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**STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,

Plaintiff,

v.

SECURELINK NETWORKS, LLC, a
California Limited Liability Company;
NJC SOFTWARES, LLC, a California
Limited Liability Company; MANUEL
CORONA, JR., CEO of SECURELINK
NETWORKS, LLC, individually and as
part of his marital community; RUDY
O. CORELLA, OFFICER OF NJC
SOFTWARES, LLC, individually and
as a part of his marital community;
FIXWINREG, LLC, a California
limited liability company; HOANVINH
V. NGUYENPHUOC, individually and
as a part of his marital community,

Defendants.

NO. 07-2-04987-8 SEA

FINDINGS OF FACT,
CONCLUSIONS OF LAW AND
ORDER GRANTING PLAINTIFF'S
MOTION FOR SUMMARY
JUDGMENT AGAINST MANUEL
CORONA, JR., AND SECURELINK
NETWORKS, LLC

This matter came before the Court on May 2, 2008, at 9:00 a.m. on Plaintiff, State of Washington's Motion for Summary Judgment. Plaintiff appeared through Katherine M. Tassi, Assistant Attorney General. Defendant Manuel Corona, Jr., did not appear. The Court having considered the records and files herein, specifically:

- 1 ▪ Plaintiff's Motion and Memorandum of Authorities in Support of Summary
- 2 Judgment Against Manuel Corona, Jr. and SecureLink Networks, LLC, and all
- 3 Exhibits Thereto;
- 4 ▪ Declaration of Katherine M. Tassi in Support of Plaintiff's Motion for
- 5 Summary Judgment;
- 6 ▪ Declaration of Rebecca Henderson in Support of Plaintiff's Motion for
- 7 Summary Judgment;
- 8 ▪ Declaration of Jennifer Johannsen in Support of Plaintiff's Motion for
- 9 Summary Judgment;
- 10 ▪ Opposition to Plaintiff's Motion for Summary Judgment, if any; and
- 11 ▪ Reply Memorandum in Support of Plaintiff's Motion for Summary Judgment,
- 12 if any.

13 Based on the foregoing, the Court finds that Plaintiff is entitled to summary judgment
14 because no genuine issue of material fact exists and the evidence establishes as a matter of law
15 that:

16 1. Defendants violated the Computer Spyware Act, RCW 19.86.270, by
17 intentionally misrepresenting the extent to which software was necessary for security
18 purposes and inducing consumers to download, install, and purchase the software based upon
19 these misrepresentations; and

20 2. Defendants violated the Unfair Business Practices – Consumer Protection Act,
21 chapter 19.86 RCW, by misrepresenting the presence of critical errors on consumers'
22 computers; their scan had detected critical errors on consumers' computers; the software had
23 removed dangerous files; and their advertisements were internal operating system alerts.

1 Now, therefore, IT IS HEREBY ORDERED that Plaintiff's Motion for Summary
2 Judgment is GRANTED.

3 **I. JUDGMENT SUMMARY**

- 4 1.1 Judgment Creditor: State of Washington
5 1.2 Judgment Debtors: SecureLink Networks, LLC
6 Manuel Corona, Jr.
7 1.3 Principal Judgment Amount:
8 a. Costs and Fees: \$141,020.45
9 b. Restitution: See Section 4.4 below
10 c. Civil Penalties/Damages: \$ 400,000⁰⁰
11 d. Total Judgment: \$ 400,000⁰⁰
12 1.4 Post-Judgment Interest Rate: 12 percent per annum (for any amount owing
13 after the agreed upon final payment date has passed).
14 1.5 Attorney for Judgment Creditor: Katherine M. Tassi, Assistant Attorney General
15 1.6 Attorney for Defendants: N/A (pro se)

16 The Court having determined there is no just reason for delay in the entry of final
17 judgment against Defendants, and being fully advised, the Court hereby makes and enters the
18 following:

19 **II. FINDINGS OF FACT**

- 20 2.1 This action was commenced by the State of Washington pursuant to Chapter 19.270,
21 the Computer Spyware Act, and 19.86 RCW, the Unfair Business Practices – Consumer
22 Protection Act.
23 2.2 Unless otherwise specified, the term “Defendants” as used in this document shall mean
24 Manuel Corona, Jr., and SecureLink Networks, LLC, a California limited liability company.
25 2.3 Defendants accepted personal service of the Summons and Complaint.

1 2.4 The violations alleged in the State's Complaint have been engaged in by Defendants
2 wholly or in part in King County, state of Washington, and elsewhere in the state of
3 Washington. Defendants transact or have transacted business in the state of Washington.

4 2.5 Defendant SecureLink Networks, LLC ("SecureLink") is a California limited liability
5 company. Its principal place of business is located at 1162 Whittier Avenue, Brea, California
6 92821. Defendant Manuel Corona, Jr. ("Corona") is the CEO of SecureLink, and, as such,
7 controls its policies, activities, and practices, including those alleged in the Complaint herein.
8 Corona resides at 1162 Whittier St., Brea, California 92821-2072. Defendant is married to
9 Rebecca Longoria, and together they constitute a marital community. All actions taken by
10 Corona as alleged in the Complaint herein were for the benefit of his marital community.
11 Corona resides in California and has transacted business in the state of Washington.

12 2.6 Since the beginning of 2005, Defendants have been directly engaged in the marketing
13 and sale of various software products over the Internet, including Registry Repair, Registry
14 Rinse, Registry Sweeper Pro, Registry Cleaner 32, and Registry Doc.

15 2.7 Defendants owned, marketed, and sold Registry Rinse and Registry Sweeper Pro.

16 2.8 Defendants marketed other software products on behalf of product owners through the
17 affiliate network Click Bank. Defendants were paid a percentage of the sale price for each
18 sale attributed to their advertising, as well as for each sale of their own products.

19 2.9 Defendants used advertising affiliates, through both Click Bank and their own affiliate
20 network, to help market their own products. Defendants paid their affiliates a percentage of
21 the sale price for each sale attributed to the affiliate's advertising.

22 2.10 Defendants' primary form of advertising was the Net Send message, an advertisement
23 that Defendants transmitted remotely to computers running Windows Messenger Service.
24 Defendants knowingly advertised a commercial product through the operating system of the
25 user's computer so that the advertisement appeared as an internal alert, and Defendants

1 represented that the alert was a “security” alert. Many of Defendants’ Net Send
2 advertisements misrepresented that they were internal messages from “Security” or from
3 “Windows”. Defendants knowingly misrepresented to the user that the software they were
4 promoting was necessary for security purposes; in fact, the messages were advertisements and
5 the products did not remedy security problems on a user’s computer.

6 2.11 Defendants’ Net Send advertisements contained false, misleading, and deceptive
7 messages telling computer users that their computers were filled with registry errors that
8 compromised the data and the functioning of the computer. The messages told computer
9 users that immediate attention was required in order to avoid data loss and corruption.

10 2.12 Defendants intentionally misrepresented to computer users that their computers were
11 in dire need of the product Defendants were marketing or selling and without such product,
12 the computer was at critical security or privacy risk

13 2.13 Defendants directed users to Web sites on which they could run scans of their
14 computers to determine whether there were any registry errors.

15 2.14 Defendants’ products included scan software that Defendants encouraged users to
16 download and install in order to test their computers for registry errors. Defendants offered
17 the scan software at no charge.

18 2.15 Defendants’ scan software always claimed that there were registry errors in users’
19 computers and always labeled such alleged errors as “critical”, even when the identified
20 “error” was harmless.

21 2.16 Based upon Defendants’ intentionally false, misleading, and deceptive advertising and
22 marketing of their own software and the software of other owners, numerous Washington
23 consumers purchased such software. Defendants earned hundreds of thousands of dollars
24 through their deceptive Net Send advertising.

25 Based on the foregoing Findings of Fact, the Court hereby makes the following:

1 **III. CONCLUSIONS OF LAW**

2 3.1 This Court has jurisdiction of the subject matter of this action and of the parties.
3 The Plaintiff's Complaint in this matter states claims upon which relief may be granted under
4 the provisions of Chapter 19.270 RCW, the Computer Spyware Act, and Chapter 19.86 RCW,
5 the Unfair Business Practices-Consumer Protection Act.

6 3.2 Defendants' acts and practices as described in Findings of Fact numbers 2.10
7 through 2.16 have the capacity to mislead a substantial number of consumers, are unfair and
8 deceptive, and are unfair methods of competition and therefore constitute violations of RCW
9 19.86.020, which prohibits unfair methods of competition and unfair or deceptive acts or
10 practices in the conduct of any trade or commerce. Plaintiff, State of Washington, is authorized
11 by RCW 19.86.080 to enjoin violations of the Consumer Protection Act, to obtain restitution on
12 behalf of persons harmed by such violations, and to obtain such further and other relief as the
13 court may deem appropriate, including civil penalties up to the amount of \$2,000.00 per violation
14 and attorneys' fees and costs.

15 3.3 The conduct of Defendants described in Findings of Fact numbers 2.10 through
16 2.16 violates the Computer Spyware Act, RCW 19.270.040(1), which makes it unlawful for a
17 person who is not an owner or operator of a user's computer to induce an owner or operator to
18 install a computer software component onto the computer by intentionally misrepresenting the
19 extent to which installing the software is necessary for security purposes. Plaintiff, State of
20 Washington, is authorized by RCW 19.270.060 to enjoin further violations of the Computer
21 Spyware Act, and to recover either actual damages or one hundred thousand dollars per
22 violation, whichever is greater, and costs and reasonable attorneys' fees.

23 3.4 Plaintiff is entitled to a Decree enjoining and restraining Defendants and any
24 and all persons in active concert or participation with Defendants from engaging in the future
25

1 in the acts or practices described in Findings of Fact 2.10 through 2.16 that violate the
2 Consumer Protection Act and the Computer Spyware Act.

3 3.5 Plaintiff is entitled to a Decree ordering Defendants to pay Plaintiff's costs
4 and fees of \$141,020.45 incurred by Plaintiff in pursuing this action. Said payment shall be
5 in addition to and exclusive of any costs or fees which may be incurred by Plaintiff in
6 enforcing the provisions of this Decree, including the costs of any collection actions.
7 Plaintiff's request for costs and fees of \$141,020.45 is reasonable, and Plaintiff is entitled to a
8 Decree ordering Defendants to pay the requested amount.

9 3.6 Plaintiff is entitled to a Decree ordering Defendants to comply with the
10 injunctive provisions described below.

11 3.7 Plaintiff is entitled to a Decree ordering Defendants to pay civil penalties as
12 described below.

13 3.8 Plaintiff is entitled to a Decree ordering Defendants to pay restitution as
14 described below.

15 Based on the foregoing Findings of Fact and Conclusions of Law, the Court hereby
16 makes the following:

17 **IV. JUDGMENT AND DECREE**

18 It is hereby ADJUDGED, ORDERED, and DECREED as follows:

19 4.1 Defendants shall immediately inform and give actual notice to all successors,
20 assigns, transferees, officers, agents, affiliates, employees, and representatives of Defendants
21 of the terms and conditions of this Judgment and Decree.

22 4.2 Defendants and all successors, assigns, transferees, officers, agents, servants,
23 employees, and representatives of Defendants are hereby enjoined and permanently
24 restrained in the State of Washington from directly or indirectly engaging in any of the
25 following conduct:

- 1 1. Misrepresenting, directly or by implication, urgency, exclusivity, or
2 need for products or services in the context of any advertising or marketing of
3 services or products, including, but not limited to, using any language,
4 symbols, or other visual or verbal messages that misrepresent to the user that
5 the user's computer is at a risk that necessitates purchasing the product.
- 6 2. Using Net Send messages to advertise, market, or promote any products
7 or services.
- 8 3. Using any form of advertising that simulates an alert or security
9 message originating from a user's computer, operating system, or software
10 installed on the user's computer.
- 11 4. Downloading or installing, or causing to be downloaded or installed, on
12 a user's computer, by any means, any software, including, but not limited to,
13 toolbars, or free scan or free trial software, without first (1) disclosing clearly
14 and conspicuously all the material features of the software (where "material
15 feature" means any feature that would affect a user's decision whether to
16 download or install the software) and (2) obtaining the user's affirmative
17 consent to the download and installation.
- 18 5. Misrepresenting the risks that any products or services are designed to
19 address, or the benefits or cost of any products or services.
- 20 6. Misrepresenting the utility, substance, or effect of any scan of the
21 consumer's computer.
- 22 7. Misrepresenting the risk level to any alleged "error" or problem
23 discovered by a scan of a user's computer.

1 8. Advertising and/or selling any software product without conducting
2 reasonable testing to determine that the product will function as represented in
3 any advertising or marketing.

4 9. Failing to maintain documentation substantiating any and all claims
5 made in any advertisement created or used by Defendants regarding the utility,
6 substance, performance, or effect of any software, whether offered at no charge
7 or for a price.

8 10. Failing to review all advertisements for all products owned by
9 Defendants prior to permitting the advertisement to be used, including
10 advertisements used by affiliate advertisers.

11 11. Failing to ensure that all advertisements reviewed and approved by
12 Defendants for use in marketing comply with the injunctive provisions of this
13 Decree.

14 12. Failing to maintain as business records copies of all advertisements
15 used by Defendants and any of their affiliates for all products owned by
16 Defendants.

17 13. Engaging in any of the conduct described in Findings of Fact 2.10
18 through 2.19.

19 4.3 Pursuant to RCW 19.86.140, Plaintiff shall recover and Defendants shall pay
20 civil penalties/damages in the amount of \$ 400,000⁰⁰ / 100.

21 4.4 Pursuant to RCW 19.86.080, Defendants, at their own expense, shall provide
22 refunds to all Washington consumers who purchased any products owned by Defendants.
23 Within forty-five (45) days after entry of this Judgment, Defendants will deliver a written
24 report to Plaintiff's counsel detailing the refunds made pursuant to this section, including the
25 identity and contact information of each consumer; the amount refunded; the method of

1 refund, e.g., check, credit to credit card, etc.; and date of refund. Where records potentially
2 identifying Washington consumers who purchased products as a result of Defendants'
3 advertising are in the custody of third parties, Defendants shall make all reasonable efforts to
4 gain access to such records or information in order to comply with this section of the
5 Judgment. Defendants shall describe all efforts made if Defendants are unable to gain access
6 to such records or information, including providing the third party's name, address, telephone
7 number, contact person, and the relationship between Defendants and the third party.
8 Defendants shall also provide to Plaintiff copies of all documents, electronic or paper,
9 reflecting correspondence between Defendants and the consumers receiving refunds and
10 between Defendants and the third parties from whom Defendants sought records or
11 information. Defendants shall also promptly refund any Washington consumers who submit
12 refund requests to the Washington Attorney General's Office.

13 4.5 Pursuant to RCW 19.86.080, Plaintiff shall recover and Defendants shall pay
14 costs and attorneys' fees incurred in pursuing this matter in the amount of \$141,020.45.
15 Interest on any unpaid balance of this amount shall accrue in the amount of 12% per annum.

16 4.6 Defendants shall bear Plaintiff's reasonable costs, including reasonable
17 attorneys' fees, for enforcing this Judgment and in any successful action to enforce any of its
18 provisions.

19 4.7 All payments shall be made by cashier's check, made payable to the Attorney
20 General—State of Washington, and shall be delivered to the Office of the Attorney General,
21 800 Fifth Avenue, Suite 2000, Seattle, Washington 98104, to the attention of Cynthia
22 Lockridge.

23 V. ENFORCEMENT

24 5.1 Pursuant to RCW 19.86.140, any violation of the terms of this Judgment may
25 form the basis for further enforcement proceedings.

1 5.2 The violation of any of the terms of this Judgment shall constitute a violation
2 of the Consumer Protection Act, RCW 19.86 et seq.

3 5.3 Jurisdiction is retained for the purpose of enabling any party to this Judgment,
4 with or without the prior consent or approval of the other party, to apply to the Court at any
5 time for the enforcement of compliance therewith, the punishment of violations thereof, or
6 the modification or clarification thereof.

7 5.4 Nothing in this Judgment shall be construed as to limit or to bar any other
8 governmental entity or any other consumer in the pursuit of additional remedies against
9 Defendants.

10 5.5 For purposes of monitoring compliance with this Judgment, for three (3) years
11 after the date of entry of this Judgment, Defendants shall compile and maintain records, to be
12 made available at the request of the Attorney General, of (a) all advertisements used by
13 Defendants or any of Defendants' affiliates (where an affiliate is any person or entity that
14 receives a percentage of the sale price for any of Defendants' products or services for
15 advertising such products or services) for any of Defendants' products or services; (b) contact
16 information for all Washington customers of Defendants' products; (c) complaints relating to
17 Washington consumers; (d) refunds to Washington consumers; and (e) gross amounts processed
18 and billed to Washington consumers.

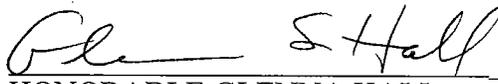
19 5.6 Representatives of the Office of Attorney General shall be permitted, upon 10
20 days' notice to Defendants, to access, inspect, and/or copy all business records or documents
21 under the control of Defendants, in order to monitor compliance with the injunctive
22 provisions of this Judgment.

23 5.7 Representatives of the Office of the Attorney General may be permitted to
24 question Defendants, or any officer, director, agent, or employee of any business organization
25 affiliated with Defendants, in the form of a deposition, pursuant to the provisions and notice

1 requirements of CR 30, and to issue interrogatories and requests for production of documents,
2 pursuant to the provisions and notice requirements of CR 33 and CR 34, in order to monitor
3 compliance with the injunctive provisions of this Judgment.

4 5.8 Under no circumstances shall this Judgment or the names of the State of
5 Washington or the Office of the Attorney General, Consumer Protection Division, or any of
6 its employees or representatives be used by Defendants' agents or employees in connection
7 with the promotion of any product or service or an endorsement or approval of Defendants'
8 practices.

9 SO ORDERED this 20 day of May, 2008.

10
11 
12 HONORABLE GLENNA HALL
Superior Court Judge

13 Presented by:

14 ROBERT M. MCKENNA
15 Attorney General

16 
17 KATHERINE M. TASSI, WSBA #32908
18 Assistant Attorney General
Attorneys for Plaintiff, State of Washington