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Attorneys for Defendants  
 Xcentric Ventures, LLC and  
 Edward Magedson

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

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

**Plaintiffs,**

**vs.**

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

**Defendants.**

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

**AFFIDAVIT OF ED MAGEDSON  
 IN SUPPORT OF  
 DEFENDANTS' MOTION FOR  
 SUMMARY JUDGMENT**

Hearing Date: June 28, 2010

Time: 1:30 PM

Courtroom: 6 (Hon. Stephen Wilson)

**AFFIDAVIT OF ED MAGEDSON**

CV10-01360 SVW

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1 I, Edward Magedson, declare as follows:

2 1. My name is Ed Magedson. I am a resident of the State of Arizona, am over  
3 the age of 18 years, and if called to testify in court or other proceeding I could and would  
4 give the following testimony which is based upon my own personal knowledge unless  
5 otherwise stated.

6 2. I am the manager of Xcentric Ventures, LLC (“Xcentric”) and the founder  
7 and “ED”itor of the website [www.RipoffReport.com](http://www.RipoffReport.com) which I started in 1998. The Ripoff  
8 Report site is operated by Xcentric. Serving as a forum for speech concerning bad  
9 business practices among other things, the Ripoff Report is the leading complaint  
10 reporting website and is one of the most ardent supporters of free speech anywhere.

11 3. In my capacity as the Editor of the Ripoff Report I have worked closely  
12 with all levels of federal, state, and local law enforcement, including, but not limited to,  
13 various state attorneys general, county attorneys, Homeland Security, the United States  
14 Justice Department, United States Secret Service, FBI, FTC, SEC, US Postal inspectors,  
15 and local police, providing them with information used to locate victims, detect patterns  
16 of deceptive business practices and to prosecute violations of consumer protection laws,  
17 among other things.

18 4. The Ripoff Report is 100% free to use—it charges nothing whatsoever to  
19 users who create reports, nothing to viewers who read reports, and nothing to anyone  
20 wishing to respond to reports.

21 **SUMMARY OF THE CORPORATE ADVOCACY PROGRAM**

22 5. I have personally reviewed the Complaint filed against me in this matter by  
23 Plaintiffs Asia Economic Institute, Raymond Mobrez and Iliana Llaneras. Based on this  
24 review, I understand that a large portion of this action is founded upon Plaintiffs’  
25 misunderstanding of the Ripoff Report’s Corporate Advocacy Program or “CAP”.  
26 Because an accurate understanding of the CAP program is essential to understanding why  
27 Plaintiffs’ allegations of “extortion” are groundless, I will briefly explain the program  
28 before addressing the specific details of Plaintiffs’ Complaint.

1           6. First of all, it is false to imply that the Ripoff Report is an “extortion”  
2 scheme in which reports are solicited for the purpose of victimizing and extracting money  
3 from those named in a report. If a company or individual is named in a report which  
4 appears on the Ripoff Report, they always have the option of creating and posting a  
5 response (called a “rebuttal”) which explains their side of the story. Ripoff Report  
6 charges nothing whatsoever to anyone who wishes to post a rebuttal; they are 100% free.

7           7. When I am contacted by anyone who states that they have been targeted by  
8 a false or inaccurate report, my first suggestion to them is to file a free rebuttal. In my  
9 experience, the vast majority of complaints regarding unfair reports can be quickly and  
10 inexpensively resolved by posting a well-written rebuttal.

11           8. As I stated above, I always recommend that companies file a rebuttal as  
12 their primary recourse against any report they feel is inaccurate. However, in some  
13 instances, companies may feel that additional assistance is needed in order to help them  
14 improve customer satisfaction and resolve pending complaints. This is where the  
15 Corporate Advocacy Program comes in.

16           9. When a company becomes a member of the CAP program, several different  
17 elements are involved. First, the goal of the program is to ensure that complaints  
18 submitted by unhappy customers are resolved and that the root problems which caused  
19 these complaints are fixed so that future complaints can be reduced or avoided.

20           10. To achieve these goals, a company who joins the CAP program must agree,  
21 in writing, to work with Ripoff Report and the unhappy customers who have filed reports  
22 in order to resolve their complaints. This must include offering full refunds if requested  
23 by the customer.

24           11. During this process, Ripoff Report acts as a liaison between the CAP  
25 member and its customers by contacting each author who has submitted a report to our  
26 site about the company. The email we send to each author explains that the company has  
27 joined our program and has made a commitment to resolve the customer’s complaint  
28 quickly and fairly.

1           12.   Regardless of the resolution of each specific complaint, when a company  
2 joins the CAP program I will post information explaining this fact as an introduction to  
3 each complaint about the company on the Ripoff Report site. The purpose of this is to  
4 allow readers to see that the CAP member has joined our program and that the company  
5 has made a firm commitment to increasing its customer satisfaction by working with  
6 Ripoff Report to resolve all past and any future complaints.

7           13.   CAP membership never includes the removal of reports, nor is the text of  
8 existing reports changed in any way. The only alteration made is to add an introduction  
9 to each report explaining that the company has joined our program, and this change is  
10 made only after the company has consented in writing to permit Ripoff Report to make  
11 the change. Other than adding this new information, existing reports remain visible on  
12 the site in their exact original form.

13           14.   I frequently explain to people that one of the benefits of joining the CAP  
14 program is that they can “turn a negative into a positive”. When I say this, it is not meant  
15 to imply that by joining the program, the text of existing complaints will be changed or  
16 that negative statements will be changed. Rather, what I mean when I say this is that  
17 people who visit the Ripoff Report understand that when a company joins the CAP  
18 program, that company has made a visible, tangible commitment to increasing customer  
19 satisfaction. As such, when someone reviews a report about a CAP member, in addition  
20 to seeing the original complaint, they will also see that the company has joined our  
21 program and this will cause the reader (assuming they are a potential customer) to realize  
22 that the company can be trusted with their business. Because I strongly believe that  
23 customers prefer to do business with a company that has shown a willingness to admit  
24 their mistakes and to fix them, I feel that even negative complaints will produce a  
25 positive effect for our CAP members in the long run.

26           15.   Because the purpose of the CAP program is to help increase customer  
27 satisfaction, I generally require companies to accept some level of responsibility for  
28 customer complaints even if they do not agree with them. I do this because I do not want

1 a company to participate in the program half-heartedly without having made a sincere  
2 commitment to improving customer relations. If a company thinks they can simply join  
3 the CAP program and expect to receive no additional complaints in the future without  
4 making any changes to their practices, I would not be interested in having this company  
5 as a member in our program.

6 16. I do not perform any kind of active marketing for the CAP program other  
7 than providing general information about the program on the Ripoff Report website here:  
8 <http://www.ripoffreport.com/CorporateAdvocacy.aspx>. I also include a few comments  
9 about this program as well as a link to the above page in a standard form email that I send  
10 in response to anyone who contacts the site asking about how to resolve a report.

11 17. In my standard email (a copy of which is attached as an exhibit to the  
12 Plaintiffs' Complaint), I also encourage the recipient to file a free rebuttal as their first  
13 course of action. Specifically, my email states: "You can simply file a rebuttal and  
14 explain your side of the story ... it's free ... and you don't have to even read any further,  
15 just log on and file a rebuttal telling your side of the story, best not to be combative or  
16 insulting." This point is repeated several times throughout the email.

17 18. Nothing in my email demands money to change or remove reports. In fact,  
18 my email clearly explains that we will NEVER remove reports in exchange for money:

19 [A]s a matter of policy, we do not remove a submitted Rip-off Report, and  
20 we never will. Some people claim that we remove reports for money, but  
21 that is just plain false. We have been offered as much as \$50,000 to remove  
22 just one Rip-off Report, but we declined because doing so is in violation of  
23 our policy, and more importantly, goes against what we what we stand for ...  
24 Please understand our position.

### 25 SUMMARY OF CONTACT WITH PLAINTIFFS

26 19. I understand from reviewing the Complaint and the declarations filed by  
27 Plaintiffs in this matter that Plaintiffs have accused me of attempting to "extort" money  
28 from them during a series of telephone calls that took place in late April and early May  
2009. This allegation is completely and totally false. In fact, each and every one of my  
telephone conversations with Mr. Mobrez was automatically recorded by Xcentric's

1 phone system and these recordings prove conclusively that Mr. Mobrez and Ms. Llaneras  
2 have perjured themselves in this case.

3 20. I understand that Mr. Mobrez alleges that on February 15, 2009, he sent an  
4 email to [info@ripoffreport.com](mailto:info@ripoffreport.com) which asked us to remove a report about him from our  
5 site. Although I do have access to the email address [info@ripoffreport.com](mailto:info@ripoffreport.com), it is not my  
6 primary email address; my primary email is [Editor@ripoffreport.com](mailto:Editor@ripoffreport.com). I have no specific  
7 recollection of receiving the February 15, 2009 email from Mr. Mobrez, and I am fairly  
8 certain that I never responded to it. It is also possible that due to problems with  
9 Xcentric's email server, this email may never have arrived.

10 21. I understand that Mr. Mobrez alleges that on April 28, 2009, he sent me an  
11 email which began "Dear Editor, I spoke with someone at your office yesterday ... ."  
12 Although I have seen this email during the course of this lawsuit, I do not specifically  
13 recall receiving it at the time, and I am fairly certain that I never responded to it.

14 22. On May 5, 2009, Mr. Mobrez re-sent me a copy of the email he previously  
15 sent on April 28, 2009 which also began "Dear Editor, I spoke with someone at your  
16 office yesterday ... ." I do recall receiving this email on May 5, 2009, and consistent  
17 with my normal practice, I briefly reviewed it and then I responded later that same day  
18 with a lengthy "form email" which I normally send to people who email me asking about  
19 their options for responding to a report. The "form email" I sent to Mr. Mobrez on May  
20 5, 2009 does not demand money and does not contain any threats; it simply explains my  
21 views on various options for anyone wishing to address a report on our site.

22 23. I have reviewed the Declarations of Raymond Mobrez and Iliana Llaneras  
23 filed in this case on May 3, 2010. I am aware from reviewing these declarations that Mr.  
24 Mobrez claims that in a telephone conversation that took place on May 5, 2009, I asked  
25 him for a payment of \$5,000 plus a monthly monitoring fee in order to help remedy  
26 negative postings about AEI on the Ripoff Report site. I am aware that Mr. Mobrez  
27 claims that during other calls, I told him that if he paid this fee, all of the negative would  
28 be changed into a positive. I am also aware that Mr. Mobrez claims that I bragged about

1 Ripoff Report being at the top of all of the search engines, that any lawsuit against us  
2 would be fruitless, and that it was therefore best for him to just “go with the [CAP]  
3 program.” I understand that Ms. Llaneras claims to have been listening in to several of  
4 these calls without my knowledge, and I am aware that she testified in her declaration  
5 that Mr. Mobrez had accurately recounted each of these conversations in his declaration.

6 24. I am aware that at the time their declarations were filed on May 3, 2010,  
7 Mr. Mobrez and Ms. Llaneras did not know that these calls had been recorded. I am also  
8 aware that the existence of these recordings was revealed to Mr. Mobrez and Ms.  
9 Llaneras for the first time during the deposition of Mr. Mobrez on May 7, 2010.

10 25. The six audio recordings that were played during the deposition of Mr.  
11 Mobrez on May 7, 2010 were true, complete, and unaltered copies of recordings which  
12 Xcentric automatically creates and routinely maintains as part of its business records. I  
13 did not alter, edit, or modify these recordings in any way.

14 26. After the denial of Defendants’ anti-SLAPP motion on April 19, 2010, the  
15 following day (on April 20, 2010) I began a search for any audio recordings that might  
16 exist of conversations between Mr. Mobrez and myself. Because of the significant  
17 amount of time involved, I did not conduct a search for these recordings prior to April 19,  
18 2010 because I believed the anti-SLAPP motion was likely to succeed, and until it was  
19 denied, I did not know whether any phone conversations between me and Mr. Mobrez  
20 would be necessary or relevant to the case.

21 27. As of April 20, 2010, I did not know exactly when Mr. Mobrez alleged that  
22 he had spoken to me and I did not know what phone number(s) he was calling from. For  
23 that reason, in order to locate any and all possible calls from Mr. Mobrez, I had to review  
24 recordings of every call made to the Ripoff Report’s main telephone number (602) 359-  
25 4357 over a period spanning several months. This search took me about 4–5 hours.

26 28. Following my search, I was able to locate recordings of six phone calls  
27 from Mr. Mobrez to the Ripoff Report’s main number. All of these calls occurred in  
28 April and May 2009.

29. Xcentric employs the services of a third-party vendor who automatically records all telephone calls to Ripoff Report's main phone number; (602) 359-4357. These recordings occur off-site, and I do not have access to any of the equipment used to record the calls nor do I have access to the recordings until they are sent to me via email.

30. When a call is recorded, the third-party vendor's system emails me an audio file which contains a copy of the call. This audio file includes certain data about the call in the file's header such as information from the caller ID, the number the caller is calling from, the date of the call and the time the recording ended.

31. According to my search, Xcentric's phone system recorded six phone calls from Mr. Mobrez in April and May 2009. These calls are summarized in the table below. It should be noted that the table actually reflects a total of seven calls were made even though only six calls were recorded.

TABLE OF RECORDINGS				
Call #	Date	End Time	Call From #	Length Min:Sec
1	4/27/2009	3:25 PM	(310) 806-3000	1:35
<b>2</b>	<b>4/27/2009</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
3	4/27/2009	3:32 PM	(310) 806-3000	1:20
4	5/5/2009	11:33 AM	(310) 806-3000	0:51
5	5/5/2009	1:10 PM	(310) 806-3000	0:35
6	5/9/2009	1:38 PM	(310) 801-5161	1:36
7	5/12/2009	3:05 PM	(310) 806-3000	14:45

32. The only call not recorded—Call #2 in this table—was a call made from Mr. Mobrez's office phone to the Ripoff Report on April 27, 2009. According to phone records produced by Mr. Mobrez which I have reviewed, I am aware that Call #2 was made at 3:27 PM on April 27, 2009, but the duration of the call as reflected on the phone bill was only 1.0 minute. It is my belief that no recording of this call was made because Mr. Mobrez never actually spoke to me during Call #2; this call was either dropped, did not connect successfully, or Mr. Mobrez hung up before reaching me.



1           33. In order to reach me directly, a caller is required to listen to two different  
2 series of options and then push two different keys to indicate that they would like to  
3 speak to the Ripoff Report's editor. Listening to only the main menu of options takes 40  
4 seconds. If the caller chooses option 1, which relates to requests to remove reports, they  
5 get a recorded message regarding our policy, including the policy to not speak by  
6 telephone. It takes one minute and thirty seconds to listen to the main menu plus the  
7 recorded message in option 1.

8           34. If the caller follows the phone tree to reach me, the phone system then asks  
9 the caller to state their name which is recorded, and then they are placed on hold while  
10 the system forwards the call to me. The automatic recording process does not begin  
11 unless and until the caller is connected directly to me, and the audio recording only  
12 captures what was said after the call is connected to me. So, for instance, if a person  
13 spent 1 ½ minutes navigating through the phone menu system and waiting for the system  
14 to connect the call and then spoke to me for a total of 30 seconds, Xcentric's system  
15 would only record the actual length of the conversation (30 seconds), but the caller's  
16 phone bill would likely indicate a total call duration of around 2.0 minutes.

17           35. Although a person could reach me in under a minute if they knew the exact  
18 sequence of buttons to push and did not wait to hear each menu listing, normally  
19 completing each step of the phone menu process takes anywhere from approximately one  
20 minute to nearly two minutes. It is my belief that the time it takes to complete this  
21 process is why Mr. Mobrez's phone bills show that each call was approximately 90  
22 seconds longer than the audio recording that was captured for each call.

23           36. To be clear—I did not delete any audio from these recordings nor did I edit  
24 them in any way whatsoever. The recordings that have been supplied to Mr. Mobrez's  
25 attorneys are a complete and accurate reflection of the recordings made by Xcentric's  
26 system.

27           37. As clearly demonstrated in the recordings of the six other calls, none of Mr.  
28 Mobrez's extortion allegations are true. Of these six calls, two of them were voicemails

1 that Mr. Mobrez left for me and the other four are recordings of our actual conversations.  
2 Although I did have four brief telephone conversations with Mr. Mobrez in April and  
3 May 2009 (all of which were initiated by him; I never called him), I never asked Mr.  
4 Mobrez for money, I never asked Mr. Mobrez whether his company was profitable or  
5 how it made money, I never told him that payment of a fee to Xcentric would result in  
6 negative information being changed into a positive, and I never bragged about Ripoff  
7 Report being at the top of any search engines. All of these allegations are lies.  
8 Excluding general comments which are found on the Ripoff Report website here:  
9 <http://www.ripoffreport.com/ConsumersSayThankYou/WantToSueRipoffReport.aspx>, I  
10 never personally told Mr. Mobrez that Ripoff Report was immune under the law, I never  
11 told him that a lawsuit against us was likely to fail, I never bragged about having a team  
12 of lawyers who would fight him, and I never told him that it was “best to just join the  
13 [CAP] program.” All of these allegations are blatant lies—they are pure fabrications that  
14 Mr. Mobrez created in order to falsely malign me and the Ripoff Report site and to gain  
15 unjustified sympathy for himself.

16 38. Rather, as the recordings of these phone calls clearly show, the topic of the  
17 Corporate Advocacy Program was first brought up by Mr. Mobrez, not by me. In fact,  
18 each time he called, Mr. Mobrez repeatedly tried to engage me in conversation about the  
19 Corporate Advocacy Program and each time he did so, I refused to discuss the program  
20 with him. Listening to these recordings now, I believe it is very clear that Mr. Mobrez  
21 was attempting to lead me into asking for money from him, but I firmly refused to do so.

22 39. As a matter of general policy and in order to preempt exactly the type of  
23 false and fabricated allegations present in this case, I do not discuss the Corporate  
24 Advocacy Program by telephone with anyone unless and until they have contacted us in  
25 writing to apply for the program. Because Mr. Mobrez never applied for the program, I  
26 did not speak to him about it even though he repeatedly asked me to do so.

27 40. In the case of AEI and Mr. Mobrez and as clearly demonstrated by the  
28 recordings of the phone conversations between us, I never discussed any aspect of the

1 program with Mr. Mobrez by telephone except for explaining that if Mr. Mobrez wanted  
2 to receive more information, he would need to review the page about the program  
3 contained on our website and then complete a short application form which is available  
4 here: <http://www.ripoffreport.com/CorporateAdvocacy/Application.aspx>.

5 41. As shown on the recordings, Mr. Mobrez initially indicated or implied that  
6 he would go to the site and complete this application, but he never did so. During my  
7 subsequent conversations with Mr. Mobrez in which he attempted to engage me in  
8 discussions about the Corporate Advocacy Program, I repeatedly told him that “there is  
9 nothing we can discuss by phone until I receive your information via email”. This  
10 statement (which was made to Mr. Mobrez numerous times) was a reference to my policy  
11 against discussing the CAP program by phone, and the email I was referring to is the  
12 email generated by our system each time a person completes the CAP application form.

13 42. I am aware that in ¶ 13 of his May 3, 2010 declaration, Mr. Mobrez claims  
14 that a discussion took place between us at around 1:05 PM on May 5, 2009 in which he  
15 claims that I demanded a payment of at least “five grand” (\$5,000) plus a monthly  
16 monitoring fee to enroll Mr. Mobrez in the Corporate Advocacy Program. I understand  
17 that Mr. Mobrez’s wife, Iliana Llaneras, claims in her declaration that she was  
18 eavesdropping on this call and that she confirms Mr. Mobrez’s version of what was said.

19 43. Both Mr. Mobrez and Ms. Llaneras are lying about the conversation that  
20 took place on May 5, 2009. This call was automatically recorded by Xcentric and the  
21 actual recording of the call (which has a total running time of 35 seconds) was played  
22 during the deposition of Mr. Mobrez. As clearly shown in the recording of this call, my  
23 actual conversation with Mr. Mobrez during this call lasted approximately 13 seconds.  
24 After Mr. Mobrez began speaking and I recognized his voice, I immediately hung up the  
25 phone. Mr. Mobrez continued speaking for a few seconds until he realized that the call  
26 had been disconnected. The remainder of the recording shows Mr. Mobrez repeatedly  
27 saying, “Hello? Hello? Hello?” As the recording clearly shows, I never demanded  
28 \$5,000 (or any other amount) during this call, nor did I ever ask Mr. Mobrez for any

1 money at any time. In addition, I never made any of the other statements that Mr.  
2 Mobrez attributed to me during this call such as informing him that the more money a  
3 company made, the more I would charge that company for membership in the CAP  
4 program. These statements are simply inflammatory, malicious and offensive lies that  
5 Mr. Mobrez and Ms. Llaneras created in order to defame, discredit, and attack me.

6 44. I understand that according to the phone bills produced by Mr. Mobrez, his  
7 bill reflects that the total duration of the call on May 5, 2009 at 1:05 PM was 2.2 minutes  
8 which is obviously longer than the 35 seconds of audio recording that were actually  
9 captured. The reason for this difference (which is present in each of the six recordings)  
10 is that as explained above, anyone who calls the Ripoff Report main phone number must  
11 navigate through a series of menus before they are connected to me. This process takes  
12 an average of between one and two minutes which is why Mr. Mobrez's phone bills show  
13 that each call he made to the Ripoff Report was approximately 90 seconds longer than the  
14 amount of audio actually recorded.

15 45. The first call was made by Mr. Mobrez on April 27, 2009 at 3:21 PM and  
16 his phone bill shows the total length of the call was 3.5 minutes. According to Xcentric's  
17 recording of this call which was transcribed on pages 271:7-273:9 of Mr. Mobrez's  
18 deposition, the total amount of audio captured was 1:35 (one minute, thirty-five seconds),  
19 but it is obvious from the recording itself that the entire conversation was actually  
20 recorded. This implies that it took Mr. Mobrez about two minutes to navigate through  
21 the menu system during this first call.

22 46. The second call from Mr. Mobrez was on April 27, 2009 at 3:27 PM. His  
23 telephone bill shows the total length of this call was 1.0 minute. Xcentric's system did  
24 not record any audio from this call which I believe is due to the fact that the call was  
25 either dropped for some reason, or Mr. Mobrez hung up before he completed the phone  
26 menu process. Because Mr. Mobrez never spoke to me, no recording was made.

27 47. The third call from Mr. Mobrez took place on April 27, 2009 at 3:28 PM.  
28 His telephone bill shows that the total length of this call was 2.9 minutes. According to

¶ 8 of Mr. Mobrez's May 3, 2010 declaration, he claims that this third call involved a conversation between he and I in which I talked to him about the CAP program. That statement is false. According to Xcentric's recording of this case, which was transcribed on pages 276:3–277:6 of Mr. Mobrez's deposition, the third call was actually a voicemail that Mr. Mobrez left on our phone system. The total duration of this voicemail was 1:20 (one minute, twenty seconds) which again is consistent with the amount of time that Mr. Mobrez would have spent navigating through Xcentric's phone menu system before he could leave a message for me.

48. The fourth call from Mr. Mobrez took place on May 5, 2009 at 11:28 AM. His telephone bill shows that the total length of this call was 2.6 minutes. According to ¶ 10 of Mr. Mobrez's May 3, 2010 declaration, he claims that during this fourth call, he asked me for information about the CAP program, including the cost. Mr. Mobrez also claimed that I told him during this call that the Ripoff Report had immunity under the law and therefore could not be sued, and that we have a team of lawyers who would fight any lawsuit and therefore it was best to "just go with the [CAP] program". All of these allegations are completely false. The actual recording of Call #4, which was transcribed on pages 278:12–279:10 of Mr. Mobrez's deposition, demonstrates that Mr. Mobrez attempted to engage me in a discussion about how he could resolve a report on our site, and I expressly told him that I could not speak to him about this by phone (as I had previously told him during our first discussion). After explaining that I would not speak to him by phone, I hung up and the recording ended. The total duration of the recording was 51 seconds.

49. The fifth call from Mr. Mobrez took place on May 5, 2009 at 1:05 PM. His telephone bill shows the length of this call was 2.2 minutes. This call is described in ¶ 13 of Mr. Mobrez's May 3, 2010 declaration, and this is the call during which Mr. Mobrez claims that I demanded \$5,000 from him, plus an additional payment of several hundred dollars each month. These allegations are completely false. According to Xcentric's recording of this call, which was transcribed on pages 280:4–281:7 of Mr.

1 Mobrez's deposition, the entire conversation during Call #5 lasted a total of 35 seconds.  
2 The call began with me asking the caller who he was, after which Mr. Mobrez responded:  
3 "I spoke to you earlier. Thank you for sending me that e-mail. I tried to understand it,  
4 but there's nothing says what I can do there. Hello? Hello? Hello?" This represents the  
5 entire conversation that occurred during Call #5.

6 50. As reflected in this recording, once again I hung up the phone on Mr.  
7 Mobrez once I realized that it was the same person who had called me several times  
8 before and who I had previously told I would not speak to by phone. As reflected in the  
9 recording, I never asked Mr. Mobrez for money, never told him that our fees were based  
10 on the size of his company, and never told him that the more money he made the more he  
11 would be charged. All of these allegations are completely false as the tape recording of  
12 this call clearly shows.

13 51. The sixth call from Mr. Mobrez took place on May 9, 2009 at 1:36 PM.  
14 This call was another voicemail that Mr. Mobrez left from his cell phone (310-801-5161).  
15 Mr. Mobrez did not produce a copy of his cell phone records despite being asked to do  
16 so, so I do not know what the length of this call was according to his bill. According to  
17 Xcentric's recording of this call, which was transcribed on pages 282:10–283:20 of Mr.  
18 Mobrez's deposition, Mr. Mobrez accurately describes his previous conversations with me  
19 as being very short and ending with me hanging up on him; "I spoken about three times  
20 with the same gentleman, but it seemed to me he does not want to stay on the phone or  
21 something. He just hangs up very quickly."

22 52. The seventh and final call from Mr. Mobrez took place on May 12, 2009 at  
23 2:46 PM. This call is described in ¶ 14 of Mr. Mobrez's May 3, 2010 declaration in  
24 which he states that I told him during the call that if he joined the CAP program and paid  
25 the fees, then "all the negative goes away and you see the positive." As reflected in the  
26 transcript of the call, this allegation is completely false; I never told Mr. Mobrez during  
27 this call that membership in the CAP program would make all the negative go away.  
28

1 Rather, as with every other call, I specifically told Mr. Mobrez during this call that I  
2 would not and could not speak to him about CAP unless he applied for the program.

3 53. As clearly shown in the recording of this call, even after I told him that I  
4 would not speak to him about the CAP program, Mr. Mobrez also continued trying to  
5 “bait” me into asking him for money, which again I refused to do. In fact, at one point  
6 during the call, Mr. Mobrez apparently became frustrated that I had not asked him for  
7 money and he said to me, “Look, if you want to fix this, we can take care of it right  
8 away...” suggesting that if I would just request money from him, he was willing to pay  
9 immediately. As was true of every other instance that Mr. Mobrez tried to make me ask  
10 him for money, I refused to do so.

11 54. Instead, I responded by telling Mr. Mobrez that I would search for his email  
12 to confirm that I had received his application form, but after several minutes of searching  
13 I was not able to locate any such emails from him. I then repeated my previous  
14 statements to the effect that I would not and could not discuss the program with him until  
15 I could confirm receipt of his application.

16 55. After our call ended on May 12, 2009, I continued looking for the CAP  
17 application form which I thought Mr. Mobrez said he had sent. Eventually, I was able to  
18 determine that Mr. Mobrez had never sent me any such form, and I therefore sent him an  
19 email in which I expressed my frustration at having spent time looking for something that  
20 did not exist.

21 56. Mr. Mobrez never completed the CAP application, never joined the CAP  
22 program, and neither he nor Ms. Llaneras nor AEI have ever paid anything to me or to  
23 Xcentric.

24 57. When I told Mr. Mobrez that he “drove me crazy,” in my email to  
25 following our discussion on May 12, 2009, I was not angry that he had not applied for the  
26 CAP program. Rather, this statement was simply a reference to the fact that I was  
27 frustrated that I had spent so much time looking for an email that Mr. Mobrez suggested  
28 he had already sent when, in truth, the email had not been sent.

58. Based on my review of the Complaint and the exhibits thereto, I am aware that there six reports which Plaintiffs allege contain various false statements about them. These reports (as is true of all new submissions to our site) are automatically assigned “report numbers” by our servers which are sequential numbers reflecting the order in which each report was received.

59. In this case, I understand that the six postings at issue are as follows: Report #417493, #423987, #457433, #502429, #564331, and #571232. I understand that screenshots of portions of the report as well as copies of the text of each of each report are attached to the Declaration of David Gingras submitted herewith as follows:

Exhibit	Report #	Submission Date
1A/B	417493	January 28, 2009
2A/B	423987	February 13, 2009
3A/B	457433	June 1, 2009
4A/B	502429	September 30, 2009
5A/B	564331	February 3, 2010
6A/B	571232	February 19, 2010

60. All of these reports and rebuttals were created by third parties, not by me or Xcentric. I had nothing to do with the creation of the six reports at issue in this case, nor did I have anything to do with the comments/rebuttals to each report. I did not create these reports or rebuttals, nor did I alter them in any way. I did not “solicit” anyone else to write these reports or rebuttals.

61. I am aware that on May 20, 2010, Mr. Mobrez filed a “corrected” affidavit in this matter in which he attempted to recant much of his prior testimony. I am also aware that in his “corrected” affidavit Mr. Mobrez testified, “In addition, there were a number of incoming calls to me from Ripoff Report.” This statement is completely false and is just another lie by Mr. Mobrez. At no time did I ever call Mr. Mobrez, nor would



1 I have contacted him by phone for any reason. If I had wanted to contact him, I would  
2 have done so in writing via email.

3 62. I have been the victim of many false allegations in the past by people  
4 seeking to destroy the Ripoff Report. As a result, I am extremely cautious about who I  
5 contact by phone. Although I do accept incoming calls to the Ripoff Report, all of these  
6 calls are recorded in order to prevent people from lying about what was discussed.  
7 However, because my outgoing calls are not recorded, it is never my practice to contact  
8 anyone by phone regarding any aspect of the Ripoff Report site (including the Corporate  
9 Advocacy Program) unless I have an established relationship with the person I am  
10 calling. Because I had no relationship of any kind with Mr. Mobrez, I never contacted  
11 him by phone nor would I have done so.

12 63. Xcentric does not now, nor has it ever, employed, authorized, or contracted  
13 with anyone to sell or solicit the Corporate Advocacy Program. In addition, no employee  
14 of Xcentric is authorized to call anyone regarding the removal of reports or regarding the  
15 Corporate Advocacy Program. As the manager of Xcentric Ventures, I am the only  
16 person authorized by Xcentric to engage in discussions about the CAP program with  
17 potential members, and I am certain that I never had any discussions with Mr. Mobrez or  
18 Ms. Llaneras about the CAP program other than the few emails and phone calls described  
19 above.

20 64. At no time was I aware that AEI had valuable contracts and business  
21 expectancies with its employees. As indicated above, I had never heard of Mr. Mobrez or  
22 AEI prior to his emails to me in early 2009, and at no time during any of my limited  
23 conversations with Mr. Mobrez did he mention anything about his employees, nor did he  
24 tell me that employees had quit because of anything posted on the Ripoff Report site.

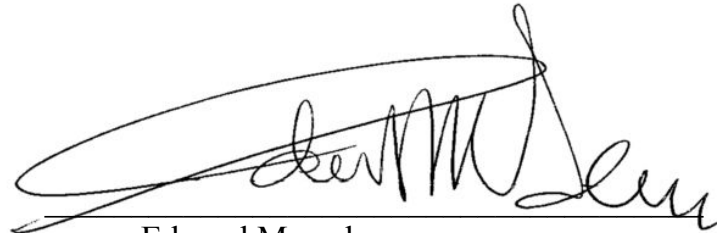
25 65. I am not in, nor have I ever entered into any conspiracy with anyone to  
26 harm Plaintiffs. I do not know who posted the reports about Plaintiffs. Although  
27 Xcentric maintains logs which would have information about the author(s) of each report,  
28 I have not personally reviewed this information. I am certain, however, that other than

1 Mr. Mobrez, I have never spoken to anyone about Mr. Mobrez or about AEI until this  
2 lawsuit was filed in January 2010.

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

5 EXECUTED ON: May 24, 2010.

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A handwritten signature in black ink, appearing to read 'Edward Magedson', is written over a horizontal line.

Edward Magedson

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/s/ David S. Gingras