

FILED

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

David S. Gingras, CSB #218793  
**Gingras Law Office, PLLC**  
4072 E Mountain Vista Dr.  
Phoenix, AZ 85048  
Tel.: (480) 639-4996  
Fax: (480) 668-3623  
David.Gingras@webmail.azbar.org

2010 FEB 24 AM 10:06

CLERK U.S. DISTRICT COURT  
CENTRAL DIST. OF CALIF.  
LOS ANGELES

BY \_\_\_\_\_

Attorneys for Defendants  
Xcentric Ventures, LLC and  
Edward Magedson

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

**CV10 1360**

**RSWL PJWx**

**ASIA ECONOMIC INSTITUTE, LLC  
a California limited liability company;  
RAYMOND MOBREZ, an individual; and  
ILIANA LLANERAS, an individual,**

Case No: \_\_\_\_\_

**Plaintiffs,**

**ANSWER**

**vs.**

**XCENTRIC VENTURES, LLC,  
an Arizona limited liability company, d/b/a  
BADBUSINESSBUREAU.COM and/or  
RIPOFFREPORT.COM;  
BADBUSINESSBUREAU.COM, LLC,  
organized and existing under the laws of St.  
Kitts/Nevis, West Indies; EDWARD  
MAGEDSON, an individual,**

**Defendants.**

GINGRAS LAW OFFICE, PLLC  
4072 E. MOUNTAIN VISTA DRIVE  
PHOENIX, ARIZONA 85048

**ANSWER**

1 Defendants XCENTRIC VENTURES, LLC (“Xcentric”) and EDWARD  
2 MAGEDSON (“Magedson”; collectively “Defendants”) hereby Answer Plaintiffs’  
3 Complaint as follows:

- 4 1. The Complaint as received by Defendants Xcentric and Magedson does not  
5 contain ¶ 1–3; to the extent ¶¶ 1–3 may contain any allegations, Defendants  
6 lack sufficient information upon which to form a belief as to the truth or  
7 falsity of such allegations, and therefore deny same.
- 8 2. Admit.
- 9 3. Admit.
- 10 4. Admit.
- 11 5. Admit.
- 12 6. Admit that Xcentric is an Arizona limited liability company with a  
13 domestic address in Tempe, Arizona and admit that Xcentric does business  
14 as badbusinessbureau.com, Ripoffreport.com and/or Bad Business Bureau  
15 and/or Ripoff Report. Deny the remaining allegations of ¶ 6.
- 16 7. Deny.
- 17 8. Admit that Magedson is a resident of the State of Arizona and is the  
18 manager of Xcentric and the Editor of the Ripoff Report website. Deny the  
19 remaining allegations of ¶ 8.
- 20 9. Deny.
- 21 10. Admit.
- 22 11. Defendants Xcentric and Magedson consent to personal jurisdiction in the  
23 State of California. Deny the remaining allegations of ¶ 11.
- 24 12. Admit that venue is proper in Los Angeles. Deny the remaining allegations  
25 of ¶ 12.
- 26 13. Admit that Xcentric operates [www.RipoffReport.com](http://www.RipoffReport.com) and  
27 [www.BadBusinessBureau.com](http://www.BadBusinessBureau.com), and admit that Magedson is the manager of  
28

GINGRAS LAW OFFICE, PLLC  
4072 E. MOUNTAIN VISTA DRIVE  
PHOENIX, ARIZONA 85048

- 1 Xcentric and the Editor of the Ripoff Report site. Deny the remaining
- 2 allegations of ¶ 13.
- 3 14. Admit.
- 4 15. Deny the first sentence of ¶ 15. Admit the remaining allegations of ¶ 15.
- 5 16. Admit the first sentence of ¶ 16 and admit that from time to time
- 6 Defendants Xcentric and Magedson may refuse to permit certain postings.
- 7 Deny the remaining allegations of ¶ 16.
- 8 17. Admit.
- 9 18. Admit.
- 10 19. Admit the first three sentences of ¶ 19. Deny the remaining allegations of ¶
- 11 19.
- 12 20. Admit that Defendant Xcentric offers a program called CAP which
- 13 involves an investigation into the accuracy of reports, creation of positive
- 14 comments about companies who join the program and various other
- 15 aspects, among other things. Deny the remaining allegations of ¶ 20.
- 16 21. Admit.
- 17 22. Admit that Defendants Xcentric and Magedson exercise editorial control
- 18 over content appearing on the Ripoff Report site, admit that Defendants
- 19 Xcentric and Magedson create various content on the site, and admit that
- 20 Defendants Xcentric and Magedson offer to link users of the website with
- 21 attorneys. Deny all remaining allegations of ¶ 22.
- 22 23. Admit.
- 23 24. Defendants Xcentric and Magedson lack sufficient information upon which
- 24 to form a belief as to the allegations of ¶ 24 and therefore deny same.
- 25 25. Defendants Xcentric and Magedson admit that they have refused to remove
- 26 reports concerning Plaintiffs. Defendants Xcentric and Magedson lack
- 27
- 28

GINGRAS LAW OFFICE, PLLC  
4072 E. MOUNTAIN VISTA DRIVE  
PHOENIX, ARIZONA 85048

- 1 sufficient information upon which to form a belief as to the remaining  
2 allegations of ¶ 25 and therefore deny same.
- 3 26. Admit that a form is provided on www.RipoffReport.com which asks  
4 questions to anyone inquiring about Corporate Advocacy Program. Deny  
5 the remaining allegations of ¶ 26.
- 6 27. Deny.
- 7 28. Admit that Plaintiffs contacted Defendants Xcentric and Magedson in  
8 February and May 2009 with certain allegations. Defendants Xcentric and  
9 Magedson lack sufficient information upon which to form a belief as to the  
10 remaining allegations of ¶ 28 and therefore deny same.
- 11 29. Admit.
- 12 30. Admit.
- 13 31. Admit.
- 14 32. Deny.
- 15 33. Deny.
- 16 34. Deny.
- 17 35. Deny.
- 18 36. Admit that Defendants Xcentric and Magedson earn revenue from the  
19 Corporate Advocacy Program. Deny the remaining allegations of ¶ 36.
- 20 37. Defendants Xcentric and Magedson lack sufficient information upon which  
21 to form a belief as to the allegations of ¶ 37 and therefore deny same.
- 22 38. Deny.
- 23 39. Deny.
- 24 40. Admit that Defendant Xcentric (who is not a member of the BBB) has a  
25 negative rating with the BBB. Deny the remaining allegations of ¶ 40.
- 26 41. Deny.
- 27 42. Deny.
- 28

GINGRAS LAW OFFICE, PLLC  
4072 E. MOUNTAIN VISTA DRIVE  
PHOENIX, ARIZONA 85048

- 1 43. N/A
- 2 44. Deny.
- 3 45. Deny.
- 4 46. Deny.
- 5 47. Deny.
- 6 48. Deny.
- 7 49. Deny.
- 8 50. N/A
- 9 51. Deny.
- 10 52. Deny.
- 11 53. Deny.
- 12 54. Deny.
- 13 55. Deny.
- 14 56. Deny.
- 15 57. N/A
- 16 58. Deny.
- 17 59. Deny.
- 18 60. Deny.
- 19 61. Admit.
- 20 62. Admit that Plaintiffs contacted Defendants Xcentric and Magedson in
- 21 February and May 2009 with certain allegations. Admit that Magedson
- 22 sent an email to Plaintiffs with a variety of information on various topics
- 23 which include a brief reference to the Corporate Advocacy Program.
- 24 Defendants Xcentric and Magedson lack sufficient information upon which
- 25 to form a belief as to the remaining allegations of ¶ 62 and therefore deny
- 26 same.
- 27 63. Deny.
- 28

GINGRAS LAW OFFICE, PLLC  
4072 E. MOUNTAIN VISTA DRIVE  
PHOENIX, ARIZONA 85048

- 1           64.   Deny.
- 2           65.   Deny.
- 3           66.   Deny.
- 4           67.   Deny.
- 5           68.   Deny.
- 6           69.   N/A
- 7           70.   Deny.
- 8           71.   Deny.
- 9           72.   N/A
- 10          73.   Deny.
- 11          74.   Deny.
- 12          75.   Admit that Defendants Xcentric and Magedson created the CAP program  
13           and that the program is advertised on Defendants' website. Deny the  
14           remaining allegations of ¶ 75.
- 15          76.   Admit that Plaintiff Raymond Mobrez contacted Magedson with various  
16           claims. Deny the remaining allegations of ¶ 76.
- 17          77.   Deny.
- 18          78.   Deny.
- 19          79.   Deny.
- 20          80.   N/A
- 21          81.   Deny.
- 22          82.   Deny.
- 23          83.   Admit that Defendants Xcentric and Magedson do not verify the truth or  
24           accuracy of statements posted by users on the Ripoff Report website. Deny  
25           the remaining allegations of ¶ 83.
- 26          84.   Defendants Xcentric and Magedson lack sufficient information upon which  
27           to form a belief as to the allegations of ¶ 84 and therefore deny same.
- 28

GINGRAS LAW OFFICE, PLLC  
4072 E. MOUNTAIN VISTA DRIVE  
PHOENIX, ARIZONA 85048

- 1 85. Deny.
- 2 86. Deny.
- 3 87. N/A
- 4 88. Deny.
- 5 89. Deny.
- 6 90. Deny.
- 7 91. Deny.
- 8 92. N/A
- 9 93. Deny.
- 10 94. Deny.
- 11 95. Deny.
- 12 96. Deny.
- 13 97. Deny.
- 14 98. N/A
- 15 99. Deny.
- 16 100. Deny.
- 17 101. Deny.
- 18 102. Deny.
- 19 103. Deny.
- 20 104. N/A
- 21 105. Deny.
- 22 106. Deny.
- 23 107. Deny.
- 24 108. Deny.
- 25 109. Deny.
- 26 110. Deny.
- 27 111. N/A
- 28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

- 112. Deny.
- 113. Admit that Plaintiffs contacted Defendants Xcentric and Magedson in February and May 2009 with certain allegations. Defendants Xcentric and Magedson lack sufficient information upon which to form a belief as to the remaining allegations of ¶ 113 and therefore deny same.
- 114. Deny.
- 115. Deny.
- 116. Deny.
- 117. Deny.
- 118. Deny.
- 119. N/A
- 120. Deny.

**GENERAL DENIAL**

Defendants Xcentric and Magedson deny any and all allegations except those which have been expressly admitted herein.

**AFFIRMATIVE DEFENSES**

**FIRST AFFIRMATIVE DEFENSE**  
(Failure to State Claim)

The Complaint and each cause of action set forth therein fails to state any claim upon which relief may be granted.

**SECOND AFFIRMATIVE DEFENSE**  
(Unclean Hands)

The Complaint and each equitable cause of action set forth therein is barred by Plaintiffs' unclean hands.

**THIRD AFFIRMATIVE DEFENSE**  
(Truth)

The Complaint and each defamation-based cause of action set forth therein is barred to the extent that any statements of and concerning Plaintiffs were, in fact, true.

GINGRAS LAW OFFICE, PLLC  
4072 E. MOUNTAIN VISTA DRIVE  
PHOENIX, ARIZONA 85048



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**FOURTH AFFIRMATIVE DEFENSE**  
(Communications Decency Act Immunity)

All defamation-based claims set forth in the Complaint are barred to the extent that the content of the statements which form the basis for such claims was provided by third parties.

**FIFTH AFFIRMATIVE DEFENSE**  
(Statute of Limitations)

The Complaint and each cause of action set forth therein is barred to the extent that the applicable statute(s) of limitations have expired.

**WHEREFORE**, having fully answered Plaintiffs' Complaint, Defendants Xcentric and Magedson request that this Honorable Court do the following things:

- A. Dismiss the Complaint with prejudice and order that Plaintiffs take nothing thereby;
- B. Deny, with prejudice, all equitable relief in the form requested by Plaintiffs;
- C. Award judgment for all reasonable costs and attorney's fees incurred in favor of Defendants and against Plaintiffs pursuant to Fed. R. Civ. P. 11(a), Cal. Code Civ. P. § 425.16, and/or any other applicable authority;
- D. Any other relief deemed appropriate by the Court.

DATED this 19<sup>th</sup> day of February, 2010.

**GINGRAS LAW OFFICE, PLLC**



David S. Gingras  
Attorney for Defendants  
Xcentric Ventures, LLC and  
Edward Magedson

GINGRAS LAW OFFICE, PLLC  
4072 E. MOUNTAIN VISTA DRIVE  
PHOENIX, ARIZONA 85048

**PROOF OF SERVICE**  
1013A(3) C.C.P. Revised 5/1/88

STATE OF ARIZONA )  
COUNTY OF MARICOPA ) ss.

I am employed in the County of Maricopa, State of Arizona. I am over the age of 18 and not a party to the within action. My business address is 3200 N. Central Avenue, Suite 2000, Phoenix, Arizona 85012.

On February 19, 2010 I served the foregoing document described as:

**Answer**

on the interested parties in this action by placing:  
 a true and correct copy -OR-  the original document  
thereof enclosed in sealed envelopes addressed as follows:


Daniel F. Blackert, Esq. Attorney for Plaintiffs  
Asia Economic Institute, LLC  
11766 Wilshire Blvd., Suite 260  
Los Angeles, CA, 90025  
Telephone: (310) 806-3000  
Facsimile: (310) 826-4448

**[X] BY MAIL:**

I deposited such envelope in the mail at Phoenix, Arizona. The envelope was mailed with postage thereon fully prepaid.

As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. Postal Service on that same day with postage thereon fully prepaid at Phoenix, Arizona in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

I declare under penalty of perjury under the laws of the State of Arizona that the above is true and correct.

  
\_\_\_\_\_

GINGRAS LAW OFFICE, PLLC  
4072 E. MOUNTAIN VISTA DRIVE  
PHOENIX, ARIZONA 85048