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 10 Attorneys for Defendants
 Xcentric Ventures, LLC and
 Edward Magedson
 11

12 **UNITED STATES DISTRICT COURT**
 13 **CENTRAL DISTRICT OF CALIFORNIA**

14
 15 **ASIA ECONOMIC INSTITUTE, LLC, et al.,**

16 **Plaintiffs,**

17 **vs.**

18 **XCENTRIC VENTURES, LLC, et al.,**

19 **Defendants.**

Case No: 2:10-cv-01360-SVW-PJW

**AFFIDAVIT OF
 JAMES ROGERS**

Hearing Date: Nov. 29, 2010
 Time: 1:30 PM
 Courtroom: 6 (Hon. Stephen Wilson)

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 21
 22
 23 I, JAMES ROGERS, declare as follows:

24 1. My name is James Rogers. I am a resident of the State of Arizona, am over
 25 the age of 18 years, and if called to testify in court I could and would truthfully testify to
 26 the following information based upon my own personal knowledge.

27 2. In the interest of full disclosure, I am a convicted felon and I have spent
 28 approximately seven years in the Arizona Department of Corrections for various reasons.

AFFIDAVIT OF JAMES ROGERS

CV10-01360 SVW

GINGRAS LAW OFFICE, PLLC
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 PHOENIX, ARIZONA 85048

1 3. I have known Ed Magedson for many years and he has helped me to try and
2 turn my life around. As part of this, Ed employed me to act as his personal assistant.
3 This employment lasted approximately a year and ended in early October 2010. During
4 part of this time, I was also involved in a personal relationship with Mr. Magedson.

5 4. During my employment, I entered into a confidentiality/non-disclosure
6 agreement with Xcentric, a true and correct copy of which is attached hereto as **Exhibit**
7 **A**. In this agreement, I agreed not to disclose Xcentric's trade secrets or other
8 confidential business information.

9 5. In the past, I have struggled with an addiction to various drugs. Prior to the
10 end of my employment with Xcentric, I experienced a lapse in judgment and I began
11 using again, specifically crystal methamphetamine.

12 6. During this relapse, I needed money to fuel my habit. To accomplish that
13 goal, I reached out to an individual named John F. Brewington who had contacted me
14 about three months ago looking for information about Ripoff Report. Based on my
15 relationship with Mr. Magedson, I knew that Mr. Brewington was a person with a strong
16 hatred for the Ripoff Report website and for Mr. Magedson. Mr. Brewington is a
17 convicted felon who is the subject of several negative reports on the Ripoff Report
18 website. I am aware that Mr. Brewington has expressed a deep hatred for Mr. Magedson
19 and a desire to exact revenge on Mr. Magedson for allowing these reports to be posted.

20 7. Because I knew that Mr. Brewington hated Mr. Magedson and had
21 undertaken extreme measures in his failed efforts to "bring down the Ripoff Report", I
22 believed he might be willing to provide me with money in exchange for information
23 about Mr. Magedson and/or Xcentric. For that reason, I contacted Mr. Brewington and
24 offered to sell him information about Mr. Magedson in exchange for money. Eventually,
25 I gave a recorded statement to Mr. Brewington in exchange for \$2,600 in cash.

26 8. When I gave the recorded statement to Mr. Brewington, I was high on
27 drugs and he knew this. Because of the impact the drugs had on me, I was willing to say
28 things to Mr. Brewington that I felt he wanted to hear even though they were not true.

1 During part of our conversation that was not recorded, Mr. Brewington told me that he
2 was not concerned about obtaining the truth, he said was only concerned about getting
3 information that he could use to hurt Mr. Magedson.

4 9. In addition to talking with Mr. Brewington, I also had several telephone
5 conversations in late September 2010 with an individual named Shawn Richeson. Like
6 Mr. Brewington, Mr. Richeson is a convicted felon who is the subject of several negative
7 reports on the Ripoff Report site and who has gone to extreme lengths attempting,
8 unsuccessfully, to “bring down” the Ripoff Report and Mr. Magedson. I am aware that
9 Xcentric has filed a lawsuit against Mr. Richeson for his actions which is currently
10 pending in the United States District Court in Arizona.

11 10. In early October 2010, I received a call from a woman who identified
12 herself as Lisa Borodkin. I understand that Ms. Borodkin is a lawyer who represents the
13 plaintiffs in this case. I am also informed that Mr. Borodkin obtained my contact
14 information from either Mr. Brewington or Mr. Richeson, who she is working with and
15 with whom she has shared information about Xcentric and Mr. Magedson.

16 11. Ms. Borodkin told me that she was extremely interested in getting any
17 information I had about the Ripoff Report, Xcentric, and Mr. Magedson. When she first
18 contacted me, I explained to her that I had signed a non-disclosure agreement as an
19 employee of Xcentric and that this agreement might prevent me from helping her
20 voluntarily. However, because I was so interested in obtaining money to buy drugs at
21 that time, I implied to Ms. Borodkin that I might be willing to provide her with
22 information if there was something in it for me. Ms. Borodkin clearly understood what I
23 meant by this.

24 12. At first, Ms. Borodkin made it clear that she could not and would not give
25 me any money in exchange for my testimony about Xcentric. However, shortly after
26 making that statement during one phone call, she called me back and began suggesting
27 that if I flew to Los Angeles to meet with her, she could “pay my expenses”, “make me
28 very comfortable”, and perhaps she could also pay me for testimony as an “expert

1 witness". Based on these promises, I told Ms. Borodkin that I would be willing to come
2 to LA on Saturday, October 23, 2010 to provide her with a statement. In response, Ms.
3 Borodkin asked me if I would "load up a suitcase with documents" which I understood to
4 mean Xcentric's confidential business documents which were the subject of the non-
5 disclosure agreement I previously told her about. These statements were made in several
6 different telephone conversations, some of which included Raymond Mobrez and his
7 wife, Iliana Llaneras.

8 13. After I talked to Ms. Borodkin and her clients, I began to sober up and I
9 realized that what I was doing was wrong. I stopped using drugs, and I contacted Mr.
10 Magedson to tell him what I had done.

11 14. Shortly thereafter, on October 20, 2010 I met with Adam Kunz who I know
12 to be one of Xcentric's lawyers in Arizona. On that day, I gave Mr. Kunz a sworn
13 statement in which I truthfully testified that I had no knowledge of Ed Magedson writing
14 reports on the Ripoff Report website, that I had no knowledge of Ed Magedson changing
15 reports on the Ripoff Report website (other than adding text on behalf of CAP members
16 as part of their agreement), and that I had not created or changed any reports on the
17 Ripoff Report website. All of these statements were true.

18 15. I am aware that Ms. Borodkin has submitted a declaration dated November
19 1, 2010 in which she outlines some of her communications with me. Some parts of Ms.
20 Borodkin's declaration are accurate but other parts are not.

21 16. For the most part, the statements in paragraph 8 of her declaration are
22 accurate insofar as I did give her the names of some people who I knew were
23 programmers with knowledge of various aspects of the Ripoff Report website.

24 17. For the most part, the statements in paragraph 9 of Ms. Borodkin's
25 declaration are not accurate and are misleading insofar as they imply that I told her that
26 "Justin Crossman would have knowledge of Defendants' practice of manually changing
27 HTML code and meta tags." I never made any such statement to Ms. Borodkin and I did
28 not and do not have any knowledge that Mr. Magedson is involved in manually changing

1 HTML code or meta tags. On the contrary, as I testified in my sworn statement given to
2 Mr. Kunz, I am aware that Mr. Magedson does NOT have access to the “back end” of
3 Ripoff Report’s servers where such changes would be made. I am also aware that Mr.
4 Magedson has not had access to Xcentric’s “back end” for many years.

5 18. I did tell Ms. Borodkin that I was aware of (and was present at) one recent
6 meeting at which Mr. Magedson met with an individual who made a proposal to perform
7 some general marketing services for the Ripoff Report website which would include
8 providing “search engine optimization” or “SEO” services to help the site reach more
9 viewers. To my knowledge, this meeting (which occurred during 2010) was the first time
10 I am aware of Xcentric ever considering performing “SEO” services. However, this
11 meeting had nothing to do with the reports about Plaintiffs nor did the meeting have
12 anything to do with altering or changing the reports about Plaintiffs.

13 19. I am aware that attached as Exhibit 3 to Ms. Borodkin’s declaration is a
14 copy of a draft PowerPoint presentation that relates to the Corporate Advocacy Program.
15 I gave this document to Ms. Borodkin in violation of my non-disclosure agreement with
16 Xcentric and I am sure that Ms. Borodkin knew I was violating that agreement by giving
17 her this document. However, this document has never been used by Xcentric and it is not
18 necessarily reflective of how Xcentric’s Corporate Advocacy Program operates. Rather,
19 this document is rough draft that was put together as a sounding board and for gathering
20 ideas; it has never been used outside of Xcentric and I am certain this document was
21 never provided to Mr. Mobrez or Ms. Llaneras or anyone else prior to this litigation.

22 20. I am aware that in paragraph 14 of her declaration, Ms. Borodkin claims
23 that I told her that Mr. Magedson “has failed to keep emails and other evidence relevant
24 to active litigation.” I further understand that Ms. Borodkin claims that I told her that
25 “Mr. Magedson will get a new laptop, lose emails, and say that the loss of emails was a
26 ‘good thing and a bad thing’”. I further understand that paragraph 14 of Ms. Borodkin’s
27 declaration claims that I made other statements about efforts Mr. Magedson made to
28 “disguise” business transactions.

1 21. All of these statements are either false, made up by Ms. Borodkin, were not
2 said by me, are incorrect interpretations of something I said, or are otherwise statements
3 that I made to Ms. Borodkin while under the influence of drugs and for the purpose of
4 “telling her what she wanted to hear” so that I could get money from her to buy drugs.

5 22. If I was deposed today, I could and would truthfully testify that I am no
6 longer using any illegal substances. In addition, I am not aware of Mr. Magedson ever
7 “losing emails”, “failing to keep emails”, or failing to keep any other evidence relevant to
8 active litigation.

9 23. If I was deposed today, I could and would truthfully testify that I am aware
10 of Mr. Magedson recently replacing one old laptop with a new one (which occurred in the
11 past few months), but I have no knowledge and no reason to believe that any of his
12 emails were lost in the process. On the contrary, I am aware that Mr. Magedson keeps
13 regular backups of his computer and he has informed me that he did not lose any emails
14 or any other information as a result of getting the new laptop.

15 24. If I was deposed today, I could and would also truthfully testify that I have
16 no knowledge of Mr. Magedson attempting to “disguise” business transactions or “avoid
17 creating evidence” of his business activities other than efforts he made to protect his
18 home address by placing his home into the name of an LLC.

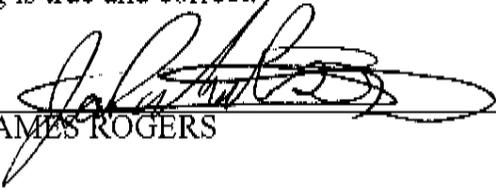
19 25. To be clear—I have no personal knowledge of either Mr. Magedson or
20 anyone else at Xcentric creating any reports about Plaintiffs, nor do I have any
21 knowledge of either Mr. Magedson or anyone else at Xcentric changing any of the text,
22 HTML, meta tags, or any other unique aspect of the reports about Plaintiffs (I am aware
23 that the page addresses or “URLs” of the reports about Plaintiffs were changed at some
24 point following a redesign of the entire Ripoff Report site during which the format of the
25 addresses for all pages on the site were changed to a different style).

26 26. I have no knowledge of Mr. Magedson or anyone else at Xcentric offering
27 to “sell meta tags” to Plaintiffs or to anyone else.
28

1 27. Now that I am sober, I realize that I made a terrible mistake by lying about
 2 Mr. Magedson and by providing false information to Mr. Brewington, Mr. Richeson, and
 3 Ms. Borodkin behind everyone's back. I did this because I was under the influence of
 4 drugs and was desperate to continue feeding my habit, not because it was the right thing
 5 to do. Contrary to what some of his critics have said, Mr. Magedson is a good person, he
 6 has always been kind to me, and I believe that the Ripoff Report website is providing a
 7 valuable public service.

8
 9 Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the
 10 United States of America that the foregoing is true and correct.

11 EXECUTED ON: November 6 2010.

12 
 13 _____
 14 JAMES ROGERS

15 GINGRAS LAW OFFICE, PLLC
 16 3941 E. CHANDLER BLVD., #106-243
 17 PHOENIX, ARIZONA 85048

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Exhibit A

CONFIDENTIALITY/ NON-DISCLOSURE AGREEMENT

THIS CONFIDENTIALITY/ NON-DISCLOSURE AGREEMENT (the "Agreement") is entered into this 22 day of June, 2010, (the "Effective Date"), between XCENTRIC VENTURES, LLC., an Arizona corporation ("Xcentric") and JAMES P. ROGERS ("Recipient"). Xcentric and Recipient are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

- A. Xcentric and Recipient desire to enter into, or have begun, discussions concerning a potential business transaction related to Xcentric's business ("Xcentric's Business"); and
- B. Xcentric will share, or has shared, with Recipient certain confidential information regarding Xcentric's Business and desires to take all reasonable steps to safeguard and protect all such confidential information from any unauthorized use or disclosure; and
- C. Recipient may share, or has shared with Xcentric certain confidential information regarding his financial condition; and
- D. The Parties desire to continue such discussions and exchange further information for the purpose of due diligence in pursuing a business transaction;
- E. The Parties desire to protect Xcentric from Recipient circumventing Xcentric and directly engaging in the business method(s) to be discussed; and
- F. The Parties desire to take all reasonable steps to safeguard and protect all Confidential Information (as defined below) from any unauthorized use or disclosure;

AGREEMENT

THEREFORE, in consideration of the mutual agreements of the Parties and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, and ~~intending to be legally bound, it is agreed as follows:~~

1. Confidential Information. As used herein, "Xcentric's Confidential Information" shall consist of all information, whether in written, graphic, oral, electronic or other form, furnished or disclosed on or after the Effective Date, or previously furnished or disclosed, by Xcentric to Recipient and specifically includes, but is not limited to all business and financial information, graphic representations, product descriptions and information, business methods and marketing and strategic plans.

2. Non-Confidential Information. The term "Xcentric's Confidential Information" shall not include any:

2.1 Information rightfully in the possession of, or already known to, the Recipient before it was disclosed to Recipient by Xcentric;

2.2 Information in the public domain at the time of disclosure, or which, after such disclosure, enters into the public domain through no breach of this Agreement by the Recipient;

2.3 Information lawfully furnished or disclosed to the Recipient by a non-Party without any obligation of confidentiality and through no breach of this Agreement by the Recipient; or

2.4 Information independently developed by Recipient without the use of any Confidential Information.

3. Ownership of Confidential Information. Xcentric shall remain the sole owner of Xcentric's Confidential Information. Nothing contained in this Agreement shall be construed as granting or conferring any right or license in the Xcentric Confidential Information or in any patents, copyrights or other technology, trade secrets or other intellectual property, either expressly or by implication to the Recipient.

4. Limits on Use and Disclosure of Confidential Information. The Parties covenant and agree that:

4.1 Confidential Information received by a Party shall be used only for purposes of discussing or evaluating a business transaction with Xcentric or to further the ends of a business transaction if the Parties enter into a business transaction, and for no other reason;

4.2 Specifically, the Confidential Information may not be used by a Party or its Representatives to circumvent, compete with, or to the detriment of the other party;

4.3 The party receiving Confidential Information shall take all reasonable steps to safeguard and protect Confidential Information disclosed by the other party from any theft, loss, unauthorized access, unauthorized use or disclosure and accord it at least the same degree of confidential and proprietary treatment as it gives its own confidential and proprietary information. Unless otherwise required by law, the party receiving Confidential Information will use such information furnished to it by the other party only to those of its Representatives who need to know the information to evaluate or further the business transaction and will notify such Representatives who are provided any of the Confidential Information, or who are involved in such discussions or evaluation, or who may otherwise have occasion to view, handle or obtain any Confidential Information, of the terms of this Agreement and their obligation to comply with each of them;

4.4 The party receiving Confidential Information shall not, without the prior written consent of the disclosing party, which the disclosing party may withhold in its sole discretion, use any Confidential Information disclosed by the other party except in connection with existing or potential transactions between the two Parties;

4.5 The party receiving Confidential Information shall not, without the prior written consent of the disclosing party, disclose by itself or by any of its Representatives, any of the other party's Confidential Information to any third party.

5. Return of Confidential Information. At any time upon written request of a party, the party receiving Confidential Information shall promptly return or destroy, as directed by the other party, all Confidential Information received from the other party. Upon the request of the other party, the party receiving Confidential Information shall furnish to the other party a signed affidavit providing assurances as to the return or destruction of the other party's Confidential Information. Information which is held in electronic form shall be deemed destroyed when deleted from local hard drives so long as no attempt is made to recover such information from back-up tapes, servers or other sources.

6. Responsibility for Representatives. The receiving party shall be solely responsible for any breach of this Agreement by its Representatives, including without limitation, any improper use or disclosure by its Representatives of the Confidential Information.

7. Disclosure Under Legal Process. In the event that Recipient or any of its Representatives is requested or required pursuant to legal process to disclose any Confidential Information, it is agreed that Recipient will provide Xcentric with prompt written notice of such request or requirement so Xcentric may, at its option and its own expense, seek an appropriate protective order, written waiver in respect of compliance with this Agreement, or other remedy to assure that the Confidential Information will be accorded confidential treatment.

8. No Obligation. Each of the Parties agrees that unless and until a subsequent agreement or agreements between the Parties with respect to a business transaction has or have been executed and delivered to the other Party, neither Party will be under any legal obligation to the other Party of any kind whatsoever with respect to such transaction, except for the matters specifically agreed to herein.

9. Expenses. Except as may be specifically agreed to in writing, each of the Parties shall bear its own costs and expenses, and those of its Representatives ("Representative" is defined as any director, officer, employee, or agent), associated with the furnishing, evaluation and return of Confidential Information and involving any subsequent discussion and negotiations concerning a potential business transaction.

10. Equitable Relief. It is agreed that money damages would not be a sufficient remedy for any breach of this Agreement by a Party or by its Representatives. Accordingly, each Party shall be entitled to seek specific performance, injunctive relief, or any other forms of equitable relief as a remedy for any breach of this Agreement by the other Party or the other Party's Representatives; provided, however, that such remedies shall not be deemed to be the exclusive remedies for a breach of this Agreement, but shall be in addition to all other remedies available at law or in equity.

11. General Provisions.

11.1 Notices. All notices required or permitted to be given hereunder must be in writing, and shall be effective upon delivery if delivered personally (which includes notices delivered by messenger, e-mail, facsimile or overnight courier) or, if given by postal mail, three (3) calendar days after mailing, by certified mail, return receipt requested, postage prepaid, to the Parties at their addresses as set forth below, or at such other addresses as they may designate by notice given in accordance with this Section 13.1:

If to Xcentric:

Ed Magedson
Xcentric Ventures, llc
P.O. Box 310
Tempe, AZ 85280
editor@ripoffreport.com

If to Recipient:

James P. Rogers
923 S. ASHLAND²
Mesa, Az. 85204
LegalDirector@ripoffreport.com.

11.2 Consent or Waiver. No alteration, consent, waiver, amendment, change or supplement hereto shall be binding or effective unless the same is set forth in a writing signed by each of the Parties. No failure or delay of either Party in enforcing its rights hereunder shall act as a waiver thereof, nor shall any single or partial exercise preclude any other or further exercise of any other right set forth herein.

11.3 Binding Effect. Except as otherwise set forth herein, this Agreement is personal to the Parties and none of the Parties will have the right or power to assign or delegate any of such Party's rights or obligations hereunder. Subject to the foregoing, this Agreement and all of the provisions thereof will be binding upon and inure to the benefit of the Parties, their respective heirs, personal representatives, successors and assigns.

11.4 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument, and any Party may execute this Agreement by signing any such counterpart.

11.5 Captions. Captions and section headings used herein are for convenience only and are not a part of this Agreement, and shall not be deemed to limit or alter any provision hereof

11.6 Construction of Agreement. Each of the Parties had an equal degree of control as to the drafting of this Agreement and the various provisions set forth herein; the rule of construction that an ambiguous document is to be construed against its drafter is accordingly inapplicable to this Agreement. All of the provisions of this Agreement shall be construed in accordance with their plain meaning and without partiality to any of the Parties. To the extent permitted by the context in which used words in the singular number shall include the plural, words in the masculine gender shall include the feminine and neuter, and vice versa.

11.7 Governing Law; Venue. This Agreement was made and is to be performed in the State of Arizona. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona applicable to contracts made and to be performed entirely within that State, and any suit to enforce this Agreement or to assert any right or remedy under this Agreement shall be brought in any state or federal court sitting in Maricopa County, Arizona which shall be the exclusive venue for, and which Courts shall have exclusive jurisdiction with respect to, any such suit.

11.8 Entire Agreement. This Agreement and the Exhibits, Schedules and other attachments referred to herein (all of which are incorporated by this reference), if any, collectively set forth the entire agreement between the Parties as to the subject matter of this Agreement, and are subject to no promise, warranty or representation not expressly set forth or referred to herein. This Agreement may not be modified except by an instrument in writing signed by the Party to be bound.

11.9 Severability. In the event a court of competent jurisdiction determines that any term or provision hereof is invalid or unenforceable: (i) the remaining terms and provisions herein shall be unimpaired and shall remain in full force and effect, and (ii) the invalid or unenforceable term or provision shall be replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of such invalid or unenforceable term or provision.

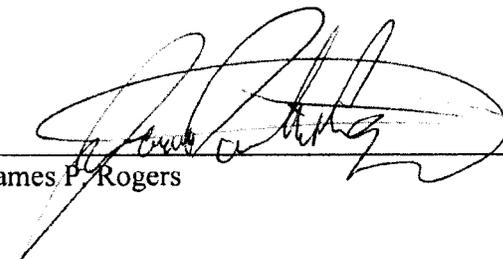
11.10 Survival of Representations, Warranties, Covenants and Obligations. All representations, warranties, covenants and obligations of the Parties contained in this Agreement shall survive the expiration or termination of this Agreement.

11.11 Attorneys Fees. In the event of litigation brought by any Party to enforce ~~the terms of this Agreement or otherwise relating directly or indirectly to the transactions and agreements reflected herein,~~ the prevailing Party, in addition to any and all other rights and remedies, will be entitled to recover all of its costs of litigation or arbitration, including but not limited to all reasonable attorneys' fee and taxable costs. Attorneys fees claimed under this Section shall be awarded without reference to A.R.S. § 12-341.01.

SIGNED as of the date first set forth above.

XCENTRIC

By: _____
Edward Magedson, Manager



James P. Rogers