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By EVANGELINA PEREZ, Deputy
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CASE# CV2009-002032
CIVIL NEW COMPLAINT 001 301.00

TOTAL AMOUNT 301.00
Receipt# 00010592641

SUPERIOR COURT OF ARIZONA
MARICOPA COUNTY

**XCENTRIC VENTURES, LLC, an
Arizona limited liability company; and
EDWARD MAGEDSON, an unmarried
man,**

Plaintiffs,

v.

**SARAH L. BIRD and JOHN DOE BIRD,
wife and husband; SEOMOZ, INC d/b/a
SEOMOZ.ORG, a Washington corporation,**

Defendants.

Case No: **CV2009-002032**
COMPLAINT
(Defamation; Declaratory Relief)

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Plaintiffs XCENTRIC VENTURES, LLC and EDWARD MAGEDSON allege as follows:

GENERAL ALLEGATIONS

1. Plaintiff XCENTRIC VENTURES, LLC ("Xcentric") is an Arizona limited liability company formed under the laws of the State of Arizona.
2. Plaintiff EDWARD MAGEDSON ("Magedson") is a single man residing in Maricopa County.
3. Magedson is the Manager of Xcentric.

1 4. Xcentric operates a consumer information and advocacy website at
2 www.ripoffreport.com ("Rip-off Report"), where consumers and other visitors to the
3 website can post complaints regarding companies.

4 5. Upon information and belief, Defendant SEOMoz, Inc. d/b/a SEOMoz.org
5 "SEOMoz" is a Washington corporation not licensed to do business in the State of
6 Arizona.

7 6. Upon information and belief, Defendants Sarah Bird ("Bird") and John Doe
8 Bird are wife and husband, and were at all times material hereto residents of King County,
9 Washington.

10 7. Upon information and belief, Bird is the Secretary of SEOMoz, Inc.

11 8. It is further alleged that at all times mentioned herein, Sarah Bird was acting
12 for and on behalf of her martial community and for her sole and separate property
13 interests.

14 9. The true and correct name of the Defendant John Doe Bird is not currently
15 known to Plaintiffs. Plaintiffs request leave of court to insert the true and correct name of
16 the Defendant John Doe Bird at such time as it becomes known to the Plaintiffs.

17 10. Bird's statements were made and her conduct was committed in the scope
18 and course of her employment with SEOMoz.

19 11. Defendants have caused events to occur in the State of Arizona, Maricopa
20 County, out of which the Plaintiffs' claims arise and which are the subject of this
21 Complaint.

22 12. Venue in Maricopa County is proper.

23 13. Plaintiffs demand a trial by jury on all issues.

24 **THE PUBLICATION**

25 14. According to its website, SEOMoz "provides the web's best community,
26 tools and educational resources for people and companies engaged in Internet marketing
27 and search engine optimization." See http://www.seomoz.org/about.

28

1 15. SEOMoz admits to offering its services "across the US, Canada & Europe."
2 See <http://www.seomoz.org/about>.

3 16. Upon information and belief, various employees of SEOMoz author and
4 cause to be published blog entries on the SEOMoz website.

5 17. According to the SEOMoz website, Sarah Bird is the "Chief Operations
6 Officer, General Counsel, and law and technology blawger extraordinaire" of SEOMoz.
7 See <http://www.seomoz.org/team/sarah>.

8 18. On or about January 21, 2008, SEOMoz published and began circulating an
9 article titled The Anatomy of a RipOff Report Lawsuit, written by Sarah Bird (the
10 "Article"), a true copy of which is attached hereto as **Exhibit "A."**

11 19. The Article was published and is available free of charge on the Internet.

12 20. The Article is readily available to the consumer public and can be found
13 simply by searching "Rip-Off Report" on any major search engine, i.e. Yahoo!, Google,
14 or MSN.

15 THE FALSITY

16 21. The Article contains false, unfair, libelous, and defamatory statements of
17 and concerning the Plaintiffs written by Defendant Bird and published by Defendant
18 SEOMoz.

19 22. The Article contains the following text:

20 "Several courts have stated that if the plaintiffs can get
21 evidence that RipOff Report is drafting defamatory titles, then
22 there is a viable defamation claim and no immunity."

23 23. In addition, the following implication is contained within the quote from the
24 Article identified at Paragraph 22: that Rip-Off Report is actually drafting "defamatory
25 titles," but no one has been able to get evidence of it yet.

26 24. The Article contains the following text:

27 "if you're going to sue RipOff Report, it is very important to
28 allege that the website created and/or substantially altered the
meaning of the content. You need to allege facts that get you

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around the CDA immunity provisions in order to avoid being thrown out of Court.”

25. In addition, the following implication is contained within the quote from the Article identified at Paragraph 24: anyone who wants to succeed in a lawsuit against Rip-Off Report must “allege that the website created and/or substantially altered the meaning of the content”, regardless of whether they have actual evidence of that fact.

26. The Article contains the following text:

“There is more than just speculation that Magedson was involved in altering reports. The Declaration of Dickson Earl Woodard Deposition contains the sworn testimony of the Plaintiff’s former employee and states repeatedly that Magedson drafted fake complaints and manipulated search engines.”

27. The Article contains the following text:

“In addition to defamation, attorneys are suing RipOff Report for violations of the RICO Act. These next generation plaintiffs allege that RipOff Report’s conduct is extortion and amounts to racketeering.”

28. In addition, the following implication is contained within the quote from the Article identified at Paragraph 28: the plaintiffs and attorneys who have sued Rip-Off Report for violations of the RICO Act have had a legitimate basis for making those allegations.

29. While the statement in Paragraph 27 is not false, the implication contained within Paragraph 27 is false and defamatory.

30. The Article contains the following text:

“The good news is that the courts have already determined that taking money from a person in order to prevent him from being defamed is extortion. . . Further, several courts have ruled that the facts alleged against RipOff Report could amount to extortion. The courts in Hy Cite and Cambridge Who’s Who ruled that the allegations in the plaintiffs’ Complaints could result in a finding of extortion against RipOff Report.”

31. In addition, the following implication is contained within the quote from the Article identified at Paragraph 30: Rip-Off Report extorts people by taking money from them to prevent them from being defamed.

1 32. In addition, the following implication is contained within the quote from the
2 Article identified at Paragraph 30: courts have found that the acts of Xcentric could be
3 considered extortionate.

4 33. The Article contains the following text:

5 “I hope that plaintiffs will continue to press the
6 RICO/Extortion combo. This will direct the conversation
7 away from the CDA and focus it on the extortion elements of
8 the case. This is appropriate because this is what makes
9 RipOff Report’s alleged conduct so reprehensible. If RipOff
10 report were just providing a neutral and organic platform to
11 publish good and bad comments about businesses, no one
12 would be complaining.”

13 34. In addition, the following implication is contained within the quote from the
14 Article identified at Paragraph 33: plaintiffs have a good-faith basis to make allegations
15 regarding RICO violations or state law extortion claims.

16 35. In addition, the following implication is contained within the quote from the
17 Article identified at Paragraph 33: Xcentric operates Rip-Off Report in a “reprehensible”
18 manner and its actions constitute extortion.

19 36. In addition, the following implication is contained within the quote from the
20 Article identified at Paragraph 33: the Rip-Off Report website does not allow individuals
21 to publish both good and bad comments about businesses.

22 37. The Article contains the following text:

23 “What transforms this site from a consumer advocacy site to a
24 menace (allegedly) is its aggressive violations of Google’s
25 terms of service to increase its rankings, and concomitant
26 demands for exorbitant fees to write a few rebuttal posts. .
27 .The problem here is the apparent intent to damage a person
28 or business’s reputation without regard to the truth of the
matter, only to re-victimize the person or business by
charging them exorbitant fees.”

29 38. The Article contains the following text:

30 “For your information, Xcentric Ventures,
31 Badbusinessbureau.com, RipOffReport.com, and Edward
32 Mageson are all the same party.”

33 39. In addition, the Article contains an “Appendix of Cases” whereby
34 Defendant Bird claims to provide a list of pending cases against Plaintiffs and note the

1 status of these cases. While the status and substance of the cases against Plaintiffs are
2 public record, Defendant Bird interposes her own statements of fact into this section.

3 40. The Appendix of Cases contains the following text:

4 "My favorite is a police report filed by Magedson regarding
5 threatening letters that he received. He drops the complaint
6 once the police begin investigating. You be the judge: Does it
7 sound like Magedson made the whole thing up?"

8 41. In addition, the following implication is contained within the quote from the
9 Article identified at Paragraph 40: Magedson lied to the police.

10 42. The Appendix of Cases contains the following text:

11 "This one is the source of some great declarations by a former
12 employee who throws Magedson under the proverbial bus.
13 Magedson's only retort is that the employee was lying and
14 that it was actually the employee inventing these stories."

15 43. In addition, the following implication is contained within the quote from the
16 Article identified at Paragraph 41: Magedson's former employee made true statements
17 about Magedson that were damaging to this case.

18 44. In addition, the following implication is contained within the quote from the
19 Article identified at Paragraph 41: Magedson has no legitimate defense to the accusations
20 made by the employee.

21 45. Regarding the case of *IGIA v. Xcentric*, the Appendix of Cases contains the
22 following text:

23 "Complaint alleges RICO Act and Defamation claims.
24 Default Judgment entered on December 20, 2007. The
25 Defendant did not appear and defend the lawsuit."

26 46. Neither Magedson nor any employee or agent of Xcentric authors the titles
27 of the reports on Rip-Off Report. The author of the report is also the author of the title of
28 the report.

47. Neither Magedson nor any employee or agent of Xcentric creates or
substantially alters the meaning of content of any report or rebuttal located on Rip-Off
Report.

1 48. Dickson Woodard was never an employee or agent of Xcentric or Rip-Off
2 Report.

3 49. The deposition testimony of Dickson Woodard, to which Defendant Bird
4 refers to, has since been discredited by the United States District Court, Northern District
5 of Texas in Case No. 3:07-cv-00976.

6 50. The deposition testimony to which Defendant Bird refers has been
7 contradicted and disavowed by additional deposition testimony and other sworn
8 statements by Dickson Woodard.

9 51. Magedson does not run an extortion scheme.

10 52. Xcentric is not an extortion scheme.

11 53. Neither Magedson nor Xcentric extort people by taking money from them
12 to prevent them from being defamed.

13 54. No court has made any dispositive ruling finding the acts of Xcentric or
14 Magedson to be extortionate. Indeed, there has been no case against Xcentric or
15 Magedson where the allegation of extortion or any similar RICO claim has not been
16 dismissed against Xcentric and/or Magedson.

17 55. There is no good faith basis to believe that Xcentric and/or Magedson has
18 extorted anyone.

19 56. The Rip-Off Report website allows any consumer to publish comments
20 about their experience with any business or business person.

21 57. Xcentric does not violate Google's terms of service.

22 58. Xcentric does not charge a fee for anyone to post a report on Rip-Off
23 Report.

24 59. Xcentric does not charge a fee for anyone to post a rebuttal on Rip-Off
25 Report.

26 60. Neither Xcentric nor Magedson act with the intent of harming a person or
27 business's reputation by allowing third-parties to publish their personal experiences with
28 the person or business on Rip-Off Report.

1 61. Ripoffreport.com is not a legal entity.
2 62. Badbusinessbureau.com is not a legal entity.
3 63. With regards to the police reports filed and used as exhibits in the case of
4 Xcentric Ventures v. Stanley, Magedson did not "drop the charges."

5 64. With regards to the declarations utilized by the plaintiff in GW Equity v.
6 Xcentric, the declarations were made by a former employee of GW Equity, not of
7 Xcentric. In addition, those declarations were made in a prior case, and attempted to be
8 utilized by GW Equity.

9 65. Xcentric and Magedson have prevailed on a motion of summary judgment
10 in the GW Equity lawsuit. The court found judgment in Xcentric and Magedson's favor
11 on all of the claims made by plaintiff GW Equity. See *GW Equity, LLC v. Xcentric*
12 *Ventures, LLC*, 2009 WL 62173 (N.D.Tex.2009).

13 66. With regards to the case of *IGIA v. Xcentric*, the court determined that the
14 plaintiff (IGIA) failed to properly serve Xcentric, and the court therefore vacated the
15 default judgment. After that point, IGIA chose not to refile its complaint against Xcentric.

16 **COUNT ONE**
17 **(Defamation)**

18 67. Plaintiffs incorporate all paragraphs of this Complaint as if fully set forth
19 herein by this reference.

20 68. The words written by Defendant Bird and published by Defendant SEOmox
21 are defamatory because they bring Plaintiffs into disrepute, contempt or ridicule.

22 69. Defendants are liable not only for what was said, but also for what was
23 insinuated.

24 70. The statements as made in the Article and the Appendix of Cases were of
25 and concerning Plaintiffs.

26 71. Defendants are liable for presumed damages by reason of their reckless or
27 intentional conduct.
28

1 72. Defendants made each and every defamatory statement contained in the
2 Article and the Appendix of Cases knowing that said statements were false; in the
3 alternative, Defendants acted in reckless disregard of the truth in making each of the
4 defamatory statements; in the alternative, Defendants was negligent in failing to ascertain
5 the truth of the defamatory statements before making them.

6 73. Each and all of the statements in the Article, separately or in conjunction
7 with one another were and continue to be published by the Defendants by reason of evil
8 motives and/or malice towards the Plaintiffs and were and are intended and designed to
9 and did injure and defame and continue to injure and defame Plaintiffs.

10 74. Defendants' statements, singularly or in combination, have exposed and
11 continue to expose Plaintiff to public contempt. The statements have impeached and
12 continue to impeach the honesty and integrity of the Plaintiffs and leave their reputation
13 severely damaged and subject them to ridicule in the eyes of their friends, acquaintances,
14 business associates, and the general public.

15 75. Defendants' false statements expose Plaintiffs to potential fees and costs in
16 defending lawsuits expected to be brought by readers of the false statements who believe
17 that Magedson writes the complaints on Rip-off Report.

18 76. By reason of the evil motives and malice of the Defendants, Plaintiffs prays
19 for punitive damages.

20 WHEREFORE, Plaintiffs pray that this Court enter judgment against the
21 Defendants as follows:

- 22 A. General damages in an amount to be established at trial, including but not
23 limited to emotional distress, damage to reputation, inconvenience, and
24 related damages;
- 25 B. For special damages in an amount to be established at trial, including but not
26 limited to loss of income and rehabilitative damages;
- 27 C. Punitive damages in an amount to be established at trial;
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- D. For all costs incurred herein; and
- E. For such other and further relief as the Court deems just and proper.

COUNT TWO

(Declaratory Relief)

77. Plaintiffs incorporate all paragraphs of this Complaint as if fully set forth herein by this reference.

78. A controversy has arisen between the Plaintiffs and the Defendants as to their respective rights.


79. Plaintiffs request this Court to enter a declaration, under the Uniform Declaratory Judgment Act, A.R.S. §12-1831 *at et. seq.*, that the statements written by Defendant Bird and published by Defendant SEOMoz contained in the Article and the Appendix of Cases were and are false.

WHEREFORE, Plaintiffs pray that this Court enter judgment against the Defendants as follows:

- A. For a declaration that the statements written by Defendant Bird and published by Defendant SEOMoz contained in the Article, individually and collectively, are false;
- B. For cost of suit incurred herein; and
- C. For such other and further relief as the Court deems just and proper.

DATED this 21st day of January, 2009.

JABURG & WILK, P.C.


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