

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION

Karen Vaughn, Individually and on behalf of all other similarly situated v. American Honda Motor Co., Inc. et al, Case No. 2-04CV-142 (TJW)

Sharon McQuiston, Individually and on behalf of all other similarly situated v. American Honda Motor Co., Inc. & Honda Motor Co., Ltd., Case No. 2-06CV-253 (TJW).

NOTICE OF PROPOSED SETTLEMENT WITH AMERICAN HONDA MOTOR CO., INC., HONDA MOTOR CO., LTD., NIPPON SEIKI CO., LTD. & NEW SABINA INDUSTRIES, INC.

IF YOU PURCHASED OR LEASED A HONDA OR ACURA MODEL YEAR 2002 THROUGH 2006 AUTOMOBILE OR A MODEL YEAR 2007 HONDA FIT AT ANY TIME BETWEEN APRIL 13, 2002 AND NOVEMBER 7, 2006, PLEASE READ THIS NOTICE CAREFULLY, AS IT AFFECTS YOUR LEGAL RIGHTS. If you are a member of the group described, you may be a member of a proposed Settlement Class (the "Settlement Class") in the above-captioned lawsuit (the "Litigation") pending in the U.S. District Court for the Eastern District of Texas (the "Court") and you may be entitled to an extension of your vehicle's warranties, an extension of your lease contract and a cash refund.

The class representatives have agreed to settle all claims against American Honda Motor Co., Inc., Honda Motor Co., Ltd. (collectively "Honda") and Nippon Seiki Co., Ltd. and New Sabina Industries, Inc. (collectively with Honda, the "Defendants") in the Litigation in exchange for certain benefits to the members of the Settlement Class, which are described below. You may exclude yourself from the Settlement Class, meaning you will not receive settlement benefits and will not be bound by the settlement or the release of claims. A hearing is scheduled to consider the fairness of the proposed settlement (the "Fairness Hearing") and determine a reasonable fee and expense award for Counsel for the Settlement Class. The Fairness Hearing will be held on May 30, 2007, at 9:00 a.m., at the United States Courthouse, 100 East Houston Street, Marshall, Texas 75670.

WHAT IS THE LITIGATION ABOUT?

Plaintiffs allege that odometers in certain Honda and Acura automobiles overstate mileage by up to 4%. This alleged overstatement is claimed to diminish warranty coverage and reduce the miles available under automobile leases. Plaintiffs seek relief for a purported nationwide class under the Federal Odometer Act and the Texas implied warranty of merchantability. Defendants deny all allegations of wrongdoing asserted.

WHO IS INVOLVED?

The Court has conditionally certified the following Settlement Class: 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 Honda or Acura model year 2002 through 2006 automobile or a model year 2007 Honda Fit (the “Class Vehicles”) between April 13, 2002 and November 7, 2006.

The Settlement Class excludes (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 PROPOSED SETTLEMENT

If the Settlement is approved, Honda will provide the following benefits to Settlement Class Members who have not excluded themselves:

- **Warranty Extension.** Honda will extend by 5% 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, (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.
- **Reimbursement for Repairs.** Honda will reimburse Settlement Class Members the cost of repairs that would have been covered under this extended warranty.
- **Lease Extension.** Honda will increase by 5% the mileage limits of all Class Vehicles leased from American Honda Finance Corporation (“AHFC”).
- **Reimbursement for Excess Mileage Charges.** Honda will reimburse Settlement Class Members who leased their vehicles for any excess mileage charges they paid with respect to “excess” miles up to 5% over the allowed mileage. Honda will not refund any excess mileage charges already waived by your leasing company. If you leased your vehicle from AHFC, you should receive your refund automatically. If you believe you are entitled to such a payment but have not received it within ninety days after the Court approves the Proposed Settlement, you should file a claim with Honda.

This Settlement consideration is described more fully in a longer notice that has been mailed directly to the members of the class (the “Mailed Notice.”) If you did not receive the

Mailed Notice, you can access it and other information about the settlement at www.HondaOdometerClassAction.com or www.odosettlementinfo.com, or use the resources described below.

YOUR RIGHTS AND OPTIONS

- Members of the Settlement Class who agree with the proposed Settlement need do nothing. If the Court approves the Settlement, you will be entitled to the benefits of the Settlement to the extent they apply to you. You will also have released all claims you may have in connection with the allegations described against the Defendants as well as all affiliates and other persons and companies associated with the Defendants.
- To be excluded from the proposed settlement, you must submit a request for exclusion. You must send a signed letter or postcard, stating your name, address, telephone number, the year, model, and vehicle identification number of your Class Vehicle and a statement that you wish to be excluded from the Settlement Class to the Honda Settlement Exclusion Center at P.O. Box 2905, Torrance, California 90501. The exclusion request must be received by April 25, 2007.
- The Court has scheduled a hearing to consider the proposed settlement, the request for attorneys' fees and expenses and other matters. The hearing will take place May 30, 2007, at 9:00 a.m. at the United States Courthouse, 100 East Houston Street, Marshall, Texas 75670. At that hearing, the Court will determine (1) whether the proposed settlement class should be certified, (2) whether the proposed settlement should be approved, (3) the amount of attorneys' fees and expenses to award to Class Counsel and the amount of Incentive Awards, if any, to award to class representatives, and (4) any other matters appropriately before the Court. You may attend this hearing if you wish, but you do not have to attend in order to participate in the proposed settlement.
- Settlement Class Members who do not request to be excluded from the class may support or object to the terms of the proposed settlement, to Class Counsels' application for attorneys' fees and expenses, and/or to the proposed Named Plaintiffs' Incentive Awards. You may do this in writing, and you may appear and be heard at the Fairness Hearing. To do any of this, you must comply with the procedures and deadlines that are described in the Mailed Notice. If you have not received the Mailed Notice, you should request it from one of the sources identified below. If these procedures and deadlines are not followed, you may lose significant legal rights, including, but not limited to, the right to have your objections heard.

At the Fairness Hearing, Class Counsel will request up to \$9.8 million in attorneys' fees and costs. Class Counsel also will ask the Court to approve an Incentive Award to the class representatives (\$10,000 for Karen Vaughn and \$1,000 for Sharon McQuiston). Honda will not oppose Class Counsel's Fee and Expense Application. Attorneys' fees, costs, expenses

and the Incentive Awards will not reduce the amount of benefits due the Settlement Class, and will be paid separately by the Defendants.

For Complete Information and a Copy of the Mailed Notice:

Call: 888-888-3082 (Non-English speakers may request a translator when contacting the Honda Claim Center.)

Or visit: www.odosettlementinfo.com or www.HondaOdometerClassAction.com

Or write to:

James A. Holmes
The Law Office of James Holmes, P.C.
605 South Main Street, Suite 203
Henderson, TX 75654

R. Stephen Woodfin
Law Office of Stephen Woodfin
1012 Houston St.
Kilgore, TX 75662

David B. Miller
Law Office of David B. Miller
4350 Beltway Drive
Addison, Texas 75001

Mr. Jay Kutchka
Jones, Jackson & Moll, P.L.C.
401 North 7th Street
Fort Smith, Arkansas 72902-2023

Please do not contact the Court directly