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7 Attorneys for Plaintiff

8 UNITED STATES DISTRICT COURT FOR THE
9 EASTERN DISTRICT OF WASHINGTON

10 WENDLE MOTORS, INC.,)

11)
12 Plaintiff,)

13 vs.)

14 RANDOLPH HONKALA and)
15 RENEE HONKALA, individually)
16 and the marital community)
17 comprised thereof,)

18 Defendants.)

Case No.:

COMPLAINT FOR
DAMAGES AND
INJUNCTIVE RELIEF

18 Plaintiff Wendle Motors, Inc. ("Wendle") alleges as follows:

19 **I. NATURE OF ACTION**

20 1. This is an action for damages and for injunctive relief arising out
21 of the defendant's false and misleading statements posted on an internet
22 website. Defendant's actions constitute slander, tortious interference with
23

1 contractual relations, breach of confidentiality, misappropriation of trade
2 secrets.

3
4 **II. PARTIES, JURISDICTION, AND VENUE**

5 2. Wendle is a Washington Corporation with its principal place of
6 business in Spokane County, Washington. Wendle is an automotive
7 dealership selling various makes of vehicles. Wendle has done all things
8 required of it to maintain this action.

9 3. Defendants Randolph and Renee Honkala are residents of
10 Spokane County, Washington. At all times material, Randolph Honkala was
11 acting for and on behalf himself, his spouse Renee and his marital
12 community.
13

14 4. This Court has subject matter jurisdiction pursuant to 28 U.S.C.
15 § 1331 in that this case arises, in part under section 43(a) of the Lanham Act,
16 15 U.S.C. § 1125(a), commercial defamation in interstate commerce.

17 5. This Court has personal jurisdiction over Defendants by virtue of
18 the fact they reside in this district, committed tortious acts here, and
19 transacted and did business in this district.
20

21 6. Venue is proper in this district pursuant to 28 U.S.C. §
22 1391(b)(1), as the Defendants reside in this district, and 28 U.S.C. §
23

1 1391(b)(2), in that a substantial part of the events or omissions giving rise to
2 the claim occurred in this district.

3 **III. FACTS COMMON TO ALL CAUSES OF ACTION**

4
5 7. In 2004, Ford announced that it would no longer continue the
6 Ford Mustang Cobra or Ford F-150 Lightning body styles. In order to clear
7 out its existing inventory of these body styles, Ford created the "Power
8 Lease" program. Under this program, the lease holders were provided a
9 certificate and were allowed individuals to lease the 2004 Mustang Cobra for
10 thirty months or the Ford F-150 Lightning for two years. At the end of the
11 lease period, the certificate holders would be offered the first chances to
12 purchase the newer body styles of those vehicles. These Power Lease
13 Certificates were transferable.
14

15 8. Only a limited number of individuals signed up for the Power
16 Lease program and received certificates.

17
18 9. During the first quarter of 2005, Ford Motor Company ("Ford")
19 announced it would build limited numbers of the Shelby GT 500. This
20 announcement generated immediate interest in car collectors and lovers of the
21 Ford Mustang. Because of the immediate interest in the Shelby GT 500, the
22 transferable Power Lease certificates became valuable.
23
24

1 10. Upon information and belief, Honkala obtained access to the
2 SVT¹ Registry and began contacting individuals to purchase a Power Lease.
3 Honkala purchased two Power Leases from separate individuals. Wendle has
4 since learned that Honkala, at least as to the Power Lease used to purchase the
5 Convertible, Honkala paid \$5,000.00 to the initial owner of the Power Lease.
6

7 11. Wendle was not a party to the actual purchase of either of the
8 two Power Leases, however, once in ownership of the Power Leases, Honkala
9 ordered two of his Shelby GT 500's (one coupe and one convertible) through
10 Wendle. As a dealer, Wendle made the decision that it would sell all of the
11 GT 500's it was allocated by Ford at the Manufacturer's Suggested Retail
12 Price ("M.S.R.P.") with no local dealer markup.
13

14 12. On May 30, 2006, Honkala sent an email to Andy Keys, then the
15 General Manager at Wendle. In that email, Honkala informed Mr. Keys that
16 he had purchased a Power Lease, wanted to order a Shelby GT 500 Coupe
17 through Wendle.
18

19 13. Through no fault of Wendle, the delivery of the Coupe was
20 delayed until approximately August 30, 2006. Other than the factory delays
21
22

23 ¹ "SVT" stands for Ford's Special Vehicles Team which is responsible for the development of Ford's highest
24 - performance vehicles.

1 to the delivery of the Coupe, Honkala made no complaints to Wendle about
2 the Coupe.

3 14. On or about June 26, 2006, Honkala applied for employment at
4 Wendle. Wendle hired Honkala as a sales associate beginning July 1, 2006.
5 As part of his employment, Honkala was notified concerning his duties about
6 the dissemination of confidential information.
7

8 15. On or about August 14, 2006, for reasons not material to this
9 lawsuit, Honkala's employment ended at Wendle. As part of an exit
10 interview, Honkala acknowledged that Wendle Motors' business information,
11 property and all other Company assets are considered proprietary and
12 property of Wendle.
13

14 16. On August 23, 2006, Honkala sent an email to Chud Wendle
15 under the pseudonym Art from the email address
16 "2007shelbygt500@earthlink.net" informing Mr. Wendle that in his opinion
17 Wendle scored a "10 out of 10" on an internet site article listing ten trouble
18 signs at a dealership. This was a false statement.
19

20 17. On August 27, 2006 Honkala informed Mr. Keys that the
21 Convertible had been "bucked" at the factory. When a car has been "bucked"
22 at the factory, it means that all the parts have been pulled to together and it is
23 ready for assembly. The information Wendle received from Ford was that
24

1 assembly had not been scheduled. Mr. Keys conveyed that information to
2 Honkala.

3 18. On October 2, 2006, Mr. Keys received an e-mail from Honkala
4 asking if Wendle had an invoice for the Convertible because his source at
5 Ford told him Wendle should have received it on September 11, 2006. He
6 also stated that the Convertible should be delivered to Orillia, Washington by
7 rail the following Monday.² Mr. Keys told Honkala that Wendle's data
8 showed the vehicle still sitting outside the plant with no waybill generated
9 yet. Mr. Keys also contacted Ford's vehicle delivery company in Orillia
10 which verified it had received no information on the Convertible either.
11
12

13 19. Typically, vehicles are delivered by rail to the rail yard at Orillia.
14 The cars are unloaded and separated and grouped by dealers. Commerical
15 carriers then load the cars on to semi-truck trailers, perform a brief external
16 inspection for obvious damage, and haul the cars to the dealers. The vehicles
17 are then delivered by commercial carrier from Orillia to Wendle. For
18 protection from damage during the transit process, the vehicles are covered
19 with a white plastic material (commonly called "stickers") at the Ford factory.
20 Wendle notifies the customer the vehicle is en route and once Wendle
21

22
23 ² Orillia is near Kent, Washington.

1 received the vehicle, it removes the stickers and performs a Pre-delivery
2 Inspection ("PDI") to ensure the vehicle is free from defects before turning it
3 over to the customer.

4
5 20. The Convertible arrived in Orillia on October 11, 2006. Honkala
6 was eager to receive the Convertible, and asked for special permission from
7 Wendle to pick up the car himself from the rail yard at Orillia. Wendle
8 acquiesced, but since cars cannot be released directly to the customer,
9 Honkala had to bring along a Wendle employee to sign for the Convertible.
10 Wendle put Honkala in touch with one of its contract drivers. Wendle
11 typically pays those drivers \$0.20 cents per mile. Honkala negotiated a price
12 directly with the driver of \$120.00 flat rate. Honkala picked up the
13 Convertible, put it on a trailer, and hauled it to his residence in Colbert,
14 Washington on October 12, 2006.

15
16 21. Honkala was supposed to bring the Convertible to Wendle on
17 October 13, 2006 for the PDI. Honkala failed or refused to bring the car in
18 for the inspection.

19
20 22. On or about October 14, 2006, Honkala removed the stickers
21 himself and discovered the vehicle had minor cosmetic body damage which
22 occurred during production. This upset Honkala. He sent pictures of the
23 problems to Wendle and demanded Wendle do something about it. Mr. Keys
24

1 told Honkala that he needed to bring the car in so Wendle could look at it and
2 determine what had to be done.

3 23. On or about October 19, 2006, Honkala brought the Convertible
4 in so the Western Zone Manager from Ford, Matt Devlin, could inspect the
5 Convertible. Devlin agreed with Honkala that the condition of the car was
6 not acceptable and that it was a problem created at the factory during
7 production, and not by Wendle.
8

9 24. Devlin, as Ford's representative, offered Honkala two options:
10 (1) Wendle would repair the damage at no charge under the vehicle warranty
11 and all repairs would meet Ford's quality standards; or (2) Honkala could
12 return the convertible to Wendle for a full refund, and then order a new
13 Shelby GT 500 of his choice.³
14

15 25. Honkala chose the option of having Wendle buy the Convertible
16 from him and have Ford provide him with a new Shelby GT 500. Ford
17 agreed to expedite production of the replacement vehicle. Honkala was not
18 forced or coerced in his decision.
19

20 26. Wendle gave Honkala a complete refund of the purchase price of
21 the car, including tax and license, and Wendle repaired the cosmetic defects
22

23 ³ This option was not required by Washington law, but offered as goodwill to a valuable customer.

1 on the Convertible as it was titled Owner of the Convertible and free to
2 market or sell it. The total repair bill for the defects was less than \$450.00.

3 27. On October 26, 2006, Honkala came to Wendle ordered another
4 Coupe as a replacement vehicle. Subsequently, Honkala requested a change
5 to the interior color and wanted to add a navigation system. Ford indicated
6 that the navigation system option was not available. This upset Honkala.
7

8 28. On or about November 2, 2006, Wendle decided to sell the
9 Convertible on E-bay.com. The listing was for 10 days which ended on
10 November 13, 2006. On the E-bay posting, Wendle, in the comment section,
11 fully disclosed the issue by stating:
12

13 Rare Opportunity:

14 Used 2007 Ford Mustang Shelby GT 500 convertible with under
15 200 miles. Car was purchased new at this dealership by a
16 collector and Ford Power Lease holder. While at the factory the
17 car was scratched and had to have the left rear fender re-finished.
18 The work was done prior to shipment and there was dust
19 between the paint and the clear coat. The work was not
20 acceptable to the customer and he requested that Ford build him
21 another vehicle since he was planning to keep this one in storage
and didn't want one that had paint work. Ford agreed to build
him another vehicle and we were able to purchase this one back
from the customer and have the fender re-finished properly. As
you can see by the pictures the work has been done and the car
looks beautiful.

22 The car is torch red with the black leather. It has the interior
23 upgrade package and Sirius.
24

1 29. On or about November 5, 2006, Honkala learned of Wendle's
2 intent to sell the car on E-bay.com. This upset Honkala.

3 30. On November 5, 2006, Honkala, through the web-name
4 *GT500Convert* began posting false and slanderous information on the website
5 *SVTPerformance.com* concerning the Power Lease, Wendle's role in the
6 transaction, Wendle's attempt to sell the car on E-bay.com, the condition of
7 the vehicle. Honkala's false, misleading, and slanderous statements include,
8 but are not limited to:

- 10 • "This car should have been crushed."
- 11 • "My dealer flat out lied to me just a day ago they had no idea
12 what happened to car [sic]."
- 13 • "The dealer lied about me getting a 100% refund too."
- 14 • "I paid the 5 grand for a Power Lease to get an early car way
15 back in June now some other poor sap will get the car without
16 WENDLE MOTORS disclosing it was a FACTORY BUY
17 BACK! Of course they will just cover their collective asses and
18 say it was a mistake. Thats [sic] why I posted it here for all the
19 world to see what SCUM they are."
- 20 • "FORD thinks the dealer refunded all I had into car [sic] but the
21 [sic] flat out LIED! Just like they are on the ebay listing."
- 22 • "I am simply not willing to take a bath on THOUSANDS of
23 dollars because this dealer and FORD by only getting a partial
24 refund of what I actually had into the car."
- "The paint is so thick on car [sic] it does not meet the warranty
 requirements as to how many mils of paint there can be."

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- “I was told when this car was ordered it would be here by end of August at latest so I paid the 5k extra for an early delivery. Car did not show up until mid October. Had I known this I would have never paid 5 grand extra for an early car.”
 - “The car had MAJOR issues and I just came here to point them out and how the dealership was handling the situation. Like they are known for here .. [sic] what ever [sic] will best line their wallet!”
 - “I think its pretty clear mr green’s [sic] intent was to mislead the public as this dealership did to me.”⁴
 - “I do have a problem with them removing all stickers and plastic before I can at least see it and take photo’s [sic], putting in 87 octane fuel instead of the recommended 91.”
 - “This dealership is all about misleading the public to make a buck and they have clearly proved themselves here. Advertising cars that do not exist just to get people into dealerhip [sic], its not about how much do you want to pay its about how much do you want your payments to be, disconnecting battery cables to make the check engine light go off so buyer will spend his hard earned \$\$, Taking [sic] advantage of a couple in their 70’s or older for the tune of well over 8000.00 [sic] on a used truck just because they could?”
 - “Did you happen to mention to the folks here about your misleading sales advertisements of cars you do not have or never get just to get people in? How about the ON SALE signs that go up each and every day of year [sic] when in fact there is no sale? Did you mention Wendle is how [sic] much a month can you afford dealer [sic]? What is the local nickname for Wendle? Are they pretty well known as SWINDLE FORD?”

22

23 ⁴ Rick Green is the Internet Sales Manager at Wendle

- 1
- 2 • “They should re-name this dealership Swindle “True Colors” Ford.”

3
4 31. *SVTPerformance.com* is a website frequented by car enthusiasts
5 throughout the nation. It hosts forums for these car enthusiasts to discuss
6 information about Ford’s SVT vehicles. Wendle has an internet presence and
7 markets and sells cars over the internet. Each of the persons receiving or
8 reading Honkala’s false, slanderous and misleading statements was a potential
9 customer. Those individuals also knew other potential customers.

10
11 32. Similar false statements and dissemination of misappropriated
12 trade secrets were posted by Honkala on *Stangsunleashed.com* under the
13 webname *TwinTurboBoss*.

14
15 33. Upon information and belief Honkala has posted false statements
16 and has disseminated misappropriated trade secrets on other websites and
17 continues to do so.

18
19 34. Honkala intended his posts to discourage persons from
20 purchasing vehicles from Wendle in an attempt to cause financial damage to
21 Wendle.

22
23 35. Honkala intended, and intends, his posts to discourage persons
24 from purchasing the Convertible from Wendle in an attempt to cause financial
25 damage to Wendle.

1 36. On November 15, 2006, Honkala contacted directly the
2 successful bidder on the Convertible on E-bay.com and discouraged him from
3 buying the Convertible from Wendle. Honkala made false statements to the
4 bidder about his transaction with Wendle, the condition of the vehicle, and
5 Wendle's reputation and business practices.
6

7 37. The successful bidder of the vehicle read the negative and false
8 information Honkola made about the vehicle and decided not to go through
9 with the purchase.

10 38. The negative and false information posted by Honkala has
11 lessened and impaired the value of the Convertible.
12

13 39. Honkala used proprietary information misappropriated from his
14 employment at Wendle for his personal gain and with the intent to injure
15 Wendle's reputation and cause pecuniary damage to Wendle. Such
16 statements include, but are not limited to:

- 17 • "how [sic] about if everyone here calls the 800 number and or
18 goes online and makes an inquiry as it cost them money each
19 time. Just go to FORD.com and use 99207 for zip code. to [sic]
20 inquire about a vehicle, [sic]"

21 40. Upon information and belief, Honkala or someone acting in
22 concert with him posted false and slanderous information on
23 *SVTPerformance.com* posing as a salesman at Wendle.
24

1 41. Honkola has, and continues to, email various managers at Ford,
2 including the CEO of Ford, false statements concerning Wendle, the
3 condition of the vehicle, as well as other false and misleading statements.
4 These emails were intended to injure, and have injured, Wendle’s reputation
5 and credibility with Ford, which in turn will have a financial impact on
6 Wendle.
7

8 **IV. CAUSES OF ACTION**

9 **FIRST CAUSE OF ACTION**
10 **(Misappropriation of Trade Secrets)**

11 42. Wendle realleges paragraphs 1 through 41 above.

12 43. Confidential information regarding Wendle’s business practices,
13 transactions with customers, information on costs it incurs for leads through
14 its 800 number and web site, are trade secrets entitled to protection under the
15 Washington Trade Secrets Act (RCW 19.108).
16

17 44. Honkala was under a duty to protect the trade secrets.

18 45. Honkala breached that duty.

19 46. Honkala disclosed and used the trade secrets and continues to do
20 so, without the express or implied consent of Wendle.
21

1 47. Honkala knew, or had reason to know, that his knowledge of
2 trade secrets were acquired under circumstances giving rise to a duty to
3 maintain its secrecy.

4
5 48. Honkala's continuing misappropriation, use and dissemination of
6 Wendle's confidential and proprietary business information constitutes the
7 misappropriation of trade secrets as defined in the state and federal acts.

8 49. Pursuant to the state act, Wendle is entitled to various forms of
9 relief, including an immediate injunction, preventing Defendants, or anyone
10 acting in concert with them, from transferring, disclosing and using in any
11 way Wendle's proprietary information, an award of damages, including
12 exemplary damages, and an order requiring performances of such other
13 affirmative acts as deemed necessary by the Court to protect Wendle's trade
14 secrets.
15

16 **SECOND CAUSE OF ACTION**
17 **(Tortious Interference with Business Relations)**

18 50. Wendle realleges paragraphs 1 through 49 above.

19 51. Honkala knew of Wendle's relationships with potential bidders
20 on E-bay.com, the successful bidder, and other customers of Wendle.

21 52. Honkala intentionally and maliciously interfered with Wendle's
22 business relationships with its customers in numerous ways.
23

1 53. Honkala intended and intends to cause Wendle's customers to
2 terminate their business relationships with Wendle.

3 54. As a direct and proximate result of Honkala's wrongful use of
4 the internet to post false and slanderous information, including direct contact
5 with the Wendle has incurred, and will continue to incur, significant damages.
6

7 55. Honkala's ongoing acts of intentional interference constitute
8 transgressions of a continuing nature.

9 56. Unless Honkala, and those working in concert with him, are
10 enjoined from further acts of intentional interference, Wendle will suffer
11 irreparable injury.
12

13 **THIRD CAUSE OF ACTION**
14 **(Civil Libel, Slander and Defamation)**

15 57. Wendle realleges paragraphs 1 through 56 above.

16 58. Honkala made written statements on the internet and in emails
17 which injured Wendle's reputation and credibility; diminished its esteem,
18 respect, or goodwill or confidence in which Wendle is held; and excited
19 adverse, derogatory or unpleasant feelings or opinions against Wendle, its
20 officers, directors, and employees.

21 59. These statements were false or left a false impression which
22 would be contradicted by the inclusion of omitted facts.
23

1 60. The false written statements made by Honkala exposed Wendle
2 to public hatred, contempt, ridicule and is actionable on the face of the
3 statements.

4 61. The false written statements made direct reference to Wendle, its
5 officers, directors, and employees.

6 62. The false written statements were published on the internet and
7 in emails and thus were conveyed to third persons.

8 63. Honkala was at fault and negligent in publishing the false written
9 statements. Honkola knew or, in the exercise of reasonable care, should have
10 known that the statements were false or would create a false impression in
11 some material respect.

12 64. Honkala acted with actual malice in that Honkala had knowledge
13 of the falsity or acted with reckless disregard of the truth or falsity of the
14 statements he was making.

15 65. Honkala is unprivileged and Wendle did not consent to the false
16 written statements.

17 66. Damages to Wendle are presumed since the false written
18 statements exposed Wendle to public hatred, contempt or ridicule, or injured
19 Wendle's business because Honkala acted with actual malice. In the
20 alternative, Wendle has suffered actual and/or special damage as a direct and
21
22
23
24

1 proximate result of Honkala's conduct. Special damages include business
2 losses, pecuniary losses, and attorney fees.

3
4 **FOURTH CAUSE OF ACTION**
(Consumer Protection Act Violation)

5 67. Wendle realleges paragraphs 1 through 66 above.

6 68. Honkala posted various statements of false information
7 concerning Wendle, its business practices, customers, and proprietary
8 information on the internet.

9 69. The purpose of Honkala's postings was to harm Wendle's
10 business prospects and interests by attacking Wendle's business ethics,
11 character and credibility.

12 70. The statements were misleading.

13 71. Honkala's conduct constitutes an unfair and deceptive act or
14 practice in the conduct of trade or commerce in violation of RCW 19.86 et
15 seq.
16

17 72. Wendle is entitled to an award of the actual damages sustained
18 by it, an immediate injunction, costs of suit including reasonable attorney
19 fees, and, in the Court's discretion, treble damages.
20

21 **FIFTH CAUSE OF ACTION**
22 **(Lanham Act)**

23 73. Wendle realleges paragraphs 1 – 72 above.
24

1 74. Honkala made false and misleading representations about the
2 nature, characteristics, qualities or condition of the Convertible and the
3 commercial activities and qualities of Wendle's service.

4 75. Honkala used the false and misleading representations in
5 interstate commerce.

6 76. The false and misleading representations are likely to cause
7 confusion, or to cause mistake, or to deceive others.

8 77. Wendle has been and continues to be damaged by Honkala's
9 conduct and is entitled to an immediate injunction, damages, and attorney fees
10 pursuant to 15 U.S.C. § 1125(a).

11
12
13 **V. PRAYER FOR RELIEF**

14 WHEREFORE, Wendle Motors, Inc. prays for the following relief:

15 1. For a preliminary and permanent injunction, pursuant to Fed. R.
16 Civ. P. 65 and other applicable principles of law, enjoining Honkala, and
17 anyone acting on behalf of or in concert with him, from:

18 a. Posting further information about Wendle on the internet
19 concerning the sale or condition of the Convertible, or otherwise
20 disseminating such information;

21 b. Posting further information about Wendle or its business
22 practices on the internet, or otherwise disseminating such information;

1 c. Calling, and inciting others to call Wendle's 800 number
2 or through the internet, contacting Wendle with false leads to cause damages
3 to Wendle;

4 d. Using, transmitting, or otherwise disclosing directly or
5 indirectly, confidential or proprietary information, trade secrets, whether in
6 paper form or whether electronically through the internet;

7 e. Destroying or altering any information, data, records, or
8 documents (including email and other Electronically Stored Information),
9 including copies, and derivations thereof, related to the facts of this case;

10 2. For an Order demanding that Defendant, and anyone acting for
11 him or in concert with him, return to Wendle all of their information, data,
12 records, and documents, and all copies and derivations thereof, in the
13 possession, custody, or control of any person or entity acting in concert or
14 participating with them;

15 3. For an Order from this Court to Defendant that he perform such
16 other affirmative acts as deemed necessary by the Court to protect Wendle's
17 business reputation and trade secrets pursuant to RCW §19.108;

18 4. For a money judgment against Defendants in an amount to be
19 proven at trial;

20 5. For an award of treble damages pursuant to RCW 19.86 et.

1 6. For an award of attorney fees and costs pursuant to
2 RCW 19.108.040, RCW 19.86.090 et seq., and 15 USC §1125(a);

3 7. For such other and further relief as this Court deems just and
4 equitable.
5

6 DATED this 22nd day of November, 2006,

7 CAMPBELL & BISSELL, PLLC

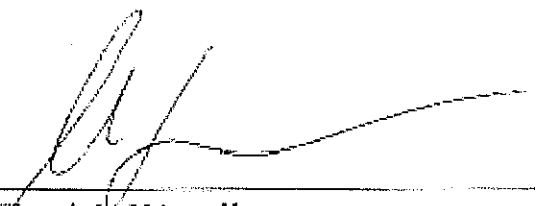
8 /s/ Richard D. Campbell

9 RICHARD D. CAMPBELL, WSBA #24078
10 Attorneys for Plaintiff

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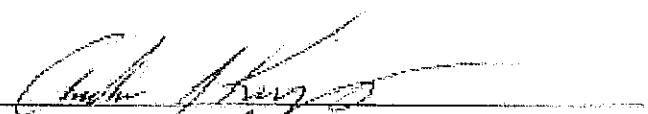
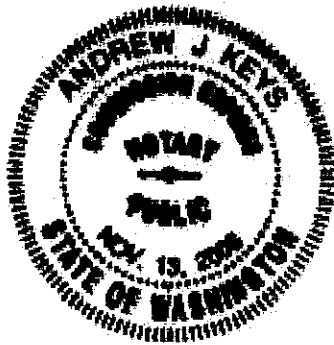
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County of Spokane)

Chud J. Wendle, being first duly sworn upon oath, states: I am the President of the Plaintiff in the above-named action; I have read the foregoing Complaint for Damages and Injunctive Relief, know the contents thereof, and believe the same to be true and correct.



By: Chud J. Wendle
Its: President

SUBSCRIBED AND SWORN to before me this 22 day of November, 2006.



Print Name: Andrew J. Keys
Notary Public in and for the State of Washington, residing in: Spokane
My commission expires: 11/13/08