in paragraph 104 constitute legal conclusions that require no response.

105. The allegations in paragraph 105 constitute legal conclusions that require no response.

106. The QED Defendants deny the allegations in paragraph 106 to the extent that those allegations are made against the QED Defendants. The QED Defendants lack sufficient knowledge or information on which to form a belief as to the truth of the remaining allegations in Paragraph 106 and therefore deny the same.

107. The QED Defendants object to paragraph 107 as vague and ambiguous, and on that basis, Defendants deny the allegations in that paragraph to the extent that they are made against the QED Defendants.

108. The QED Defendants object to paragraph 108 as vague and ambiguous, and on that basis, Defendants deny the allegations in that paragraph to the extent that they are made against the QED Defendants.

109. The allegations in paragraph 109 constitute legal conclusions that require no response.

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1 110. The QED Defendants object to paragraph 110 as vague and ambiguous with
2 respect to the term “associated,” and on that basis, Defendants deny the allegations in that
3 paragraph to the extent that they are made against the QED Defendants.

4 111. The QED Defendants deny the allegations in paragraph 111 to the extent
5 that those allegations are made against the QED Defendants. The QED Defendants lack
6 sufficient knowledge or information on which to form a belief as to the truth of the
7 remaining allegations in Paragraph 111 and therefore deny the same.

8 112. The QED Defendants deny the allegations in paragraph 112 to the extent
9 that those allegations are made against the QED Defendants. The QED Defendants lack
10 sufficient knowledge or information on which to form a belief as to the truth of the
11 remaining allegations in Paragraph 112 and therefore deny the same.

12 113. The QED Defendants deny the allegations in paragraph 113 to the extent
13 that those allegations are made against the QED Defendants. The QED Defendants lack
14 sufficient knowledge or information on which to form a belief as to the truth of the
15 remaining allegations in Paragraph 113 and therefore deny the same.

16 114. The QED Defendants deny the allegations in paragraph 114 to the extent
17 that those allegations are made against the QED Defendants. The QED Defendants lack
18 sufficient knowledge or information on which to form a belief as to the truth of the
19 remaining allegations in Paragraph 114 and therefore deny the same.

20 115. The QED Defendants deny the allegations in paragraph 115 to the extent
21 that those allegations are made against the QED Defendants. The QED Defendants lack
22 sufficient knowledge or information on which to form a belief as to the truth of the
23 remaining allegations in Paragraph 115 and therefore deny the same.

24 116. The QED Defendants deny the allegations in paragraph 116 to the extent
25 that those allegations are made against the QED Defendants. The QED Defendants lack
26 sufficient knowledge or information on which to form a belief as to the truth of the
27 remaining allegations in Paragraph 116 and therefore deny the same.

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1 117. The QED Defendants deny the allegations in paragraph 117 to the extent
2 that those allegations are made against the QED Defendants. The QED Defendants lack
3 sufficient knowledge or information on which to form a belief as to the truth of the
4 remaining allegations in Paragraph 117 and therefore deny the same.

5 118. The QED Defendants deny the allegations in paragraph 118 to the extent
6 that those allegations are made against the QED Defendants. The QED Defendants lack
7 sufficient knowledge or information on which to form a belief as to the truth of the
8 remaining allegations in Paragraph 118 and therefore deny the same.

9 119. The QED Defendants deny the allegations in paragraph 119 to the extent
10 that those allegations are made against the QED Defendants. The QED Defendants lack
11 sufficient knowledge or information on which to form a belief as to the truth of the
12 remaining allegations in Paragraph 119 and therefore deny the same.

13 120. The QED Defendants deny the allegations in paragraph 120 to the extent
14 that those allegations are made against the QED Defendants. The QED Defendants lack
15 sufficient knowledge or information on which to form a belief as to the truth of the
16 remaining allegations in Paragraph 120 and therefore deny the same.

17 121. Answering paragraph 121, the QED Defendants deny that Plaintiffs are
18 entitled to any damages from the QED Defendants.

19 **COUNT EIGHT**
20 **(Rico Conspiracy)**

21 122. Paragraph 122 requires no response.

22 123. The QED Defendants deny the allegations in paragraph 123 to the extent
23 that those allegations are made against the QED Defendants. The QED Defendants lack
24 sufficient knowledge or information on which to form a belief as to the truth of the
25 remaining allegations in Paragraph 123 and therefore deny the same.

26 124. Answering paragraph 124, the QED Defendants deny that Plaintiffs are
27 entitled to any damages from the QED Defendants.

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COUNT NINE
(Arizona RICO)

125. Paragraph 125 requires no response.

126. The QED Defendants deny the allegations in paragraph 126 to the extent that those allegations are made against the QED Defendants. The QED Defendants lack sufficient knowledge or information on which to form a belief as to the truth of the remaining allegations in Paragraph 126 and therefore deny the same.

127. The QED Defendants deny the allegations in paragraph 127 to the extent that those allegations are made against the QED Defendants. The QED Defendants lack sufficient knowledge or information on which to form a belief as to the truth of the remaining allegations in Paragraph 127 and therefore deny the same.

128. Answering paragraph 128, the QED Defendants deny that they have committed any violations of A.R.S. § 12-2310 and further deny that Plaintiffs have been damaged as a result of any actions by the QED Defendants.

COUNT TEN
(Punitive Damages)

129. Paragraph 129 requires no response.

130. The QED Defendants deny the allegations in paragraph 130 to the extent that those allegations are made against the QED Defendants. The QED Defendants lack sufficient knowledge or information on which to form a belief as to the truth of the remaining allegations in Paragraph 130 and therefore deny the same.

131. The QED Defendants deny the allegations in paragraph 131 to the extent that those allegations are made against the QED Defendants. The QED Defendants lack sufficient knowledge or information on which to form a belief as to the truth of the remaining allegations in Paragraph 131 and therefore deny the same.

132. Answering paragraph 132, the QED Defendants deny that Plaintiffs are entitled to punitive damages for any actions by the QED Defendants.

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1 133. The QED Defendants deny each and every allegation in Plaintiffs’
2 Complaint not expressly admitted herein.

3 **AFFIRMATIVE DEFENSES**

- 4 A. Plaintiffs’ Complaint fails to state a claim upon which relief may be granted;
5 B. Plaintiffs’ Complaint is barred by the statute of limitations;
6 C. Plaintiffs’ Complaint is barred by the doctrines of laches, waiver, and
7 estoppel;
8 D. The QED Defendants reserve the right to assert any additional affirmative
9 defenses, including those identified in Rule 8, Fed. R. Civ P., as those defenses come to
10 light during the course of this litigation.

11 **PRAYER FOR RELIEF**

12 WHEREFORE, the QED Defendants respectfully request the following relief;

- 13 A. That the Court enter judgment in favor of the QED Defendants, and against
14 Plaintiffs;
15 B. For the QED Defendants’ costs and attorneys’ fees incurred defending this
16 Complaint;
17 C. For such other and further relief as may be just under the circumstances.

18 **COUNTERCLAIM**

19 For their Counterclaim, Russo and QED Media Group (collectively
20 “Counterclaimants”) allege as follows:

21 **Parties, Jurisdiction, and Venue**

- 22 1. Counterclaimant QED Media Group is a Maine limited Liability Company
23 with its principal place of business in Cumberland County, Maine.
24 2. Counterclaimant Russo is a single man residing in Cumberland County,
25 Maine, and is the CEO and owner of QED Media Group.
26 3. Counterdefendant Ed Magedson (“Magedson”) is a single man residing in
27 Maricopa County, Arizona.

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1 4. The amount in controversy in this counterclaim exceeds \$75,000, exclusive
2 of interest and costs, and this Court has subject matter jurisdiction over this counterclaim
3 under 28 U.S.C. § 1332(a);

4 5. Subject matter jurisdiction over this counterclaim is also conferred by 28
5 U.S.C. § 1367, based on Plaintiffs’ allegations in their Complaint.

6 6. Magedson has committed acts within the District of Arizona that give rise
7 to this counterclaim and that have damaged Counterclaimants. Venue is proper under
8 28 U.S.C. § 1391.

9 **Background Facts**

10 7. QED Media Group is an internet service provider with offices in the United
11 States, South America, Canada, the UK, and Central Europe.

12 8. QED Media Group provides its clients with an array of services, including
13 software design, website design, front office support, internet marketing, and public
14 relations.

15 9. As part of its public relations services, QED Media Group uses a host of
16 lawful reputation management strategies to protect its clients’ reputations from the
17 publication and dissemination of defamatory information about those clients on the
18 internet. QED Media Group’s services and strategies are widely used and accepted in
19 the online industry.

20 10. QED Media Group’s reputation management strategies are aimed at
21 removing defamatory information about QED Media Group’s clients from the internet
22 or minimizing the ability to access such misinformation through internet searches.

23 11. Among these strategies, QED Media Group communicates directly with
24 website operators about revising or removing defamatory information. In addition,
25 QED Media Group employs various techniques and technologies that optimize the search
26 engine profiles of its clients by lowering the ranking of search results that contain
27 defamatory content.

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1 12. QED Media Group’s reputation management strategies assist clients with
2 combating the destructive impact of defamatory content easily accessible by anyone with
3 an internet connection from anywhere in the world.

4 13. QED Media Group gets many of its clients through referral sources.
5 Defendant William Stanley (“Stanley”) is one of many such referral sources.

6 14. Russo has never personally met Stanley. Other than the referral agreement
7 between QED Media Group and Stanley, neither Russo nor QED Media Group has a
8 relationship, business or otherwise, with Stanley.

9 15. An inordinate number of calls to QED Media Group for its services come
10 from clients who have been defamed by content on Counterdefendant Magedson’s
11 website, ripoffreport.com.

12 16. Magedson and his company, Xcentric Ventures, operate ripoffreport.com,
13 which is also accessible through the web address badbusinessbureau.com.

14 17. On his website, Magedson encourages users to anonymously post
15 disparaging information about companies and individuals believed by ripoffreport.com
16 users to “ripoff consumers.”

17 18. Once these ripoff “reports” are published, they quickly climb to prominent
18 positions in web search engine results. Often, a ripoff report will be ranked at or near the
19 very top of search results, even above the victim’s own company website.

20 19. Magedson and his company take great care to conceal the identity of users
21 of his ripoffreport.com website who post anonymous disparaging comments about
22 companies and individuals. For example, Magedson and his other “editors” review
23 reports before they are published and remove personally identifying information about
24 the users.

25 20. Conversely, Magedson offers no such protection to the disparaged victims
26 of those reports. Many of these published ripoff “reports” contain photographs, addresses,
27 and phone numbers of the victims.

28 ///

1 21. Nor does Magedson make any attempt to verify the accuracy of disparaging
2 information posted by users before that information is published and accessible to internet
3 users all over the world. Magedson even boasts that he has a policy of never removing
4 any report, even if a report is proven to be defamatory.

5 22. Magedson flaunts this policy to never remove reports while hiding behind
6 the “safe harbor” provision of the Federal Communications Decency Act (the “CDA”),
7 which Magedson believes gives him absolute immunity from liability for his actions.

8 23. Magedson then uses the power of his ripoffreport.com website and his
9 interpretation of the CDA as tools for extorting victims of these widely-published ripoff
10 “reports.” Specifically, Magedson offers to accept exorbitant sums of money to “update”
11 disparaging ripoff reports as part of Magedson’s so-called “Corporate Advocacy and
12 Remediation Program.”

13 24. Victim’s of Magedson’s disparaging reports are thus faced with three
14 unsatisfactory options: (1) live with the worldwide publication of defamatory
15 misinformation about the victim, (2) accede to Magedson’s extortive money demands, or
16 (3) initiate an expensive lawsuit against Magedson (who has a history of evading service
17 of process).

18 25. In February 2006, Russo contacted Magedson on behalf of certain clients
19 regarding certain defamatory ripoffreport.com reports about QED Media Group’s clients
20 that ranked at or near the top of search engine results.

21 26. Russo attempted to negotiate with Magedson about possible options for
22 removing such defamatory reports, or “privatizing” such reports so that they did not
23 appear in web search results.

24 27. Magedson became angry and rude, refusing to negotiate reasonably with
25 Russo.

26 28. Because attempts to negotiate directly with Magedson were unsuccessful,
27 QED Media Group relied on its other reputation management strategies to assist those
28 clients who had become victims of Magedson’s defamatory ripoff reports. As a result,

1 the web search engine results for QED Media Group's clients improved, and the rankings
2 of defamatory ripoff reports about those clients fell from the first page of search results.

3 29. In retaliation for QED Media Group's assistance to its clients, Magedson
4 devised a scheme to defame the reputations of Russo and QED Media Group.

5 30. In February, 2007, Magedson publicized defamatory remarks about Russo
6 and QED Media Group to numerous members of the professional media.

7 31. Specifically, Magedson sent an email to numerous reporters that identified
8 Russo's affiliation with QED Media Group and that accused Russo of being an "internet
9 terrorist" and a member of an "internet terrorist organization."

10 32. Magedson's email falsely suggests that Russo participated in sending
11 Magedson two anonymous "letters" containing violent personal threats against Magedson,
12 his family, and his dog. Those letters were attached to the email. (*See Exhibit A.*)

13 33. Magedson has a history of accusing victims of his website who attempt to
14 defend themselves with making death threats against Magedson. On information and
15 belief, Magedson wrote the letters attached as Exhibit B himself as part of his scheme
16 to defame the reputations of Russo and QED Media Group.

17 34. On March 3, 2007, Magedson filed a report with the Mesa Police
18 Department in which he accused Russo of sending the threatening letters. (*See Exhibit B.*)

19 35. Magedson also gave the Mesa Police Department copies of audio recordings
20 that Magedson considered "evidence" of Russo's involvement.

21 36. Magedson told the Mesa Police Department that he did not want to give his
22 address to the Department because he feared that he Mesa police officers would "assault"
23 Magedson.

24 37. The Mesa Police Department listened to the tapes provided by Magedson
25 and found no personal threats against Magedson. All of the conversations pertained to
26 "shutting down" Magedson's ripoffreport.com website.

27 38. The Mesa Police Department also confirmed that the identity of the
28 anonymous letters is not known.

1 49. Magedson's wrongful actions were committed with the requisite evil mind
2 under Arizona law to warrant the imposition of punitive damages.

3 **Count Two**
4 **(False Light)**

5 50. Counterclaimants re-allege and incorporate by reference all paragraphs of
6 this Complaint as though fully set forth in Count Two.

7 51. Magedson's statements and actions have placed Russo and QED Media
8 Group in a false light.

9 52. The false light in which Russo and QED Media Group have been placed as
10 a result of Magedson's statements and actions would be highly offensive to a reasonable
11 person.

12 53. Magedson knew that the statements and impressions created by his actions
13 were false, or Magedson acted in reckless disregard for the truth or falsity of those
14 statements and impressions.

15 54. As a direct and proximate result of Magedson's wrongful statements and
16 actions, Russo and QED Media Group have been damaged in an amount to be proven at
17 trial.

18 55. Magedson's wrongful actions were committed with the requisite evil mind
19 under Arizona law to warrant the imposition of punitive damages.

20 WHEREFORE, Counterclaimants Russo and QED Media Group pray for relief as
21 follows:

- 22 A. Direct, incidental, and consequential damages in an amount to be proven
23 at trial;
- 24 B. Punitive damages;
- 25 C. Injunctive relief prohibiting Magedson from repeating defamatory
26 statements against Russo and QED Media Group;
- 27 D. Attorneys' fees and costs; and
- 28 E. Any further relief that this Court deems just and appropriate.

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Jury Demand

Counterclaimants hereby demand a trial by jury.

DATED this 17th Day of May, 2007.

SNELL & WILMER L.L.P.

By /s/ Michael K. Dana
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CERTIFICATE OF SERVICE

I hereby certify that on May 17, 2007 I electronically transmitted the foregoing to the Clerk's Office using the CM/ECF System for filing to the following CM/ECF participant:

Maria Crimi Speth
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3200 North Central Avenue
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Attorneys for Plaintiffs

I further certify that on May 17, 2007, I served a courtesy copy of the aforementioned document and transmittal of a Notice of Electronic Filing by mail on the following:

The Honorable Neil V. Wake
United States District Court
401 West Washington Street,
Phoenix, AZ 85003

/s/ E. E. Szafranski -