

Michael K. Dana (State Bar No. 019047)  
 Teresa K. Anderson (State Bar No. 024919)  
 SNELL & WILMER L.L.P.  
 One Arizona Center  
 400 E. Van Buren  
 Phoenix, AZ 85004-2202  
 Telephone: (602) 382-6000  
 Attorneys for and Robert Russo, QED Media Group, L.L.C.,  
 and Internet Defamation League, LLC

IN THE UNITED STATES DISTRICT COURT  
 FOR THE DISTRICT OF ARIZONA

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

Plaintiff,

v.

WILLIAM "BILL" STANLEY, an  
 individual; WILLIAM "BILL" STANLEY  
 d/b/a DEFAMATION ACTION.COM;  
 WILLIAM "BILL" STANLEY d/b/a  
 COMPLAINTREMOVER.COM;  
 WILLIAM "BILL" STANLEY aka JIM  
 RICKSON; WILLIAM "BILL" STANLEY  
 aka MATT JOHNSON; ROBERT RUSSO,  
 an individual; ROBERT RUSSO d/b/a  
 COMPLAINTREMOVER.COM;  
 ROBERT RUSSO d/b/a  
 DEFENDMYNAME.COM; ROBERT  
 RUSSO d/b/a QED MEDIA GROUP,  
 L.L.C.; QED MEDIA GROUP, L.L.C.;  
 QED MEDIA GROUP, L.L.C. d/b/a  
 DEFENDMYNAME.COM; QED MEDIA  
 GROUP, L.L.C. d/b/a  
 COMPLAINTREMOVER.COM;  
 DEFAMATION ACTION LEAGUE, an  
 unincorporated association; and  
 INTERNET DEFAMATION LEAGUE, an  
 unincorporated association,

Defendants.

Case No. CV07-00954 PHX NVW

**DEFENDANTS/  
 COUNTERCLAIMANTS'  
 MOTION FOR LEAVE TO FILE  
 SECOND AMENDED ANSWER  
 AND COUNTERCLAIM**

**Snell & Wilmer**

L.L.P.  
 LAW OFFICES  
 One Arizona Center, 400 E. Van Buren  
 Phoenix, Arizona 85004-2202  
 (602) 382-6000

ROBERT RUSSO, an individual; and QED  
MEDIA GROUP, L.L.C.,

Counterclaimants,

v.

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

Counterdefendants.

Pursuant to Rule 15(a), Fed. R. Civ. P., Defendants QED Media Group LLC ("QED Media Group"), Internet Defamation League, LLC ("IDL"), and Robert Russo ("Russo") (collectively, the "QED Parties") move for leave to file a Second Amended Answer and Counterclaim, a redlined copy of which is attached hereto as Exhibit A, per Local Rule 15.1(a). An original of the proposed Second Amended Answer and Counterclaim is lodged contemporaneously herewith, pursuant to Local Rule 15.1(b).

The most significant amendments to the First Amended Answer and Counterclaim are as follows: (1) Xcentric Ventures, LLC is added as a counterdefendant; (2) "unclean hands" is added as an affirmative defense to Plaintiffs' claims; and (3) additional details are added relevant to counterdefendants' defamation claim, including details learned after the filing of the First Amended Answer and Counterclaim.

As set forth in Rule 15, "leave shall be freely given when justice so requires." The Ninth Circuit Court of Appeals has further clarified that "this policy is to be applied with extreme liberality." *Owens v. Kaiser Foundation Health Plan, Inc.*, 244 F.3d 708, 712 (9<sup>th</sup> Cir. 2001).

This litigation has only recently commenced. The issues have not been fully joined (because Counterdefendants have not yet answered the counterclaim) and discovery has not yet begun. Accordingly, permitting this amendment by the QED Parties will not cause any undue prejudice to any other party in the case.

DATED this 26<sup>th</sup> day of June, 2007.

SNELL & WILMER L.L.P.

By /s/ Michael K. Dana  
Michael K. Dana  
Teresa K. Anderson  
One Arizona Center  
400 E. Van Buren  
Phoenix, AZ 85004-2202  
Attorneys for Robert Russo, QED Media Group,  
L.L.C. and Internet Defamation League, LLC

**CERTIFICATE OF SERVICE**

I hereby certify that on June 26, 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  
Jaburg & Wilk  
3200 North Central Avenue  
Suite 2000  
Phoenix, Arizona 85012  
Attorneys for Plaintiffs  
mcs@jaburgwilk.com

I further certify that on June 26, 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, Arizona 85003

/s/ E. E. Szafranski

# **EXHIBIT A**

Michael K. Dana (State Bar No. 019047)  
Teresa K. Anderson (State Bar No. 024919)  
SNELL & WILMER L.L.P.  
One Arizona Center  
400 E. Van Buren  
Phoenix, AZ 85004-2202  
Telephone: (602) 382-6000  
Attorneys for Robert Russo, QED Media Group, L.L.C., and  
Internet Defamation League L.L.C.

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF ARIZONA

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

Plaintiff,

v.

WILLIAM "BILL" STANLEY, an  
individual; WILLIAM "BILL" STANLEY  
d/b/a DEFAMATION ACTION.COM;  
WILLIAM "BILL" STANLEY d/b/a  
COMPLAINTREMOVER.COM;  
WILLIAM "BILL" STANLEY aka JIM  
RICKSON; WILLIAM "BILL" STANLEY  
aka MATT JOHNSON; ROBERT RUSSO,  
an individual; ROBERT RUSSO d/b/a  
COMPLAINTREMOVER.COM;  
ROBERT RUSSO d/b/a  
DEFENDMYNAME.COM; ROBERT  
RUSSO d/b/a QED MEDIA GROUP,  
L.L.C.; QED MEDIA GROUP, L.L.C.;  
QED MEDIA GROUP, L.L.C. d/b/a  
DEFENDMYNAME.COM; QED MEDIA  
GROUP, L.L.C. d/b/a  
COMPLAINTREMOVER.COM;  
DEFAMATION ACTION LEAGUE, an  
unincorporated association; and  
INTERNET DEFAMATION LEAGUE, an  
unincorporated association,

Defendants.

Case No. CV07-00954 PHX NVW

**SECOND 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 ROBERT RUSSO, an individual; and QED  
2 MEDIA GROUP, L.L.C.,

3 Counterclaimants,

4 v.

5 XCENTRIC VENTURES, LLC, an Arizona  
6 corporation, d/b/a

“RIPOFFREPORT.COM”; ED  
7 MAGEDSON, an individual,

8 Counterdefendants.

9 For their Second Amended Answer to Plaintiffs’ Complaint, Defendants QED  
10 Media Group, LLC (“QED Media Group”), Internet Defamation League, LLC (“IDL”),  
11 and Robert Russo (“Russo”) (collectively, the “QED Defendants”) admit, deny, and  
12 allege as follows:

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

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

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

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

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

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

24 7. Answering paragraph 7, the QED Defendants state that Defendant Russo  
25 is the CEO and owner of QED Media Group, and that defendmyname.com is a brand  
26 name of QED Media Group. The QED Defendants deny the remaining allegations in  
27 paragraph 7.

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

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

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

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

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

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

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

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

## FACTS

16. Paragraph 16 requires no response.

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

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

1           19.     The QED Defendants deny the allegations in paragraph 19 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 19 and therefore deny the same.

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

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

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

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

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

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

28     ///

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

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

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

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

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

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

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

23          33.    Answering paragraph 33, the QED Defendants admit that on or about  
24 February 3, 2007, Defendant Russo had a telephone conversation with Plaintiff  
25 Magedson but denies threatening that his members would "harass ROR's service  
26 providers."

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

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

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

8           37. Answering paragraph 37, the QED Defendants state that the contents of  
9 the "letters" attached to the Complaint as Exhibit "A" speak for themselves. The QED  
10 Defendants lack sufficient knowledge or information on which to form a belief as to the  
11 truth of the remaining allegations in Paragraph 37 and therefore deny the same.

12           38. Answering paragraph 38, the QED Defendants state that the contents of the  
13 "letters" attached to the Complaint as Exhibit "A" speak for themselves.

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

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

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

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

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

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

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

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

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

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

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

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

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

27        ///

28        ///

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

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

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

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

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

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

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

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

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

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

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

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

13           64. Answering paragraph 64, the QED Defendants admit that they promote  
14 multiple lawful services for improving a client's internet search profile, including  
15 services aimed at repositioning or removing negative information about a client. The  
16 QED Defendants deny any other allegations in paragraph 64 to the extent that those  
17 allegations are made against the QED Defendants. The QED Defendants lack sufficient  
18 knowledge or information on which to form a belief as to the truth of the remaining  
19 allegations in Paragraph 64 and therefore deny the same.

20           65. The QED Defendants object to paragraph 65 as ambiguous and misleading  
21 with respect to the phrase "removed a Rip-off Report or caused a Rip-off Report to be  
22 removed," and on that basis, Defendants deny the allegations in that paragraph to the  
23 extent that they are made against the QED Defendants. Subject to this objection, the  
24 QED Defendants state that they do not claim the ability to "remove" Rip-off Reports  
25 from the ripoffreport.com website.

26           66. The QED Defendants object to paragraph 66 as ambiguous and misleading  
27 in that the QED Defendants do not claim the ability to remove Rip-off Reports from the

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1 ripoffreport.com website. The QED Defendants deny that they have made false  
2 representations regarding their services.

3 **COUNT ONE**  
4 **(Defamation)**

5 67. Paragraph 67 requires no response.

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

10 69. The QED Defendants deny the allegations in paragraph 69 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 69 and therefore deny the same.

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

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

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

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

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

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

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

15 **COUNT TWO**  
16 **(False Light)**

17 77. Paragraph 77 requires no response.

18 78. The QED Defendants deny the allegations in paragraph 78 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 78 and therefore deny the same.

22 79. The QED Defendants deny the allegations in paragraph 79 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 79 and therefore deny the same.

26 80. The QED Defendants deny the allegations in paragraph 80 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 80 and therefore deny the same.

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

5 **COUNT THREE**  
6 **(Declaratory Judgment)**

7 82. Paragraph 82 requires no response.

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

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

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

23 86. The allegation in paragraph 86 is a legal conclusion that requires no  
24 response.

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

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**COUNT FOUR**  
**(Conspiracy)**

88. Paragraph 88 requires no response.

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

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

90. Paragraph 90 requires no response.

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

92. The QED Defendants deny the allegations in paragraph 92 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 92 and therefore deny the same.

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

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

94. Paragraph 94 requires no response.

95. The QED Defendants deny the allegations in paragraph 95 to the extent that those allegations are made against the QED Defendants. The QED Defendants lack  
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<#>///¶  
sufficient knowledge or information on which to form a belief as to the truth of the remaining allegations in Paragraph 92 and therefore deny the same.¶

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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 95 and therefore deny the same.

3 96. The QED Defendants deny the allegations in paragraph 96 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 96 and therefore deny the same.

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

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

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

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

21 100. Paragraph 100 requires no response.

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

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

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

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

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

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

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

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

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

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

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

21           111. The QED Defendants deny the allegations in paragraph 111 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 111 and therefore deny the same.

25           112. The QED Defendants deny the allegations in paragraph 112 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 112 and therefore deny the same.

1           113. The QED Defendants deny the allegations in paragraph 113 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 113 and therefore deny the same.

5           114. The QED Defendants deny the allegations in paragraph 114 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 114 and therefore deny the same.

9           115. The QED Defendants deny the allegations in paragraph 115 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 115 and therefore deny the same.

13           116. The QED Defendants deny the allegations in paragraph 116 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 116 and therefore deny the same.

17           117. The QED Defendants deny the allegations in paragraph 117 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 117 and therefore deny the same.

21           118. The QED Defendants deny the allegations in paragraph 118 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 118 and therefore deny the same.

25           119. The QED Defendants deny the allegations in paragraph 119 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 119 and therefore deny the same.

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120. The QED Defendants deny the allegations in paragraph 120 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 120 and therefore deny the same.

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

**COUNT EIGHT**  
**(Rico Conspiracy)**

122. Paragraph 122 requires no response.

123. The QED Defendants deny the allegations in paragraph 123 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 123 and therefore deny the same.

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

**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.

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

4 **COUNT TEN**  
5 **(Punitive Damages)**

6 129. Paragraph 129 requires no response.

7 130. The QED Defendants deny the allegations in paragraph 130 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 130 and therefore deny the same.

11 131. The QED Defendants deny the allegations in paragraph 131 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 131 and therefore deny the same.

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

17 133. The QED Defendants deny each and every allegation in Plaintiffs'  
18 Complaint not expressly admitted herein.

19 **AFFIRMATIVE DEFENSES**

20 A. Plaintiffs' Complaint fails to state a claim upon which relief may be  
21 granted;

22 B. Plaintiffs' Complaint is barred by the statute of limitations;

23 C. Plaintiffs' Complaint is barred by the doctrines of laches, waiver, and  
24 estoppel;

25 D. Plaintiffs' Complaint is barred by unclean hands;

26 E. The QED Defendants reserve the right to assert any additional affirmative  
27 defenses, including those identified in Rule 8, Fed. R. Civ P., as those defenses come to  
28 light during the course of this litigation.

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1                                    **PRAYER FOR RELIEF**

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

- 3            A.     That the Court enter judgment in favor of the QED Defendants, and  
4            against Plaintiffs;
- 5            B.     For the QED Defendants' costs and attorneys' fees incurred defending this  
6            Complaint;
- 7            C.     For such other and further relief as may be just under the circumstances.

8                                    **COUNTERCLAIM**

9            For their Counterclaim, Russo and QED Media Group (collectively  
10           "Counterclaimants") allege as follows:

11                                  **Parties, Jurisdiction, and Venue**

- 12           1.     Counterclaimant QED Media Group is a Maine Limited Liability  
13           Company with its principal place of business in Cumberland County, Maine.
- 14           2.     Counterclaimant Russo is a single man residing in Cumberland County,  
15           Maine, and is the CEO and owner of QED Media Group.
- 16           3.     Counterdefendant Xcentric Ventures, LLC ("Xcentric") is a limited  
17           liability company organized under the laws of the State of Arizona. Counterdefendant  
18           Ed Magedson ("Magedson") is a single man residing in Maricopa County, Arizona, and  
19           the Manager of Xcentric. Magedson's actions giving rise to this Counterclaim were  
20           committed in his personal capacity and in his capacity as an agent of Xcentric.
- 21           4.     The amount in controversy in this counterclaim exceeds \$75,000, exclusive  
22           of interest and costs, and this Court has subject matter jurisdiction over this counterclaim  
23           under 28 U.S.C. § 1332(a);
- 24           5.     Subject matter jurisdiction over this counterclaim is also conferred by 28  
25           U.S.C. § 1367, based on Plaintiffs' allegations in their Complaint.
- 26           6.     Magedson and Xcentric have committed acts within the District of Arizona  
27           that give rise to this counterclaim and that have damaged Counterclaimants. Venue is  
28           proper under 28 U.S.C. § 1391.

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**Background Facts**

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

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

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

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

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

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

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

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

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1 15. An inordinate number of calls to QED Media Group for its services come  
2 from clients who have been defamed by content on Magedson's and Xcentric's website,  
3 ripoffreport.com.

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4 16. Magedson and Xcentric operate ripoffreport.com, which is also accessible  
5 through the web address badbusinessbureau.com.

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Ventures,

6 17. On his website, Magedson encourages users to anonymously post  
7 disparaging information about companies and individuals believed by ripoffreport.com  
8 users to "ripoff consumers."

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

12 19. Magedson has admitted on his own ripoffreport.com website that he  
13 changes "report titles" to "enhance" the reports' "ability to be found on search engines."

14 20. Magedson and Xcentric take great care to conceal the identity of users of  
15 their ripoffreport.com website who post anonymous disparaging comments about  
16 companies and individuals. For example, Magedson and his other "editors" review  
17 reports before they are published and remove personally identifying information about  
18 the users.

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19 21. Conversely, Magedson and Xcentric offer no such protection to the  
20 disparaged victims of those reports. Many of these published ripoff "reports" contain  
21 photographs, addresses, and phone numbers of the victims.

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22 22. Nor do Magedson or Xcentric make any attempt to verify the accuracy of  
23 disparaging information posted by users before that information is published and  
24 accessible to internet users all over the world. Magedson even boasts that he has a  
25 policy of never removing any report, even if a report is proven to be defamatory.

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26 23. Magedson and Xcentric flaunt this policy to never remove reports while  
27 hiding behind the "safe harbor" provision of the Federal Communications Decency Act

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(the "CDA"), which Magedson and Xcentric believe gives them absolute immunity from liability for their actions.

24. Magedson and Xcentric then use the power of their ripoffreport.com website and their interpretation of the CDA as tools for extorting victims of these widely-published ripoff "reports." Specifically, Magedson and Xcentric offer to accept exorbitant sums of money to "update" disparaging ripoff reports as part of their so-called "Corporate Advocacy Program."

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

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

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

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

29. Secretly, Magedson never intended to negotiate in good faith with Russo regarding Russo's legitimate concerns. Instead, Magedson had other purposes for communicating with Russo. First, Magedson attempted to trap Russo into admitting a concerted effort with Defendant Stanley (that did not exist) to commit wrongful acts against Magedson and Xcentric. Second, Magedson sought to obtain from Russo the names of QED Media Group's customers under the guise of cooperating with Russo's efforts to seek relief for his customers from the negative content on Magedson's ripoffreport.com website. In truth, Magedson was gathering the names of these

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1 customers to contact them and defame Russo and QED Media Group. Magedson  
2 secretly recorded all of these telephone calls.

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3 30. Magedson's plan to fabricate a concerted effort between Russo and Stanley  
4 to commit wrongful acts failed. Throughout the course of these telephone conversations,  
5 Russo repeatedly made clear that even though both Russo and Stanley share concerns  
6 about the harmful nature of Magedson's ripoffreport.com website, Russo and Stanley  
7 represent separate interests and address their concerns in different ways.

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

14 32. In retaliation for QED Media Group's services that minimize the need for  
15 ripoffreport.com victims to accede to Magedson's extortive "Corporate Advocacy  
16 Program," Magedson and Xcentric devised a scheme to defame the reputations of Russo  
17 and QED Media Group.

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

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

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

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27 36. Magedson has a history of accusing victims of his website who attempt to  
28 defend themselves with making death threats against Magedson. On information and

1 belief, Magedson wrote the letters attached as Exhibit A himself as part of his scheme  
2 to defame the reputations of Russo and QED Media Group.

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

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6 38. Magedson also gave the Mesa Police Department copies of audio  
7 recordings that Magedson considered "evidence" of Russo's involvement.

8 39. Magedson told the Mesa Police Department that he did not want to give his  
9 address to the Department because he feared that the Mesa police officers would  
10 "assault" Magedson.

11 40. The Mesa Police Department listened to the tapes provided by Magedson  
12 and found no personal threats against Magedson. All of the conversations pertained to  
13 "shutting down" Magedson's ripoffreport.com website.

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

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

21 43. Magedson publicized his defamatory accusations against Russo and QED  
22 Media in telephone conversations with many of QED Media Group's clients that  
23 Magedson tricked Russo into identifying under the guise of cooperating with Russo's  
24 efforts to seek relief for his customers from the negative content on Magedson's  
25 ripoffreport.com website. One such client is Prosper Learning, who hired QED Media  
26 Group to improve its search engine profile.

27 44. Magedson called "Devon" from Prosper Learning and attempted to bait  
28 Devon into suggesting that QED Media Group promised rip-off report removal services

1 that QED Media Group did not provide. As Magedson often does, he secretly recorded  
2 his telephone conversation without Devon's knowledge.

3 45. Devon rejected Magedson's false suggestion and explained QED Media  
4 Group's services exactly as offered by QED Media Group.

5 46. Magedson pressed Devon, promising him that he "will not give [Devon]  
6 up, meaning [Magedson] will not let them know that [he was] talking with [Devon]."

7 47. Magedson then falsely told Devon that Russo "committed terrorist acts"  
8 and that Russo "threatened" Magedson's life.

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

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

17 50. Shortly after Magedson's telephone conversation with Devon, Magedson  
18 had the recording of the conversation transcribed, and his attorneys introduced the  
19 transcript as an exhibit in the preliminary injunction hearing in this case, making public  
20 the entire conversation that Magedson had promised Devon to keep confidential.

21 51. As a result of Magedson's conversation with Devon, QED Media Group  
22 lost its contract with Prosper Learning.

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23 52. Magedson's scheme continued on May 10, 2007, when Magedson filed  
24 this lawsuit repeating his false defamatory accusations about Russo and QED Media  
25 Group and asserted additional false allegations of defamation, conspiracy, and  
26 racketeering.

27 53. Almost immediately after this lawsuit was filed, a web page announcing  
28 the lawsuit, the QED Defendants as "Defendants," and the nature of the lawsuit as

1 “Racketeer Influenced and Corrupt Organizations” began appearing as the number one  
2 ranked search engine result for the Google.com search “Robert Russo QED.” That  
3 number one search ranking remains today.

4 54. Within two weeks after the QED Defendants filed their Counterclaim,  
5 defamatory statements about QED Media Group’s website, Defendmyname.com, began  
6 appearing on numerous internet blogs under the name “mario capalini.” These  
7 defamatory statements falsely accusing Defendmyname.com of being an “EXTORTION  
8 SCAM FRAUD.” QED Media Group has never had a customer named Mario Capalini.  
9 On information and belief, these defamatory statements were posted by Magedson  
10 and/or Xcentric. (See Exhibit C.)

11 55. Prior to the posting of those defamatory comments (which, again, took  
12 place within two weeks after the Counterclaim was filed), neither Defendmyname.com,  
13 nor QED Media Group, nor Robert Russo had been the victim of such defamatory  
14 comments on the internet.

15 56. On June 15, 2007, a defamatory report about Russo, QED Media Group,  
16 and defendmyname.com, under the name “Robert” from “Valhalla, Alabama,” appeared  
17 on Magedson’s and Xcentric’s ripoffreport.com website. (See Exhibit D.)

18 57. That report falsely accused Russo and QED Media Group of engaging in  
19 “FALSE PROMISES, LIES AND EXTORTION,” participating in a “dirty con game,”  
20 and using technology tools that are “phony” and that “do not exist.”

21 58. That report identified QED Media Group’s rate of “\$1000.00” per month  
22 for its services, which coincidentally had just been announced in a Wall Street Journal  
23 article about QED Media Group published only two days before the report was posted.  
24 (Exhibit E.)

25 59. QED Media Group has never had a customer or client named “Robert”  
26 from “Valhalla, Alabama.” On information and belief, Magedson and Xcentric authored  
27 or edited the June 15, 2007 defamatory report about Russo and QED Media Group.

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1        60. On June 25, 2007, an "update" to the June 15, 2007 ripoff report, appeared  
2 on the ripoffreport.com website under the alias "Damien" from "Billings, Montana."  
3 That report falsely accused Russo and QED Media Group of being "Shysters" who  
4 "stole \$15,000." That report also called Defendmyname a "scam" That update also  
5 touted Magedson's and Xcentric's "Corporate Advocacy Plan." (Exhibit F.)

6        61. QED Media Group has never had a customer or client named "Damien"  
7 from "Billings, Montana." On information and belief, Magedson and Xcentric authored  
8 or edited the June 15, 2007 defamatory report about Russo and QED Media Group.

9        62. Prior to the posting of the June 15, 2007 ripoff report or the June 25, 2007  
10 update, none of the QED Defendants had ever been the subject of any report on  
11 ripoffreport.com.

12        63. None of QED Media Group's customers has ever complained to Russo or  
13 QED Media Group about the quality of QED Media Group's reputation management  
14 services other than minor, routine concerns typical of any service business.

15        64. The defamatory reports about QED Media Group and Russo remain on  
16 Magedson's ripoffreport.com website today and are accessible through search engines.

17        65. Magedson and Xcentric exercise editorial control over the content of their  
18 ripoffreport.com website in a variety of ways:

- 19            a. Once complaints from consumers are received, Magedson and Xcentric  
20            review them and select which complaints to publish.  
21            b. In their selection process, Magedson and Xcentric include negative  
22            comments but omit positive comments.  
23            c. Magedson and Xcentric edit and rewrite complaints themselves.  
24            d. Magedson and Xcentric author negative headlines that accompany the  
25            purported consumer complaints, prominently featuring words like  
26            "scam" and "ripoff."

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1 e. Magedson and Xcentric select certain reports to prominently feature on  
2 sections of their ripoffreport.com website entitled "Top Rip-off  
3 Reports" and "Newest Rip-Off Reports."

4 f. Ripoffreport.com contains an "editorial" section authored by Magedson  
5 and links to other sites and content generated by Magedson.

6 g. Magedson and Xcentric assure that they have sole control over all  
7 reports once posted by prohibiting even the users who posted reports  
8 from removing those reports. If a user has second thoughts about  
9 having posted defamatory content and decides to have that content  
10 removed, Magedson and Xcentric will prohibit the removal of that  
11 defamatory content.

12 **Count One**  
13 **(Defamation)**

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

16 67. Magedson and Xcentric made false, disparaging, derogatory, and  
17 misleading statements about Russo and QED Media Group.

18 68. Magedson and Xcentric made these statements knowing of their falsity, or  
19 in reckless disregard for their truth.

20 69. Such false statements were made by Magedson and Xcentric to third  
21 parties, including members of the professional media and QED Media Group's  
22 customers.

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

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

27 72. In addition, Magedson's and Xcentric's defamatory statements are  
28 actionable per se.

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

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

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

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

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

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

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

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

20                                    **Count Three**  
21                                    **(Tortious Interference with Contract and other Business Expectancies)**

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

24        81. Counterclaimants had and continue to have valuable contracts and business  
25 expectancies with its clients and potential clients.

26        82. Magedson and Xcentric knew, when falsely and publicly making  
27 defamatory statements about Counterclaimants, including accusing them of being  
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1 terrorists and committing terrorist acts, that Counterclaimants had these valuable  
2 contracts and business expectancies.

3 83. Magedson's and Xcentric's false defamatory allegations against  
4 Counterclaimants have interfered with their contracts and other business expectancies.

5 84. Magedson and Xcentric intended or knew with a substantial certainty that  
6 their actions would adversely affect Counterclaimants' relationships with their  
7 customers.

8 85. Magedson's and Xcentric's motive and means in interfering with  
9 Counterclaimants' valuable contracts and other business expectancies were improper.

10 86. Magedson's and Xcentric's wrongful actions caused Counterclaimants to  
11 suffer damages in an amount to be proven at trial.

12 87. Magedson's and Xcentric's wrongful actions were committed with the  
13 requisite evil mind under Arizona law to warrant the imposition of punitive damages.

14 WHEREFORE, Counterclaimants Russo and QED Media Group pray for relief as  
15 follows:

16 A. Direct, incidental, and consequential damages in an amount to be proven  
17 at trial;

18 B. Punitive damages;

19 C. Injunctive relief prohibiting Magedson and Xcentric from repeating  
20 defamatory statements against Russo and QED Media Group;

21 D. Attorneys' fees and costs; and

22 E. Any further relief that this Court deems just and appropriate.

23 **Jury Demand**

24 Counterclaimants hereby demand a trial by jury.  
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DATED this 26<sup>th</sup> day of June, 2007.

SNELL & WILMER L.L.P.

By /s/ Michael K. Dana  
Michael K. Dana  
Teresa K. Anderson  
One Arizona Center  
400 E. Van Buren  
Phoenix, AZ 85004-2202  
Attorneys for Robert Russo, QED Media Group,  
L.L.C., and Internet Defamation League, L.L.C.

**CERTIFICATE OF SERVICE**

I hereby certify that on June 26, 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  
Jaburg & Wilk  
3200 North Central Avenue  
Suite 2000  
Phoenix, Arizona 85012  
Attorneys for Plaintiffs  
mcs@jaburgwilk.com

I further certify that on June 26, 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 -

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