



Ripoff Report

From Wikipedia, the free encyclopedia

Ripoff Report is a privately-owned and operated [website](#) founded by [consumer advocate](#) Ed Magedson. The Ripoff Report has been online since December 1998 and is operated by Xcentric Ventures, LLC which is based in Arizona.^[1] Ed Magedson is the site's [Editor-in-Chief](#).

Background

The Ripoff Report allows users to post complaints known as “reports” which contain details of the user’s experience with the company or individual listed in the report. The site requires users to create an account which includes a valid email address before reports can be submitted. There is no cost or charge to users who wish to create a report. According to the site’s Terms of Service, users are required to warrant that their reports are truthful and accurate, but the site itself does not investigate or confirm the accuracy of reports. As of February 2010, the Ripoff Report contains more than 500,000 unique reports and it frequently ranks among the top 1,000 most visited websites in the United States. It is subject to numerous denial-of-service attacks.

Companies who have been named in a report may choose to respond by submitting a “rebuttal” which explains their side of the story. Like reports, rebuttals may be posted for free by anyone with a user account. However, Ripoff Report may limit the number of rebuttals filed per-report and may decline to publish rebuttals in certain cases.

Criticism and controversy

Some aspects of the Ripoff Report have been the subject of significant criticism. Some of this criticism has resulted in litigation against the site. The Ripoff Report maintains a section on the site devoted to discussing many of these issues and explaining the site's position as to each issue.^[2]

Corporate Advocacy Program and extortion claims

Some of the harshest criticism is focused on Ripoff Report's "Corporate Advocacy, Business Remediation & Customer Satisfaction Program" which has been described by some as a form of [extortion](#).^[weasel words] The operation of the program is described in detail on the Ripoff Report website's Corporate Advocacy Program page. The program requires companies to pay a fee to Ripoff Report in exchange for which the site will act as an intermediary between the company and any unhappy customers who have posted complaints on the Ripoff Report site. Companies who join the program must agree to meet certain conditions including a promise to make refunds when requested. In return, while existing reports are not removed, the Ripoff Report's editor, Ed Magedson, will

update the titles of reports to reflect that the company has joined the program and has made a commitment to increasing customer satisfaction

The [*Phoenix New Times*](#) reports that at least 30 companies now pay Ripoff Report for participation in the Corporate Advocacy Program.^[3]

On July 19, 2010, a federal court in Los Angeles, California entered an order granting partial summary judgment in favor of Ripoff Report in a case which alleged that the Corporate Advocacy Program was "extortion" and that the program violated federal racketeering laws. The court's order in [*Asia Economic Institute, LLC v. Xcentric Ventures, LLC, Case No. 10-CV-01360*](#) stated that the Corporate Advocacy Program was not extortion under California law because, "The offer to help Plaintiffs restore their reputation and facilitate resolution with the complainants in exchange for a fee does not constitute a threat under California Penal Code § 519." Based on the determination that the services offered by Ripoff Report do not constitute extortion, the court granted summary judgment in favor of Ripoff Report as to the plaintiffs' extortion claim.

[edit] Litigation involving Communications Decency Act immunity

According to a United States law called the [Communications Decency Act](#), 47 U.S.C. § 230(c), websites like the Ripoff Report are protected from most forms of civil liability arising from [user-generated content](#). This protection applies even if the website hosts material which is false and even if the site does not take any steps to investigate content prior to publication or remove content after receiving notice that the material is false.^[4] Protection also extends to editorial changes made by the website operator itself, as long as such editing does not alter the meaning of the original third-party content.^[5]

Many lawsuits have been filed against the Ripoff Report claiming the site does not qualify for protection under the CDA or that such protection has been lost due to its alleged solicitation of defamatory content, its refusal to remove content which is false, and its alleged alteration and/or modification of reports or their titles. Thus far, all some such cases have been resolved in favor of the Ripoff Report, but see *MCW, Inc. v. Badbusinessbureau.com, L.L.C.*, Not Reported in F.Supp.2d, 2004 WL 833595 (N.D.Tex. 2004), with several notable examples:

- *Intellectual Art Multimedia, Inc. v. Milewski*, [2009 WL 2915273](#) (N.Y.Sup. Sept. 11, 2009) (claims against Ripoff Report dismissed for failure to state a claim due to CDA immunity);
- *GW Equity, LLC v. Xcentric Ventures, LLC*, [2009 WL 62173](#) (N.D.Tex. 2009). The Texas district court found that under the [Communications Decency Act](#), "Congress granted most Internet services immunity from liability for publishing false or defamatory material so long as the information was provided by another party." Ripoff Report is protected even though it offers pull-down menus and manipulates user-submitted reports. The court dismissed the case.^{[6][7]} In reviewing the ruling, GW Equity objections were overruled, and the magistrate

recommendations were upheld in total—affirming summary judgment dismissal in favor of Rip-off Report.^[8];

- *Global Royalties, Ltd. v. Xcentric Ventures*, LLC, [544 F.Supp.2d 929](#) (D.Ariz. 2008) (claims against Ripoff Report dismissed pursuant to Fed. R. Civ. P. 12(b) (6) without leave to amend based on CDA immunity);
- *Whitney Info. Network, Inc. v. Xcentric Ventures*, LLC, [2008 WL 450095](#); 2008 U.S. Dist. LEXIS 11632 (M.D.Fla. Feb. 15, 2008) (summary judgment entered in favor of Ripoff Report based on CDA immunity).

[\[edit\]](#) Other lawsuits

Many companies have sued Ripoff Report or Magedson.^{[9][10][11]} Ripoff Report also maintains a page which answers many frequently asked questions about its operations and explains the details of some of the lawsuits in which it has prevailed.

- A lawsuit was filed against Ripoff Report in New York in January 2010 seeking \$11 million in damages. The complaint also asserts claims against Magedson and against Google.^{[12][not in citation given]}
- On February 2, 2010, another complaint was filed against Ripoff Report. The action seeks damages of \$1 million, an injunction, and "other relief".^[13]
- On February 11, 2010, a lawsuit was filed in Georgia. The entire complaint appears to have been copied verbatim from another case.^{[14][15]}

So far, none of these cases have ever gone to trial. Some prior suits can be reviewed at Citizen Media Law Project.^[16]

Lawsuits have also been filed against Ripoff Report accusing it of RICO violations including:

- On January 27, 2010, a lawsuit was filed against Ripoff Report in California, accusing Ripoff Report and Magedson of "attempted extortion" and RICO Act violations, among other claims.^{[17][18]}
- On March 12, 2010, a lawsuit was filed against Ripoff Report in New Jersey. The complaint includes claims for RICO/extortion and seeks damages of \$33,333,333.00.^[19]

Several people and businesses listed on Ripoff Report have allegedly hired the [Defamation Action League](#), an organization run by William L. "Bill" Stanley (possibly a pseudonym), who is listed as one of the world's top 200 spammers,^[20] to attempt to make Magedson and his business partners remove specific reports. In return, Magedson filed a lawsuit under RICO. On June 21, 2007 a preliminary injunction was granted against DefamationAction.com and ComplaintRemover.com. Stanley and his associates were found liable for defamation and making death threats. Robert Russo, who claims not to be part of the Stanley group—but who does own ComplaintRemover.com, filed an answer,

defenses and a counter-suit in the case. The parties reached a settlement on May 15, 2009. ^{[21][22][23]}

[edit] Default judgment against Ripoff Report and Ed Magedson

Despite its track record of successfully defending cases brought in U.S. courts, in July 2003 a default judgment was entered against the site in the Eastern Caribbean Supreme Court High Court of Justice for EC\$27,100,932.00. ^[24] The award, made in Eastern Caribbean currency rather than U.S. dollars, has not been recognized or enforced by any U.S. Court.

[edit] Non-removal policy

One of the more controversial aspects of the Ripoff Report is its policy against removing reports. Unlike some other message boards or blogs, Ripoff Report does not allow authors to remove their own reports and the site will not remove reports in response to legal demands from attorneys. This policy is disclosed to users in the site's Terms of Service. The front page of the Ripoff Report site explains the reason for this policy as follows: “Unlike the Better Business Bureau, Ripoff Report does not hide reports of “satisfied” complaints. All complaints remain public and unedited in order to create a working history on the company or individual in question.”

This policy was the subject of a 2007 lawsuit against the Ripoff Report which involved an author's request to remove several reports he submitted in which he referred to a Canadian company as a “scam”. The court found that Ripoff Report was not required to remove reports in this context. ^[25]

Plaintiffs have also attempted to remove reports by suing the author and obtaining an [injunction](#) requiring the removal of the offending content. In one case, the court found that Ripoff Report was not required to comply with such an injunction. ^[26] Some observers have stated this outcome was legally correct but morally troubling. ^{[27][28][unreliable source?]} ^[29]

[edit] High search engine visibility and Search engine optimization

Complaints posted on the Ripoff Report are often highly ranked on [search engine results pages](#), giving these complaints significant public visibility. Because the Ripoff Report does not verify reports for accuracy before they are published, many critics have complained that the site creates a safe haven for the publication of false or fabricated reports. ^[citation needed]

In May 2009, Ripoff Report filed a lawsuit against a Washington state-based Search engine optimization firm, SEOMoz.org, claiming that the site made false statements about the Ripoff Report in an article entitled The Anatomy Of A Ripoff Report Lawsuit. Ripoff Report's lawsuit against SEOMoz was dismissed for lack of [personal jurisdiction](#). ^[30]

References

1. [^ Federal Document listing address](#)
2. [^ About Us: Want to sue Ripoff Report? Do you really want to sue Ripoff Report? You should read this information before filing a lawsuit against Ripoff Report or the Founder ED Magedson.](#)
3. [^ The Real Rip-Off Report Ed Magedson calls himself an advocate. His enemies call him an extortionist.](#) Fenske, Sarah. Phoenix New Times. (February 1, 2007).
4. [^ Section 230 of the Communications Decency Act](#), Citizens Media Law Project.
5. [^ Online Activities Covered by Section 230](#)
6. [^ "Magistrate's Report in GW Equity v. Xcentric Ventures, LLC."](#) *ripoffreport.com*. <http://www.citmedialaw.org/sites/citmedialaw.org/files/2008-10-08-Magistrate%27s%20Findings,%20Conclusions,%20and%20Recommendation%20on%20Xcentric%27s%20Motion%20for%20Summary%20Judgment.pdf>. Retrieved 2009-01-15.
7. [^ Goldman, Eric. 47 USC 230 Year-in-Review for 2009, *Technology and Marketing Law Blog*, \(January 5, 2010\).](#)
8. [^ Goldman, Eric. Rip-off Report Rolls to Another Win--GW Equity v. Xcentric Ventures *Technology and Marketing Law Blog*, *Technology and Marketing Law Blog*, \(January 19, 2010\).](#)
9. [^ "Carmel Cafiero: "Risky Business"."](#) *WSVN Orlando Fox 7News* www.bad-business-rip-off.net. <http://www.bad-business-rip-off.net/7news-ripoffreport.wmv>.video
10. [^ Han, Nydia \(November 28 2006\). "Consequences of Complaining Online An Action News Consumer Special Report". *6ABC WPVI-TV Philadelphia*. <http://abclocal.go.com/wpvi/story?section=consumer&id=4804312>.](#)
11. [^ "Elderly Couple Scammed Trying To Put Their Business Online". *WOIO 19ActionNews*. February 20 2007. \[http://www.woio.com/global/video/popup/pop_player.asp?ClipID1=1249957&h1=Elderly%20Couple%20Scammed%20Trying%20to%20Put%20Their%20Business%20Online&vt1=v&at1=News&d1=218667&LaunchPageAdTag=Business&activePane=info&playerVersion=1&hostPageUrl=http%3A//www.woio.com/Global/SearchResults.asp%3Fvendor%3Dwss%26qu%3Dbusiness+online&rnd=30110744\]\(http://www.woio.com/global/video/popup/pop_player.asp?ClipID1=1249957&h1=Elderly%20Couple%20Scammed%20Trying%20to%20Put%20Their%20Business%20Online&vt1=v&at1=News&d1=218667&LaunchPageAdTag=Business&activePane=info&playerVersion=1&hostPageUrl=http%3A//www.woio.com/Global/SearchResults.asp%3Fvendor%3Dwss%26qu%3Dbusiness+online&rnd=30110744\).](#)
12. [^ *Seth Greenky v Jeffrey Joslin Xcentric Ventures LLC RipoffReport.com*](#)
13. [^ *A-1 Technology Inc v Magedson*](#)
14. [^ *Complaint Herman & Russo, P.C. v. Xcentric Ventures, LLC et al.*](#)
15. [^ *Certain Approval Programs, LLC v. Xcentric Ventures, LLC* No. CV08-1608.](#)
16. [^ "Search for all Xcentric related lawsuits on Citizen Media Law Project."](#) *ripoffreport.com*. <http://www.citmedialaw.org/search/node/xcentric>. Retrieved 2009-01-15.
17. [^ *'Asia Economic Institute, LLC v. Xcentric Ventures, LLC, et al., Los Angeles County Superior Court Case No. SC106603*](#)
18. [^ Portions of the complaint appear to have been copied verbatim from prior cases.*Energy Automation Systems, Inc. v. Xcentric Ventures, LLC et al**Energy Automation Systems, Inc. v. Xcentric Ventures, LLC*](#)
19. [^ *Dr. Max Antoine v. Xcentric Ventures, LLC, et al.*](#)
20. [^ "William L. "Bill" Stanley". *spamhaus.org*. <http://www.spamhaus.org/rokso/listing.lasso?op=cn&spammer=William%20Stanley%20/%20Ironserver.com>.](#)
21. [^ "Docket case nr. 2:2007cv00954: Xcentric Ventures, LLC and Ed Magedson vs William Stanley, Robert Russo, QED Media Group, L.L.C., Defamation Action League](#)

- [and Internet Defamation League". Arizona District Court.](#)
[http://dockets.justia.com/docket/court-azdce/case_no-2:2007cv00954/case_id-344869/.](http://dockets.justia.com/docket/court-azdce/case_no-2:2007cv00954/case_id-344869/)
22. [^ "Police Blotter: Dark side of 'reputation defending' service". CNET News.com. June 29 2007. http://news.com.com/2100-1030_3-6194158.html.](#)
 23. [^ http://img.pr.com/release-file/1007/252020/kenton-hutcherson-declaration.pdf](#)
Document mentioning the settlement agreement in the case Xcentric Ventures/Magedson vs QED Media/Russo
 24. [^ Alyon Technologies v. Badbusinessbureau.com, LLC Ed Magedson Technollogy Alliance Group LLC doing business as TGA d/b/a Tagnet.net](#), The Eastern Caribbean Supreme Court in the High Court of Justice Federation of Saint Christopher and Nevis Saint Christopher Circuit (Civil) A.D. 2003.
 25. [^ 544 F.Supp.2d 929 Global Royalties, Ltd. v. Xcentric Ventures, LLC \(D.Ariz. 2008\)](#)
 26. [^ Blockowicz v. Williams, ___ F.Supp.2d ___, \(N.D.Ill. 2009\)](#), the United States District Court for the Northern District of Illinois. On January 20, 2010, the plaintiffs in the *Blockowicz* case filed a [Notice of Appeal](#) to the [United States Court of Appeals for the Seventh Circuit](#).
 27. [^ Ripoff Report Not Bound by Takedown Injunction Against User--Blockowicz v. Williams](#). Goldman, Eric. Technology & Marketing Law Blog]. (December 22, 2009).
 28. [^ Court: 'no recourse' for victims of defamatory postings under Section 230](#) Sheffner, Ben. Copyrights & Campaigns. (December 22, 2009)
 29. [^ Should A Site Be Forced To Takedown Content If A Court Rules Against The User?](#) Masnick, Mike. Techdirt.(December 24, 2009)
 30. [^ The Anatomy Of A Ripoff Report Lawsuit](#), Bird, Sarah seomoz.org. (January 21, 2008). The [complaint](#) also claimed that SEOMoz encouraged third parties to file frivolous lawsuits against Ripoff Report. On February 4, 2010, Ripoff Report's lawsuit against SEOMoz was dismissed for lack of [personal jurisdiction](#). In its [ruling](#), the District Court held that the defendants (residents of Washington state) were not subject to personal jurisdiction in Arizona because publishing allegedly false statements on the Internet is, standing alone, not sufficient to expose the defendant to jurisdiction in the plaintiff's home state. Ironically, courts have reached the exact opposite conclusion in other cases in which Ripoff Report was a defendant. In another case, the court found that Xcentric was properly subject to personal jurisdiction in Tennessee based on the publication of reports about a Tennessee-based company. (*EASI v. Xcentric Ventures, LLC*, [2007 WL 15577202](#) (M.D.Tenn. 2007), United States District Court in Tennessee.) On March 1, 2010, Ripoff Report filed a [Notice of Appeal](#) in the SEOMoz/Sarah Bird litigation.

[[edit](#)] External links

- [Rip-off Report](#)
- [Ed Magedson Official site](#)
- Sullivan, Bob (January 6 2006). "[Scam-fighting Web Sites](#)". *MSNBC.com*. http://redtape.msnbc.com/2006/01/web_sites_i_wou.html.
- Richardson, Vanessa (February 24 2006). "[Rebates everywhere, but where's the money? Getting your cash back can be frustrating, but it can be done](#)". *MSNBC.msn.com*. <http://www.msnbc.msn.com/id/11497159/>.