

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

If you purchased or leased a Honda or Acura model year 2002 through 2006 automobile or model year 2007 Honda Fit between April 13, 2002 and November 7, 2006, you are a member of a proposed Settlement Class and may be entitled to an extension of your vehicle's warranties, an extension of your lease contract and a cash refund. Please read this notice carefully, as it affects your legal rights.

You can receive more information about this notice by calling 888-888-3082 or visiting www.odosettlementinfo.com. Non-English speakers may request a translator when contacting the Honda Claim Center.

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

If the Court approves the proposed Settlement, American Honda Motor Co., Inc. (AHM) will extend by 5% the mileage-based coverage periods of certain warranties, extend annual mileage allowed by vehicles leased from American Honda Finance Company by 5%, and reimburse certain repairs and excess mileage charges, as detailed below. All persons who agree to accept these benefits will release AHM and others from claims in connection with the odometers in the subject vehicles.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
PARTICIPATE IN THE SETTLEMENT	No action is required if you wish to participate in the Settlement, although if you wish to make a monetary claim you must submit a claim form and supporting information.
EXCLUDE YOURSELF FROM THE SETTLEMENT	You may not participate in the settlement if you choose this option. This is the only option that allows you to retain any rights you may have against Defendants (<i>i.e.</i> , American Honda Motor Co., Inc., Honda Motor Co., Ltd., Nippon Seiki, and New Sabina) over the claims in this case.
OBJECT OR COMMENT	Write the Court about why you do, or do not, support the Settlement or any of its provisions.
ATTEND THE HEARING	Ask to speak to the Court about the fairness of the Settlement.

1. **THE LITIGATION:** On April 13, 2004, Karen Vaughn filed this suit against American Honda Motor Co., Inc. and Honda Motor Co., Ltd. ("collectively, "Honda") in the United States District Court for the Eastern District of Texas complaining that the odometer in her 2002 Honda Odyssey overstated the mileage of her vehicle by 2.0% to

4.0%. She alleged that Honda had breached the implied warranty of merchantability and violated the Federal Odometer Act. Karen Vaughn brought her suit on her own behalf and on behalf of all owners and lessees of 1999-2004 Model Year Honda Odysseys in the United States. On October 13, 2005, Karen Vaughn amended her complaint to include Nippon Seiki Co., Ltd. and New Sabina Industries, Inc., the companies that manufactured the Odyssey odometers. Karen Vaughn alleged that these companies had also violated the Federal Odometer Act. On June 23, 2006, Sharon McQuiston filed a second suit against Honda for odometer inaccuracies. Sharon McQuiston also alleged that Honda had breached the implied warranty of merchantability and violated the Federal Odometer Act. Sharon McQuiston brought suit on her own behalf and on behalf of all owners and lessees of Honda and Acura automobiles (other than the Odyssey) in the United States sold since June 23, 2002 (the two lawsuits are collectively called “the Litigation”).

2. **HONDA, NIPPON SEIKI, AND NEW SABINA’S POSITION:** Defendants deny all allegations of wrongdoing asserted in the Litigation, including that the odometers in the subject automobiles are defective, and that they are liable to any buyer or lessee of the automobiles under any cause of action. Nonetheless, the companies have agreed to settle the Litigation by providing the benefits described in this Notice.

3. **NOTICE:** This Notice informs Settlement Class Members of the Litigation and the proposed settlement, and describes the Settlement Class Members’ rights and options.

4. **SETTLEMENT CLASS:** The following Settlement Class has been conditionally certified. If you are a member of the class described here, the proposed settlement will affect your legal rights. Please read this Notice carefully.

All persons who bought or leased in the United States of America (including the District of Columbia, Puerto Rico, and the U.S. Virgin Islands) a model year 2002 through 2006 Honda or Acura automobile or a model year 2007 Honda Fit (the “Class Vehicles”), between April 13, 2002 and November 7, 2006.

The Settlement Class does not include: (a) all federal court judges who have presided over this case and their spouses and anyone within three degrees of consanguinity from those judges and their spouses, (b) all persons who elect to exclude themselves from the Settlement Class, (c) all persons who have previously executed and delivered to Honda releases of their claims, and (d) Defendants’ employees, officers, directors, agents, and representatives and their family members.

The Court has appointed James A. Holmes, R. Stephen Woodfin, Jay Kutchka, and David B. Miller as Class Counsel to represent the Settlement Class.

5. **SETTLEMENT BENEFITS.** If the Court approves the proposed Settlement at the Fairness Hearing scheduled for May 30, 2007, Honda will provide the following benefits to Settlement Class members.

a. Warranty Extension. Honda will extend the mileage limitations of all warranties by 5%. This extension will include the mileage-based coverage periods of (a) original warranties that came with the Class Vehicles when initially sold or leased, (b) all Honda extended warranties made applicable to the Class Vehicles after they were sold or leased and which are effective prior to the date of final approval, (c) all Honda service contracts applicable to new Class Vehicles, and (d) the original warranties that come with the purchase of a Certified Used Honda or Acura automobile. This mileage extension does not affect the warranties' time limitations and all warranties remain subject to all their other terms and conditions. These extended warranties will apply to your car without any action on your part as soon as the Court has finally approved the settlement. They will also be transferable under the same terms as the original warranty. Remember, Certified Used Vehicle Warranties and Service Contracts are only transferable to subsequent private party purchases.

- For example: the 3 year/36,000 mile new vehicle limited warranty will be extended to 3 years/37,800 miles; the 7 year/100,000 mile California emissions warranty will be extended to 7 years/105,000 miles, and the 1 year/12,000 mile replacement parts limited warranty will be extended to 1 year/12,600 miles. If you sell your car, the purchaser will receive the same remaining warranties that you were entitled to receive. All such extensions are subject to all terms and conditions of the original warranty.

b. Reimbursement for Repairs. If you have already paid for repairs during these extended mileage periods and those repairs would otherwise have been covered by warranty, you may be entitled to a refund of the repair cost. Settlement Class members can seek reimbursement for money spent on "Otherwise Warranted" repairs of Class Vehicles that occurred within a mileage level that is 5% higher than the mileage-based coverage period of the applicable warranty. For your basic 3 year/36,000 mile warranty, this means that the repairs must have been made when your odometer displayed between 36,001 and 37,800 miles. "Otherwise Warranted" means repairs or replacements (1) of component parts that were defective in material or workmanship under normal use (2) while the automobile was still within the time-based limits of the warranty coverage period. It does not include routine maintenance (*e.g.*, oil and filter changes/tire rotations, etc.) or repairs required because of customer abuse or misuse.

To be reimbursed, Settlement Class members must submit to the Honda Claim Center at the address shown below a completed claim form and documentation (1) that the vehicle is a Class Vehicle, (2) reflecting the date of purchase and repair, the amount you paid & your vehicle's mileage at the time of the repair and (3) that the repair was Otherwise Warranted. You must submit your claim within 180 days after the Effective Date of the Settlement.

c. Lease Extension. If you are currently leasing a Class Vehicle from American Honda Finance Corporation ("AHFC"), Honda will increase the mileage limits of your lease by 5%. Your lease will be extended automatically. You do not need to file

a claim to receive the extension.

- For example, if you have a three-year lease of a Class Vehicle that permits up to 36,000 miles of driving, the allowed mileage period will be increased to 37,800 miles.

If you leased from a company other than AHFC, Honda will reimburse you for excess mileage charges you pay to your leasing company in the future for the first 5% of your excess mileage. You must file a claim as described below in order to receive these benefits.

d. **Reimbursement for Excess Mileage Charges.** If you have already paid excess mileage charges on the lease of a Class Vehicle, you may be entitled to a refund. If you leased your vehicle directly from AHFC, you will receive your refund automatically if Honda has your current mailing address. If you believe you are entitled to a refund and have not received it within ninety (90) days after the proposed Settlement is approved, you should submit a claim to the Honda Claim Center for a refund of mileage charges. To submit a claim for mileage charges, you will need to provide proof of (1) your lease of a class vehicle, (2) the amount of miles permitted by your lease, (3) the number of excess miles driven, (4) the charge per mile, (5) any waivers or credits you received against an excess mileage charge, and (5) the amount of mileage charges you paid.

If you leased your vehicle from a company other than AHFC, Honda has established a claims process by which you can request a refund for excess mileage charges you paid for “excess” miles up to 5% over the allowed mileage. You will need to provide the same proof as requested above in the prior paragraph.

- Here is how the excess mileage charge refund works. Assume you leased a Class Vehicle for three years and up to 36,000 miles. Your odometer registered 38,000 miles when you returned the vehicle. Your lease provided for a charge of 15 cents per mile for the 2,000 extra miles you drove. This would have cost you \$300.00 (2,000 miles times .15 cents/mile). Because a 5% extension would entitle you to drive the vehicle for up to 37,800 miles, Honda will refund you the \$270.00 you paid for these miles (15 cents for each of the first 1,800 miles).

You cannot receive a refund of excess mileage charges you did not pay. If your leasing company has already reduced your charge for some reason, your refund will be reduced by the same amount. You cannot recover any excess mileage charges paid for miles beyond the 5% lease extension.

- Taking the example above (a three-year lease that permitted up to 36,000 miles), if your leasing company has already reduced the excess mileage charge to \$150 for the 2,000 excess miles, your refund under the Settlement

Agreement would also be reduced by \$150.00. Instead of a \$270.00 refund, you would receive \$120.00. If your leasing company did not charge you any excess mileage charge, you will not receive any refund.

All claims for mileage charge reimbursement must be received by Honda within 180 days after the Settlement's Effective Date or sixty (60) days after your lease contract's expiration, whichever is later.

You will receive these benefits only if the Court approves the proposed Settlement following the Fairness Hearing on May 30, 2007 and only if you remain a member of the Settlement Class. If you exclude yourself from the Settlement, you will receive no benefits. You may obtain and submit a claim form by calling the Honda Claim Center at 888-888-3082, writing the Honda Claim Center at P.O. Box 2902, Torrance, California 90501, or downloading a form at www.odosettlementinfo.com. You may submit a claim form now or wait until the Settlement is approved. The Honda Claim Center will review your claim and advise you of their evaluation of your claim upon receipt, but will not pay the claim unless and until the Court approves the Settlement following the Fairness Hearing. You may check the website or call the Honda Claim Center to monitor the status of the Settlement.

6. ATTORNEYS' FEES, EXPENSES AND INCENTIVE AWARD: Counsel for the Settlement Class have pursued the Litigation on a contingent basis and have paid all the costs of the Litigation. These lawyers have not yet been paid or recovered any of their expenses. As part of the Settlement, the Named Plaintiffs' attorneys will seek up to \$9.8 million in attorneys' fees and expenses. The Court will determine a reasonable fee and expense award at the Fairness Hearing based on Class Counsel's Fee and Expense Application and responses thereto. Honda will not oppose Class Counsel's Fee and Expense Application. Class Counsel will also ask the Court to approve a \$10,000 Incentive Award to Named Plaintiff Karen Vaughn and a \$1,000 Incentive Award to Named Plaintiff Sharon McQuiston. None of these payments will reduce the benefits you receive. Any money the Court awards to Class Counsel and Named Plaintiffs will be paid by Defendants.

7. RESULT IF COURT APPROVES SETTLEMENT: If the Court approves the proposed Settlement, it will dismiss the Litigation, and Honda will provide the benefits described above to the Settlement Class Members who have not excluded themselves from the Class. No Settlement Class Member will be able to file their own lawsuits for recovery on any claims relating to odometer accuracy on their Class Vehicles. If you want to bring your own lawsuit, you must exclude yourself from this Settlement.

8. YOUR OPTIONS: If you are a member of the Settlement Class, you have the following options:

- (a) **PARTICIPATE IN THE SETTLEMENT:** If you agree with the proposed Settlement, you need not do anything. If you believe you are entitled to a refund of vehicle repair costs or excess mileage charges, you may submit

your refund claim(s) immediately. If the Court approves the Settlement, you will receive all the benefits to which you are entitled. You will also release all odometer-related claims you may have against the Defendants. If you wish to comment in favor of the Settlement, you may send your comment to: James A. Holmes at The Law Office of James Holmes, P.C., 605 South Main Street, Suite 203, Henderson, TX 75654 or by email to jh@jamesholmeslaw.com.

- (b) **REQUEST TO BE EXCLUDED:** If you wish to be excluded from the Settlement Class, Honda must receive a letter or postcard from you on or before April 25, 2007. Your letter must include your name, address, telephone number; the year, model, and vehicle identification number of your Class Vehicle; and an unambiguous statement that you wish to be excluded from the Settlement Class. Your request must be sent to the Honda Settlement Exclusion Center at P.O. Box 2905, Torrance, California 90501. If you do not submit a clear request for exclusion to the proper location or if you do not do so timely, you will be bound by the Settlement Agreement and all your claims will be released. If you validly and timely request exclusion from the Settlement Class, you will not be bound by the final judgment, and you will not be precluded from instituting or prosecuting any individual claim you may otherwise have against American Honda Motor Co., Inc., Honda Motor Co., Ltd., Nippon Seiki, or New Sabina, and others, relating to the accuracy of your odometer.
- (c) **OBJECT:** If you are a member of the Settlement Class and you do not request to be excluded, you may object to the terms of the settlement, to Class Counsels' request for attorneys' fees and expenses, or to the Named Plaintiffs' incentive awards. If you object and the settlement is approved, you will be barred from bringing your own lawsuit, and you will be bound by the final judgment and release and all Orders entered by the Court. You may, but need not, enter an appearance through counsel of your choice. If you do, you will be responsible for your own attorneys' fees and costs. If you object to the settlement, you must, on or before April 25, 2007: (1) file with the Clerk of the United States District Court for the Eastern District of Texas, and (2) serve upon James A. Holmes, The Law Office of James Holmes, P.C., 605 South Main Street, Suite 203, Henderson, TX 75654 (counsel for Plaintiffs); Brian C. Anderson, O'MELVENY & MYERS, L.L.P. 1625 Eye Street, Washington, D.C. 20006 (counsel for Honda); and David B. Johnson, SIDLEY AUSTIN L.L.P., One South Dearborn, Chicago, IL 60603 (counsel for Nippon Seiki and New Sabina), a written objection including: (a) your full name, address and telephone number, (b) the year, model, and vehicle identification number of your Class Vehicle, along with proof that you owned or leased the Class Vehicle in the form of a true copy of a vehicle title, registration, or license receipt, (c) a written statement of all grounds for the objection accompanied by any legal support for your objection, (d) copies of any papers, briefs, or other documents upon which

the objection is based, (e) a list of all persons who will be called to testify in support of the objection, (f) a statement of whether you intend to appear at the Fairness Hearing, (g) a list of other cases in which you or your counsel have appeared either as settlement objectors or as counsel for objectors in the preceding five (5) years, and (h) your signature, even if you are also represented by counsel. If you intend to appear at the Fairness Hearing through counsel, the objection must also state the identity of all attorneys representing you who will appear at the Fairness Hearing. Class members who do not timely make their objections in this manner will waive all objections and shall not be heard or have the right to appeal approval of the settlement.

9. **FAIRNESS HEARING:** A hearing will be held before the United States District Court for the Eastern District of Texas, 100 Houston Street, Marshall, Texas 75670 on May 30, 2007, at 9:00 a.m. At the hearing, the Court will decide whether the proposed settlement is fair, reasonable, and adequate and should be approved and, if so, determine what amount of fees and expenses should be awarded to Class Counsel, and what incentive award should be given to the Named Plaintiffs. The time, date and location of this hearing may be changed by the Court without further notice to you. If you plan to attend the hearing, you should confirm its time, date and location before making any plans.

10. **ADDITIONAL INFORMATION:** For additional information, you may contact the Honda Claim Center, which is staffed by representatives trained to answer your questions about the Proposed Settlement, by (a) visiting www.odosettlementinfo.com, (b) calling 888-888-3082, or (c) sending correspondence to P.O. Box 2902, Torrance, California 90501. If the Honda Claim Center representatives cannot answer your question, you may contact Class Counsel by visiting www.HondaOdometerClassAction.com. Please do not call or write the Court or the Office of the District Clerk.

11. A copy of the full Settlement Agreement is available at www.HondaOdometerClassAction.com, or by request from Class Counsel.

BY ORDER OF THE COURT

Dated: November 7, 2006

Clerk of the Court