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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

**FIRST AMENDED 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 First Amended Answer to Plaintiffs' Complaint, Defendants QED Media
2 Group, LLC ("QED Media Group"), Internet Defamation League, LLC ("IDL"), and
3 Robert Russo ("Russo") (collectively, the "QED Defendants") admit, deny, and allege as
4 follows:

- 5 1. The QED Defendants admit the allegation in paragraph 1.
- 6 2. The QED Defendants admit the allegations in paragraph 2.
- 7 3. The QED Defendants admit the allegations in paragraph 3.
- 8 4. The QED Defendants lack sufficient knowledge or information on which to
9 form a belief as to the truth of the allegations in paragraph 4 and therefore deny the same.
- 10 5. The QED Defendants lack sufficient knowledge or information on which to
11 form a belief as to the truth of the allegations in paragraph 5 and therefore deny the same.
- 12 6. Answering paragraph 6, Defendant Russo admits that he is a resident of the
13 State of Maine. The QED Defendants deny the remaining allegations in paragraph 6.
- 14 7. Answering paragraph 7, the QED Defendants state that Defendant Russo
15 is the CEO and owner of QED Media Group, and that defendmyname.com is a brand
16 name of QED Media Group. The QED Defendants deny the remaining allegations in
17 paragraph 7.
- 18 8. The QED Defendants admit the allegation in paragraph 8.
- 19 9. Answering paragraph 9, the QED Defendants state that QED Media Group
20 is a Maine Limited Liability Company.
- 21 10. The QED Defendants deny the allegations in paragraph 10.
- 22 11. The QED Defendants deny the allegations in paragraph 11.
- 23 12. Answering paragraph 12, the QED Defendants admit that Plaintiffs have
24 alleged RICO violations, but deny that the QED Defendants have committed any RICO
25 violations. The QED Defendants further state that the legal conclusions asserted in
26 paragraph 12 require no response.

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1 21. The QED Defendants deny the allegations in paragraph 21 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 21 and therefore deny the same.

5 22. The QED Defendants deny the allegations in paragraph 22 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 22 and therefore deny the same.

9 23. The QED Defendants deny the allegations in paragraph 23 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 23 and therefore deny the same.

13 24. The QED Defendants deny the allegations in paragraph 24 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 24 and therefore deny the same.

17 25. The QED Defendants deny the allegations in paragraph 25 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 25 and therefore deny the same.

21 26. The QED Defendants deny the allegations in paragraph 26 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 26 and therefore deny the same.

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

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

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

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

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

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

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

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

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

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

26 37. Answering paragraph 37, the QED Defendants state that the contents of
27 the “letters” attached to the Complaint as Exhibit “A” speak for themselves. The QED

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1 Defendants lack sufficient knowledge or information on which to form a belief as to the
2 truth of the remaining allegations in Paragraph 37 and therefore deny the same.

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

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

8 40. The QED Defendants deny the allegations in paragraph 40 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 40 and therefore deny the same.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 61. The QED Defendants deny the allegations in paragraph 61 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 61 and therefore deny the same.

20 62. The QED Defendants deny the allegations in paragraph 62 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 62 and therefore deny the same.

24 63. The QED Defendants deny the allegations in paragraph 63 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 63 and therefore deny the same.

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1 70. The QED Defendants deny the allegations in paragraph 70 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 70 and therefore deny the same.

5 71. The QED Defendants deny the allegations in paragraph 71 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 71 and therefore deny the same.

9 72. The QED Defendants deny the allegations in paragraph 72 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 72 and therefore deny the same.

13 73. The QED Defendants deny the allegations in paragraph 73 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 73 and therefore deny the same.

17 74. The QED Defendants deny the allegations in paragraph 74 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 74 and therefore deny the same.

21 75. The QED Defendants deny the allegations in paragraph 75 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 75 and therefore deny the same.

25 76. The QED Defendants deny the allegations in paragraph 76 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 76 and therefore deny the same.

COUNT TWO
(False Light)

1
2 77. Paragraph 77 requires no response.

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

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

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

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

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18 **COUNT THREE**
(Declaratory Judgment)

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20 82. Paragraph 82 requires no response.

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

24 84. Answering paragraph 84, the QED Defendants deny that they made any
25 false statements as alleged by Plaintiffs. The QED Defendants further deny that Plaintiffs
26 are entitled to any declaratory judgment based on Plaintiffs' false allegations of false
27 statements against the QED Defendants. The QED Defendants lack sufficient knowledge

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1 or information on which to form a belief as to the truth of the remaining allegations in
2 Paragraph 84 and therefore deny the same.

3 85. Answering paragraph 85, the QED Defendants deny that they committed
4 any acts that caused or risk causing irreparable injury to Plaintiffs. The QED Defendants
5 further deny that Plaintiffs are entitled to any declaratory judgment based on Plaintiffs'
6 allegations of irreparable injury. The QED Defendants lack sufficient knowledge or
7 information on which to form a belief as to the truth of the remaining allegations in
8 Paragraph 85 and therefore deny the same.

9 86. The allegation in paragraph 86 is a legal conclusion that requires no
10 response.

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

13 **COUNT FOUR**
14 **(Conspiracy)**

15 88. Paragraph 88 requires no response.

16 89. The QED Defendants deny the allegations in paragraph 89 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 89 and therefore deny the same.

20 **COUNT FIVE**
21 **(Wrongful Intentional Interference with Contract)**

22 90. Paragraph 90 requires no response.

23 91. The QED Defendants deny the allegations in paragraph 91 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 91 and therefore deny the same.

27 92. The QED Defendants deny the allegations in paragraph 92 to the extent
28 that those allegations are made against the QED Defendants. The QED Defendants lack

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1 sufficient knowledge or information on which to form a belief as to the truth of the
2 remaining allegations in Paragraph 92 and therefore deny the same.

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

7
8 **COUNT SIX**
(Violation of A.R.S. § 13-1804)

9 94. Paragraph 94 requires no response.

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

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

18 97. The QED Defendants deny the allegations in paragraph 97 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 97 and therefore deny the same.

22 98. The QED Defendants deny the allegations in paragraph 98 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 98 and therefore deny the same.

26 99. The QED Defendants deny the allegations in paragraph 99 to the extent
27 that those allegations are made against the QED Defendants. The QED Defendants lack

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1 sufficient knowledge or information on which to form a belief as to the truth of the
2 remaining allegations in Paragraph 99 and therefore deny the same.

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

5 100. Paragraph 100 requires no response.

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

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

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

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

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

17 106. The QED Defendants deny the allegations in paragraph 106 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 106 and therefore deny the same.

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

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

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

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 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 has admitted on his own ripoffreport.com website that he changes
21 “report titles” to “enhance” the reports’ “ability to be found on search engines.”

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

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1 21. Conversely, Magedson offers no such protection to the disparaged victims
2 of those reports. Many of these published ripoff “reports” contain photographs, addresses,
3 and phone numbers of the victims.

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

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

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

16 25. Victims of Magedson’s disparaging reports are thus faced with the dilemma
17 of three unsatisfactory choices: (1) live with the worldwide publication of defamatory
18 misinformation about the particular victim, (2) accede to Magedson’s extortive money
19 demands, or (3) initiate an expensive lawsuit against Magedson (who has a history of
20 evading service of process).

21 26. In or around February 2006, Russo contacted Magedson on behalf of certain
22 clients regarding certain defamatory ripoffreport.com reports about QED Media Group’s
23 clients that ranked at or near the top of search engine results.

24 27. In several telephone conversations with Magedson, Russo attempted to
25 negotiate with Magedson about possible options for removing such defamatory reports,
26 or “privatizing” such reports so that they did not appear in web search results.

27 28. Magedson was often sarcastic, angry, and rude, refusing to negotiate
28 reasonably with Russo.

1 29. Secretly, Magedson never intended to negotiate in good faith with Russo
2 regarding Russo's legitimate concerns. Instead, Magedson's sole purpose for even
3 communicating with Russo was to trap Russo into admitting a concerted effort with
4 Defendant Stanley (that did not exist) to commit wrongful acts against Magedson and
5 Xcentric. Magedson secretly recorded all of these telephone calls.

6 30. Magedson's plan failed. Throughout the course of these telephone
7 conversations, Russo repeatedly made clear that even though both Russo and Stanley
8 share concerns about the harmful nature of Magedson's ripoffreport.com website, Russo
9 and Stanley represent separate interests and address their concerns in different ways.

10 31. Because attempts to negotiate directly with Magedson were unsuccessful,
11 QED Media Group relied on its other reputation management strategies to assist those
12 clients who had become victims of Magedson's defamatory ripoff reports. As a result,
13 the web search engine results for QED Media Group's clients improved, and the rankings
14 of defamatory ripoff reports about those clients fell from the first page of search results.

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

17 33. In February, 2007, Magedson publicized defamatory remarks about Russo
18 and QED Media Group to numerous members of the professional media.

19 34. Specifically, Magedson sent an email to numerous reporters that identified
20 Russo's affiliation with QED Media Group and that accused Russo of being an "internet
21 terrorist" and a member of an "internet terrorist organization."

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

25 36. Magedson has a history of accusing victims of his website who attempt to
26 defend themselves with making death threats against Magedson. On information and
27 belief, Magedson wrote the letters attached as Exhibit A himself as part of his scheme
28 to defame the reputations of Russo and QED Media Group.

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

3 38. Magedson also gave the Mesa Police Department copies of audio recordings
4 that Magedson considered “evidence” of Russo’s involvement.

5 39. Magedson told the Mesa Police Department that he did not want to give his
6 address to the Department because he feared that the Mesa police officers would “assault”
7 Magedson.

8 40. The Mesa Police Department listened to the tapes provided by Magedson
9 and found no personal threats against Magedson. All of the conversations pertained to
10 “shutting down” Magedson’s ripoffreport.com website.

11 41. The Mesa Police Department also confirmed that the identity of the
12 anonymous letters is not known.

13 42. Magedson publicized and continues to publicize, in many forums, his false
14 defamatory accusations that Russo and QED Media Group are internet terrorists who
15 make violent personal threats. On information and belief, these forums include face-to-
16 face meetings, telephone conversations, written correspondence, emails, and internet
17 message boards.

18 43. Magedson publicized his defamatory accusations against Russo and QED
19 Media in telephone conversations with many of QED Media Group’s clients. One such
20 client is Prosper Learning, who hired QED Media Group to improve its search engine
21 profile.

22 44. Magedson called Devon from Prosper Learning and attempted to bait Devon
23 into suggesting that QED Media Group promised rip-off report removal services that QED
24 Media Group did not provide. As Magedson often does, he secretly recorded his
25 telephone conversation without Devon’s knowledge.

26 45. Devon rejected Magedson’s false suggestion and explained QED Media
27 Group’s services exactly as offered by QED Media Group.

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1 46. Magedson pressed Devon, promising him that he “will not give [Devon] up,
2 meaning [Magedson] will not let them know that [he was] talking with [Devon].”

3 47. Magedson then falsely told Devon that Russo “committed terrorist acts” and
4 “threatened” Russo’s life.

5 48. Magedson then assured Devon that if for some reason Russo called
6 Magedson, he would lie to Russo saying that he never spoke to Devon.

7 49. Magedson then begged Devon to “[g]et really what [Devon] can on [Russo
8 and Williams],” saying he needed “whatever information [Devon had] on them.”
9 Magedson then strongly reassured Devon that their conversation would be kept strictly
10 confidential, saying to Devon, “There is no way I would give you guys up for anything.
11 There’s no way. Because that’s my . . . you know . . . our deal. I’m never going to do
12 anything to harm you guys.”

13 50. Shortly after Magedson’s telephone conversation with Devon, Magedson
14 had the recording of the conversation transcribed, and his attorneys introduced the
15 transcript as an exhibit in the preliminary injunction hearing in this case, making public
16 the entire conversation that Magedson had promised Devon to keep confidential.

17 51. As a result of Magedson’s conversation with Devon, QED Media Group lost
18 its contract with Prosper Learning.

19 52. Magedson’s scheme continued on May 10, 2007, when Magedson filed this
20 lawsuit repeating his false defamatory accusations about Russo and QED Media Group
21 and asserted additional false allegations of defamation, conspiracy, and racketeering.

22 53. Almost immediately after this lawsuit was filed, a web page announcing the
23 lawsuit, the QED Defendants as “Defendants,” and the nature of the lawsuit as “Racketeer
24 Influenced and Corrupt Organizations” began appearing as the number one ranked search
25 engine result for the Google.com search “Robert Russo QED.” That number one search
26 ranking remains today.

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**Count One
(Defamation)**

54. Counterclaimants re-allege and incorporate by reference all paragraphs of this Complaint as though fully set forth in Count One.

55. Magedson has made false, disparaging, derogatory, and misleading statements about Russo and QED Media Group.

56. Magedson made these statements knowing of their falsity, or in reckless disregard for their truth.

57. Such false statements were made by Magedson to third parties, including members of the professional media.

58. Such false statements have caused and continue to cause injury to Russo's and QED Media Group's reputations.

59. As a direct and proximate result of Magedson's defamation, Russo and QED Media Group have been damaged in an amount to be proven at trial.

60. In addition, Magedson's defamatory statements are actionable per se.

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

**Count Two
(False Light)**

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

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

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

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I further certify that on June 6, 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 -