

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF LOS ANGELES

ERIC BUDGIN and JESSICA BUDGIN, on  
behalf of themselves and all others similarly  
situated,

Plaintiffs,

AMERICAN HONDA MOTOR  
COMPANY, INC.,

Defendants.

Case No. BC 375047

CLASS ACTION

**NOTICE OF PENDENCY OF CLASS ACTION,  
PROPOSED SETTLEMENT AND HEARING**

IF YOU ARE A CURRENT OR FORMER OWNER OR LESSEE OF A 2005 OR 2006 HONDA ELEMENT WHOSE WINDSHIELD CRACKED WHILE YOUR ELEMENT WAS COVERED UNDER THE STANDARD MANUFACTURER'S WARRANTY YOU COULD GET BENEFITS FROM A CLASS ACTION SETTLEMENT

**This Notice Contains important information About Your Legal rights. IT IS NOT A SOLICITATION. Please read it carefully.**

**I. WHY SHOULD I READ THIS NOTICE?**

This is a class action lawsuit that the parties have proposed to settle. If the Settlement is approved by the Court, your legal rights may be affected. This Notice describes the claims made in this lawsuit and the effect of the Settlement. **You do not need to respond to this Notice to receive the benefits of the Settlement. However, if you do not wish to participate in the Settlement, you must take the steps described in Section VI of this Notice by May 12, 2010** Otherwise, you may be bound by all of the Settlement terms.

## **II. WHAT IS THIS CASE ABOUT?**

Plaintiffs claim that Honda knowingly sold 2005 and 2006 model year Honda Element automobiles (“Class Vehicles”) without disclosing that these vehicles suffer from an alleged design or manufacturing defect that causes cracks in their windshields without any impact or as a result of light contact with ordinary road debris that would not normally cause non-defective windshields to crack (the “Windshield Cracking Condition”). Plaintiffs also allege that the Windshield Cracking Condition is a material defect that compromises the safety of Class Vehicles. Plaintiffs also allege that they and members of the Settlement Class have had to bear the cost of replacing defective windshields as a result of the Windshield Cracking Condition. Plaintiffs assert claims on behalf of all former and current owners and lessees of the Class Vehicles for violations of the Consumers Legal Remedies Act, Civ. Code §§ 1750-1784, the Song-Beverly Consumer Warranty Act, Civ. Code §§ 1790-1790.4, and the Unfair Competition Law, Bus. & Prof. Code §§ 17200-17209, and breaches of Honda’s express warranty.

Honda denies the claims asserted by Plaintiffs. Honda also denies that it is liable in any way to Plaintiffs or the members of the proposed Settlement Class.

## **III. HOW WAS A SETTLEMENT REACHED?**

Plaintiffs, through the attorneys for the proposed Settlement Class (“Class Counsel”), completed a thorough investigation of the alleged Windshield Cracking Condition which included a review of thousands of pages of documents produced by Honda and its related entities. After multiple arms-length negotiations, the parties entered into a Settlement Agreement and Release (“Settlement Agreement”), which is subject to court approval. This Settlement was reached after Class Counsel weighed the risks and benefits to the Settlement Class of this Settlement compared with those related to continuing the litigation. In light of those considerations, Class Counsel determined that the Settlement is fair, reasonable and adequate in light of all circumstances, and in the best interest of the Settlement Class. As a result, Class Counsel recommends the Settlement.

Honda has agreed to this Settlement because, although it denies the claims asserted by Plaintiffs, it wishes to avoid the uncertainty and expense of further protracted litigation and to put to rest a potential controversy with its valued customers.

## **IV. SUMMARY OF SETTLEMENT TERMS**

**This is just a summary of settlement terms. Additional information about the settlement is available at [www.gilardi.com/hondawindshieldsettlement](http://www.gilardi.com/hondawindshieldsettlement).**

### **A. How do I know if I am a Settlement Class Member?**

If you have received this Notice by mail, you have been identified as someone who may be included in the class action. If you fall within the definition of the Settlement Class, **you are automatically a member of the Settlement Class**

**unless you exclude yourself (“opt out”) by following the procedures for exclusion set forth in this Notice.**

Settlement Class Members are eligible to receive the benefits under the Settlement and will be bound by the Settlement if it is approved by the Court. Persons who exclude themselves from the Settlement Class will not be bound by the Settlement and will not share in its benefits.

Settlement Class Members are all residents of the 50 States of the United States, including the District of Columbia, Commonwealth of Puerto Rico and U.S. Virgin Islands who:

- (1) are the current registered owners or lessees of a 2005 or 2006 model year Honda Element as of the Preliminary Approval Date and who, during the Class Vehicle’s Standard Warranty Period, personally paid to replace a Class Vehicle’s OEM Windshield(s) due to the Windshield Cracking Condition;

OR

- (2) Previously owned or leased a 2005 or 2006 model year Honda Element and personally paid to replace a Class Vehicle’s OEM Windshield(s) during the Class Vehicle’s Standard Warranty Period due to the Windshield Cracking Condition.

Excluded from the settlement class are:

- (a) current or former owners and/or lessees of Class Vehicles who have not personally paid to replace or repair an OEM Windshield on a Class Vehicle during the Class Vehicle’s Standard Warranty Period due to Windshield Cracking Condition;
- (b) Honda and its subsidiaries, affiliates, officers, directors and employees;
- (c) persons who have claimed personal injuries as a result of the Windshield Cracking Condition;
- (d) persons who have filed separate, non-class legal actions against Honda asserting claims relating to the Windshield Cracking Condition;
- (e) persons who have pursued a claim against, and reached a verdict against or settled with Honda from individual claims substantially similar to those alleged in the Complaint;

- (f) persons who claim to have suffered property damage due to the Windshield Cracking Condition (other than a crack in the front windshield);
- (g) persons who validly opt out of the settlement;
- (h) entities or individuals, including but not limited to insurers of the Class Vehicles, claiming to be subrogated to the rights of members of the Settlement Class;
- (i) issuers of extended vehicle warranties for the Class Vehicles; and
- (j) the Judge to whom this case is assigned and any member of the Judge's immediate family.

**B. What is an OEM Windshield?**

“OEM Windshield” means windshields originally installed in Class Vehicles when purchased new, as well as replacement windshields that are Honda genuine parts (*i.e.*, the windshield includes a Honda logo).

**C. What is the Standard Warranty Period?**

The Standard Warranty Period is 3 years or 36,000 miles (whichever comes first) from the date the Class Vehicle was first sold.

**D. What Benefits Do I Get?**

The Settlement requires that Honda reimburse Settlement Class Members who paid to replace one or more cracked OEM Windshields **during the Standard Warranty Period** as follows:

- (a) 100% of the actual out-of-pocket costs for parts and labor for the first cracked OEM Windshield that each Settlement Class Member paid to replace due to the Windshield Cracking Condition;
- (b) 70% of the actual out-of-pocket costs for the parts and labor for any second cracked OEM Windshield that each Settlement Class Member paid to replace due to the Windshield Cracking Condition;
- (c) 50% of the actual out-of-pocket costs for parts and labor for any third or subsequent OEM Windshield that each Settlement Class Member paid to replace due to the Windshield Cracking Condition.

Additional important details about the settlement benefits, are available at [www.gilardi.com/hondawindshieldsettlement](http://www.gilardi.com/hondawindshieldsettlement).

**E. WHAT IS THE DEADLINE FOR SUBMITTING CLAIMS? HOW DO I SUBMIT A CLAIM?**

THE DEADLINE FOR SUBMITTING CLAIMS IS September 1, 2010 or 90 days after the Settlement Class Member paid to replace an OEM windshield during his/her Class Vehicle's standard warranty period - - whichever is later. To submit a Claim, you must fill out the claim form that is included with this notice and send that claim form, along with supporting documentation, to the following address:

Honda Windshield Settlement  
c/o Gilardi & Co., LLC  
P.O. Box 808054  
Petaluma, CA 94975-8054

**NOTE: CLAIM FORMS POSTMARKED AFTER THE DEADLINE WILL BE DENIED.**

Additional copies of the claim form can be found at [www.gilardi.com/hondawindshieldsettlement](http://www.gilardi.com/hondawindshieldsettlement). Please read and follow the instructions on the claim form carefully.

**F. Who are Class Counsel and who Pays for Class Counsel's Fees and Expenses?**

The Court has designated the law firm of Fazio | Micheletti, LLP, as Class Counsel. The contact information for Class Counsel appears below in Section VI.B:

At the Settlement Hearing, Class Counsel will apply to the Court for: (1) an award of reasonable attorneys' fees and costs; and (2) additional monetary awards for the time and effort the two named Plaintiffs have expended on behalf of the Settlement Class. Class Counsel has worked on this case on a wholly contingent fee basis and has not been paid any fees or expenses for their work. They intend to apply to the Court for a total award of no more than \$275,000.00 in attorneys fees and costs incurred in the prosecution of the litigation, and an incentive award to the two named Plaintiffs who served as class representatives in the amount of \$10,000.00 total. If approved by the Court, these fees, expenses and awards to the named Plaintiffs will be paid by Honda separately from the benefits made available to Settlement Class Members pursuant to the Settlement. Neither the award of attorneys' fees and expenses nor the incentive awards will reduce the benefits provided to the Settlement Class Members described above.

## V. WHAT AM I GIVING UP IN EXCHANGE FOR THIS SETTLEMENT?

The Settlement Agreement is intended to settle all claims that were or could have been asserted by the Plaintiffs or any Settlement Class Member relating to the Window Cracking Condition. If the Settlement is approved, all of the Settlement Class Members will release Honda, Honda Motor Co., Ltd., Honda R&D Co., Ltd., Honda R&D Americas, Inc., Honda North America, Inc., Honda of America Mfg., Inc., all Honda related companies involved in the development, design, testing, manufacturing, assembly, distribution and sale of 2005 and 2006 model year Honda Element automobiles, and each of such entities' present and former officers, directors, employees, agents, heirs, executors, administrators, successors, reorganized successors, spin-offs, assignees, subsidiaries, affiliates, parents, divisions, and predecessors (collectively, "Released Parties") from any and all claims or causes of action that were or could have been asserted by the Plaintiffs or any Settlement Class Member relating to the Windshield Cracking Condition ("Released Claims"). The Released Claims may include claims, demands, rights, liabilities and causes of action relating to the Windshield Cracking Condition that are not known or suspected to exist as of the date that the release becomes effective and, nevertheless, members of the Settlement Class will still release any such Released Claims, and further waive any rights, benefits, or protections of California Civil Code § 1542 or any comparable statutory or common law provision of any other jurisdiction to the contrary. In no event, however, does the Settlement release or intend to release any claim for personal injury, wrongful death or physical damage to property (other than the windshield) against Honda or the Released Parties.

IF YOU DO NOT WANT TO BE LEGALLY BOUND BY THIS SETTLEMENT, YOU MUST EXCLUDE YOURSELF BY MAY 12, 2010.

## VI. WHAT ARE MY OPTIONS AND HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

**You have the following options:**

**A. Do Nothing and Remain a Settlement Class Member.** If you do not exclude yourself from the Settlement Class you will remain a member of the class action and may submit a claim if eligible. If the Settlement is approved by the Court, the Settlement will result in a release and dismissal of your claims. If you remain a Settlement Class Member, to receive the benefits of this settlement, you must submit a valid claim form by September 1, 2010 or 90 days after you paid to replace an OEM windshield during your Class Vehicle's standard warranty period - - whichever is late

**B. Remain a Settlement Class Member and Object to the Settlement.** If you remain a member of the Settlement Class and wish to object to the settlement or some part of it, you may do so on your own or

through an attorney retained by you at your expense. To object, you must file a written objection with the Clerk of the Superior Court at the following address:

**Superior Court of California for the County of Los Angeles  
Stanley Mosk Courthouse  
Attn: Clerk of the Court (Department 23 (Case No. 375047))  
111 North Hill Street  
Los Angeles, California 90012**

The objection must contain the following information:

- (i) Your full name, current address, and telephone number;
- (ii) The name and address of your lawyer if you are represented by counsel;
- (iii) The model year and Vehicle Identification Number of your Class Vehicle(s);
- (iv) A statement of the position(s) the you wish to assert, including the factual and legal grounds for them;
- (v) Copies of any other documents that the you wish to submit in support of your position;
- (vi) Whether you have objected to prior class action settlements, and if so, the number of times you have done so and the case name, court, and if available, the case number for each instance you have objected to a proposed class action settlement.

Copies of your objections and any supporting papers or briefs, must also be served on counsel for Honda and Class Counsel no later than May 12, 2010, at the following addresses:

**Counsel for Honda**

Roy M. Brisbois, Esq.  
Eric Y. Kizirian, Esq.  
Lewis Brisbois Bisgaard & Smith LLP  
221 North Figueroa Street, Suite 1200  
Los Angeles, CA 90012

**Class Counsel**

Jeffrey L. Fazio, Esq.  
Dina E. Micheletti, Esq.  
Fazio | Micheletti LLP  
2410 Camino Ramon, Suite 315  
San Ramon, CA 94583

**Filing an objection does not exclude you from the Settlement Class. If your objection is overruled, you will be bound by the terms of the Settlement.**

**C. Exclude Yourself from the Settlement Class.** You are not required to participate in this Settlement and you may exclude yourself from the Settlement Class. If you are in the Settlement Class, but do not wish to remain a Settlement Class Member, you may exclude yourself (“opt out”) and we will have no further contact with you on this issue. If you exclude yourself from the Settlement Class, you will lose any right to participate in the Settlement. You

also will lose the right to have your objections to the Settlement considered by the Court before it rules on the Settlement. You will be free to pursue any **individual** claims you may have against Honda and/or any of the other Released Parties on your own behalf, but you will not be represented by Class Counsel. To exclude yourself from the Settlement Class, you must submit a request for exclusion, which must contain:

- (i) Your full name, current address, and telephone number;
- (ii) The model year and Vehicle Identification Number of your Class Vehicle(s); and
- (iii) A specific statement of your intention to exclude yourself from the Settlement (for example, "Please exclude me from the settlement class");

Requests for exclusion must be postmarked no later than May 12, 2010 and sent to:  
**Honda Windshield Settlement**  
**c/o Gilardi & Co., LLC**  
**P.O. Box 8090**  
**San Rafael, CA 94912-8090**

**If you do not comply with these procedures by the deadline for exclusions, you will lose any opportunity to exclude yourself from the Settlement Class, and your rights will be determined in this lawsuit by the Settlement Agreement if it is approved by the Court.**

## **VII. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?**

A hearing will be held on June 3, 2010 at 8:30 AM in Department 23 of the Superior Court of California, County of Los Angeles, 111 N. Hill Street, Los Angeles, California, 90012-3117 for the Court to consider and determine whether the Settlement, including the award of attorneys' fees and costs, should be approved as fair, reasonable, and adequate (the "Fairness Hearing").

The Fairness Hearing may be continued or rescheduled by the Court. Please check the Settlement website for updated information at [www.gilardi.com/hondawindshieldsettlement](http://www.gilardi.com/hondawindshieldsettlement).

### **What Do I Need to Do If I Want to Appear at the Court's Hearing?**

Any member of the Settlement Class may appear at the Fairness Hearing personally or through counsel to object or express their point of view regarding the Settlement Agreement. **To ensure your right to be heard at the Fairness Hearing, you must file, ON OR BEFORE May 12, 2010, a notice of your intention to appear at the Fairness Hearing, along with any and all papers to be considered by the Court at the Fairness Hearing.**



**Note:** Notice of your intention to appear at the Fairness Hearing and copies of papers you wish the Court to consider at the Fairness Hearing must be filed with the Clerk of the Superior Court at 111 North Hill Street, Los Angeles, CA 90012 on or before May 12, 2010. Copies of such papers also must be served on Honda and Class Counsel at the addresses listed in Section VI.B above.

### **VIII. HOW TO OBTAIN MORE INFORMATION**

This Notice contains only a summary of the terms of the Settlement. For a more detailed statement of the matters involved in this Class Action, members of the Settlement Class are referred to the pleadings, to the Settlement Agreement, and to other papers filed in this action. The pleadings and other papers filed in this action are public records available for your inspection at the offices of the Clerk, Superior Court of California in and for Los Angeles County, 111 N. Hill Street, Los Angeles, California 90012-3117.

**You may also obtain a copy of the Settlement Agreement through Gilardi & Co., an entity that will act as a Third Party Administrator for the Settlement. The Settlement Agreement and other documents can be downloaded from Gilardi & Co.'s web site at [www.gilardi.com/hondawindshieldsettlement](http://www.gilardi.com/hondawindshieldsettlement). They can also be contacted at 1-877-789-9480.**

**All Dates listed in this Notice are Subject to Change. Please consult the Settlement website at [www.gilardi.com/hondawindshieldsettlement](http://www.gilardi.com/hondawindshieldsettlement) for up-to-date information and answers to frequently asked questions. You may also obtain information by calling 1-877-789-9480.**

**PLEASE DO NOT WRITE OR TELEPHONE THE COURT FOR INFORMATION ABOUT THE PROPOSED SETTLEMENT OR THIS LAWSUIT**

Dated: April 7, 2010

The Honorable Zaven S. Sinanian  
Judge of the Superior Court