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13 Attorneys for Defendants
 Xcentric Ventures, LLC and
 14 Edward Magedson

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

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

20 **Plaintiffs,**

21 **vs.**

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

23 **Defendants.**

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

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

Hearing Date: June 28, 2010
 Time: 1:30 PM
 Courtroom: 6 (Hon. Stephen Wilson)

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 which I started in 1998. The Ripoff
8 Report site is operated by Xcentric.

9 3. I have personally reviewed the pleading entitled “Plaintiffs’ Statement of
10 Genuine Issues In Opposition To Defendants’ Motion For Summary Judgment”, and I
11 have reviewed the statement of additional facts offered by Plaintiffs beginning on page
12 16 of that pleading.

13 4. I am aware that ¶ 27 of Plaintiffs’ Statement of Additional Facts alleges:
14 “fees for the CAP are calculated in three ways: (1) calculation by amount of reports filed,
15 (2) by the number of offices, or (3) by gross sale of a product or service. Which
16 methodology is chosen is dependent on which calculation is higher.” This statement is
17 accurate only as to the statement about fees being based on the number of complaints
18 filed. Otherwise, the statement is completely false and Plaintiffs’ counsel knows that this
19 statement is false.

20 5. During my two previous depositions in this matter, both attorneys for
21 Plaintiffs asked me questions about certain text appearing on the Ripoff Report website
22 and in emails which appeared to suggest that CAP fees were based on, among other
23 things, the size of a company, the number of offices a company has, or the size of an
24 average sale. I was asked about this repeatedly by both Mr. Blackert and Ms. Borodkin
25 and I responded to those questions at length.

26 6. Each time I was asked this question, I informed both Mr. Blackert and Ms.
27 Borodkin that the text they were referring to was mistaken, was out of date, and that it
28 was incorrect. I further explained that I have never, ever used anything other than the

1 total number of reports (plus certain flat-rate fees) to calculate the fees for membership in
2 the CAP program.


3 7. I never testified that the “methodology ... chosen is dependent on which
4 calculation is higher,” nor is this statement an accurate reflection of how I have
5 calculated CAP fees in the past.

6 8. The only method I have ever used to determine CAP fees is based on a flat
7 startup/programming fee plus additional fees on a per-report basis. In no case have I ever
8 based a determination of CAP fees on the size of a company or the amount of a
9 company’s average sale.

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

13 EXECUTED ON: June 23, 2010.

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Edward Magedson

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1 **CERTIFICATE OF SERVICE**

2
3 I hereby certify that on June 24, 2010 I electronically transmitted the attached document
4 to the Clerk’s Office using the CM/ECF System for filing, and for transmittal of a Notice
5 of Electronic Filing to the following CM/ECF registrants:
6

7 Mr. Daniel F. Blackert, Esq.
8 Ms. Lisa J. Borodkin, Esq.
9 Asia Economic Institute
10 11766 Wilshire Blvd., Suite 260
11 Los Angeles, CA 90025
12 Attorneys for Plaintiffs

13 And a courtesy copy of the foregoing delivered to:
14 Honorable Stephen V. Wilson
15 U.S. District Judge

16 /s/David S. Gingras
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