

EXHIBIT 1

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6 Attorneys for Defendants

7
8 **UNITED STATES DISTRICT COURT**
9 **MIDDLE DISTRICT OF FLORIDA**

10 **WHITNEY INFORMATION NETWORK,**
11 **INC.;** a Colorado corporation,

12 Plaintiff,

13 v.

14 **XCENTRIC VENTURES, LLC,** an
15 **Arizona limited liability company;**
16 **BADBUSINESSBUREAU.ORG,** an
17 **Arizona limited liability company; and ED**
18 **MAGEDSON,** an individual,

19 Defendants.

Case No: 2:04-CV-47-ftm-29-SPC

DECLARATION OF EDWARD
MAGEDSON

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20 I, Edward Magedson, declare the following to be true under penalty of perjury:

21 1. My name is Edward Magedson. I am a resident of the State of Arizona, am
22 over the age of 18 years, and if called to testify in court I could and would truthfully
23 testify to the following information based upon my own personal knowledge.

24 2. I am the founder and managing member of Defendant XCENTRIC
25 VENTURES, L.L.C., ("Xcentric") which is based in Tempe, Arizona. Xcentric operates a
26 website known as "The Rip-Off Report" which is located at www.ripoffreport.com and
27 www.badbusinessbureau.com (collectively, the "ROR Site").

28 3. The ROR Site content is comprised of individual "reports" or postings
created by viewers of the website. A consumer creates a report about a company's
business practices and submits it to the ROR Site for posting. Other consumers or the

1 company that is the subject of the report can then comment on that report by posting a
2 rebuttal.

3 4. The website is a free resource available to the public as well as government
4 officials, law enforcement, attorneys general, and so forth. This website has been in
5 operation since 1998 and we currently receive millions of hits every week. Since its
6 inception, the site has accumulated almost 8.5 billion page views (meaning pages viewed
7 by a user during a visit to the site).

8 5. As of May of 2007, the ROR Site contains more than 240,000 individual
9 reports. Including rebuttals, the site contains more than one million unique entries, and
10 we receive approximately 500-800 new reports/rebuttals every day.

11 6. When a user wants to post a new report, they must first sign up for an
12 account with Rip-Off Report. This process is absolutely free, and we ask the user to
13 provide truthful and accurate information, but it is possible for individuals to sign up for
14 an account using forged or fraudulent names, phone numbers, etc. Given the enormous
15 volume of traffic to the website, like any other popular site with such a high level of
16 traffic, other than a valid email address which is required to obtain an account, we cannot
17 and do not verify the authenticity of the personal information provided by each user.

18 7. Xcentric permits and encourages businesses to post rebuttals addressing the
19 content of reports posted about them.

20 8. Any time a user wishes to write a report or rebuttal, they must sign in with
21 their username and password and submit their report using an online form. When they do
22 so, our server logs the personal account information provided by the user (which is only as
23 accurate as the information originally provided by the user). The server also logs the
24 internet protocol or "IP" address of the user which is a unique number comprised of four
25 sets of one to three digits. When any person logs onto the Internet, their computer is
26 automatically assigned a unique IP address by their Internet Service Provider ("ISP")
27 which identifies that computer. While it is possible for a user to provide forged or fake
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1 personal information such as a name, it is very difficult, though not impossible, to forge
2 an IP address.

3 9. When the user is done writing their report, they click a button to post their
4 story to the ROR Sites. There is no charge for submitting a report. As part of the process
5 of submitting their report, the user creates a title or heading for the report.

6 10. Once a story is submitted, the story is held until it can be briefly reviewed
7 by Xcentric's staff of content monitors before it is posted online for other users to view.
8 When a report is reviewed, it is only to confirm that the report does not contain blatantly
9 illegal, inappropriate, or offensive material (i.e., images of pornography, social security
10 numbers, credit card numbers, or other inappropriate material). Any report that contains
11 such material may be deleted or redacted at the discretion of Xcentric staff. Otherwise,
12 reports posted by users of the ROR Sites are not checked for accuracy. As a matter of
13 policy, Xcentric staff does not add to, or rewrite, any of the reports posted by users.

14 11. Xcentric agents do not choose which stories to post. Xcentric agents are
15 instructed to never add content to a report.

16 12. I do not personally review all of the postings that are made on Rip-off
17 Report before they are posted.

18 13. I did not personally review any postings that were made pertaining to
19 Whitney before they were posted.

20 14. Once a report or rebuttal is submitted to the ROR Site, only persons with
21 administrative access have the ability to make any changes to that report or rebuttal.

22 15. Since 1993, only the following people, and no one else, have had
23 administrative access to the reports and rebuttals (meaning the ability to make edits to the
24 reports): Me, Amy Thompson, G. Young, Heather Norton, Kim Jordan, Jackie Wynne,
25 Kim Smith, Lynda Craven, Mary Jo Baker, C. Bowen, Paulette Craven, and Ben Smith.

26 16. ROR contains certain postings which mention Plaintiff WIN in a derogatory
27 manner.

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17. I have reviewed the posting attached as Exhibit 2 to our motion.

18. Other than Exhibit 2, I know no other statements on ROR which relate to WIN.

19. I did not author any of the statements that are the subject of this lawsuit.

20. I did not change, edit, or in any way alter any of the statements that are printed in Exhibit 2.

21. I did not author or modify any of the titles to the statements that are the subject of this lawsuit. I did not add the words "rip-off," "dishonest," or "scam" or any other words to the title or to the content of any report that is printed in Exhibit 2.

22. I regularly monitor the activities of my employees, including those individuals who are responsible for reviewing the reports to redact profanity, obscenity and personal contact information.

23. I have discussed the reports that are the subject of this lawsuit with my staff of editors and based on those discussions and my own personal knowledge, none of these reports and/or rebuttals were authored or posted by any of Xcentric's editorial staff. It would be a clear violation of Xcentric's rules for any agent of Xcentric to author or post a report or rebuttal, or to add any content or words to any report or any report title, without my express permission. I have not given any agent of Xcentric permission to author or post a report or rebuttal regarding WIN or to add any content to any report or any report title regarding WIN. All of these reports and/or rebuttals were written by independent third-party users of the ROR Sites. All persons who have had administrative access since the beginning of 1993 have agreed to supply an affidavit which confirms that they did not author or add any content to any of these statements.

24. I was not aware of the reports that are the subject of the claims brought by Whitney Information Network, Inc. until after the reports were filed and after Whitney raised a concern about the accuracy of the reports.

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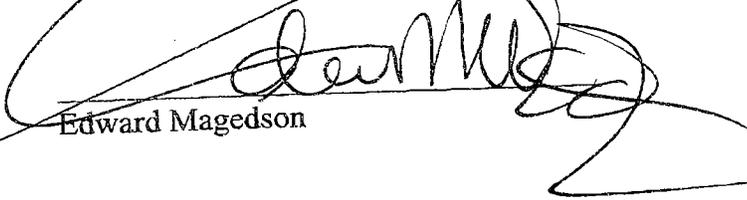
25. I did not know anything about Whitney Information Network, Inc., including where it did business, until this dispute arose.

26. I searched our business records and obtained administrator versions or "admin versions" of each report showing the contact and IP address information logged by our servers at the time each report was submitted.

27. I have reviewed all of these reports and the admin versions including the personal contact information listed with each. Based on my review of these reports, I am absolutely certain that none of the individuals who authored these reports work for Xcentric nor have any of them ever worked for Xcentric. Insofar as I am aware, all of these individuals are simply users of the ROR Sites who have independently decided to post messages regarding EASI.

28. Although the ROR Site generally encourages people to write complaints when they have been victimized, we have never encouraged anyone to submit false complaints. In fact, before a user is allowed to submit any report or rebuttal to the ROR Sites, they are required to first agree to a statement that includes the representation that "By posting this report/rebuttal, I attest this report is valid."

I declare the foregoing to be true under penalty of perjury.


Edward Magedson

6-7-07
Date

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