

CENTER FOR AUTO SAFETY

1825 CONNECTICUT AVENUE NW SUITE 330 WASHINGTON DC 20009-5708
202-328-7700 ◆ www.autosafety.org

October 5, 2012

Tetsuo Iwamura, President & CEO
American Honda Motor Company (AHM)
1919 Torrance Blvd
Torrance CA 90501

Dear Mr. Iwamura:

When it comes to legal tactics to deprive consumers of their rights, no auto company stoops as low as Honda. Previously, we wrote former Honda President Chino about moving to dismiss a paraplegic's lawsuit because the paraplegic could not sign a personal verification of legal documents. (Attachment A.) His complete paralysis occurred in a Honda ATV crash, the subject of the litigation.

Now Honda is attempting to deprive consumers of their federal and state lemon law rights by forcing them into binding arbitration. Under both federal and state laws, consumers have the right to go to court to enforce their warranty rights. If arbitration is required, it must be non-binding preserving the consumer's right to trial. Under FTC regulations, "Decisions of the [Arbitration] Mechanism shall not be legally binding on any person." (16 CFR § 703.5(j).) Most state lemon laws incorporate § 703.

In *Soto, et al v American Honda Motor Co.*, Civ. No. 12-1377 (NDCa), Honda moved to compel binding arbitration of complaints on excess oil consumption on 2008-10 Honda Accords. Binding arbitration extinguishes a consumer's right to a jury trial. The arbitration clause in *Soto* takes away not only the consumer's right to a jury trial but forces consumers into a system with limited discovery and appeal rights.

1. EITHER YOU OR WE MAY CHOSE TO HAVE ANY DISPUTE BETWEEN US DECIDED BY ARBITRATION AND NOT IN COURT OR BY JURY TRIAL.

2. IF A DISPUTE IS ARBITRATED, YOU WILL GIVE UP YOUR RIGHT TO PARTICIPATE AS A CLASS REPRESENTATIVE OR A CLASS MEMBER ON ANY CLASS CLAIM YOU MAY HAVE AGAINST US ...

3. DISCOVERY AND RIGHTS TO APPEAL IN ARBITRATION ARE GENERALLY MORE LIMITED THAN IN A LAWSUIT, AND OTHER RIGHTS THAT YOU OR WE WOULD HAVE IN COURT MAY NOT BE AVAILABLE IN ARBITRATION.

Honda used a subterfuge - the arbitration clause above was between American Honda Finance Co, (AHFC) and the consumer. AHFC had nothing to do with the manufacturer of the Accord or its warranty. AHM claimed to be a third party who could take advantage of the finance contract to do what it could not legally do - require binding arbitration to take away its customer's legal rights. Federal Judge Susan Illston slammed the door on Honda's end run around federal and state law by ruling: "AHM as a third-party non-signatory may not compel arbitration under the terms of the contract, an equitable estoppel theory, or an agency theory. . ."

When Honda makes a defective vehicle, it should uses it engineers to build a better vehicle not its lawyers to find a legal loophole to avoid responsibility. Some more defects for Honda engineers to work on include the notorious power lumbar support on 2009-12 Accords, automatic transmissions on 2000-04 Accords, Civics and Odysseys and excess brake wear on 2008-10 Accords. CAS has brought these defects to Honda's attention with no response. As a group that frequently praises Honda for its advances in auto safety, it saddens us to see Honda fall back on quality and responsibility.

Sincerely

/s/

Clarence Ditlow
Executive Director

Center for Auto Safety

2001 S Street N.W., Suite 410
Washington, D.C. 20009
(202) 328-7700

Honda Stoops to New Low in Legal Defense Tactics

The Center for Auto Safety harshly criticized Honda for using a strong arm legal maneuver on a paralyzed accident victim to try to scuttle a product liability claim. Center Director Clarence Ditlow wrote American Honda President T. Chino:

Honda's action defies its equal in callousness and legal frivolity. It is difficult to imagine Honda has no better way to defend its tort liability than to torment a quadriplegic. The sole purpose of Honda's challenge is to create one more obstacle to the plaintiff's lawsuit.

Attorneys for American Honda challenged the legality of a verification signed on behalf of a quadriplegic plaintiff injured in a Honda accident. Richard Patterson of San Jose, California sued Honda claiming the accident which left him a quadriplegic was the result of defects in his Honda ATC, all-terrain vehicle. Unable to sign his name, Mr. Patterson executed a power of attorney granting his caretaker, Helena M. Haage, the right to act on his behalf. She signed a personal verification for him in response to Honda's request for admissions.

Honda claimed the verification was not legally sufficient as it was not signed by the plaintiff. When the Court rejected Honda's case; Honda appealed. Predictably, the Court of Appeals denied Honda's challenge to the verification. Incredibly, Honda appealed to the Supreme Court of California which brought down the curtain on this legal travesty by refusing to hear Honda's appeal. Attorney Stephen Walwyn of the Boccardo Law Firm in San Jose, (408) 298-5678, represents Mr. Patterson.

The Center for Auto Safety is a consumer group founded by Ralph Nader and Consumers Union in 1970 but is now independent of its founders. The Center works to improve auto and highway safety and to help consumers with car problems.

Center for Auto Safety

2001 S Street N.W., Suite 410
Washington, D.C. 20009
(202) 328-7700

April 18, 1986

Mr. T. Chino, President
American Honda Motor Company
100 West Alondra Blvd.
Gardena, Ca. 90247

Dear Mr. Chino:

The Center for Auto Safety is shocked and outraged at Honda's callous legal defense tactics in the lawsuit of Richard Patterson of San Jose, California. Mr. Patterson is a quadriplegic as the result of injuries suffered in a Honda vehicle accident. He is suing Honda on the basis that defects in his Honda ATC, three-wheel all-terrain-vehicle caused the accident and his devastating injuries. Mr. Patterson's injuries are such that he cannot move his arms and hands and is unable to even sign his name. Because of this, he has had to give a power of attorney to his caretaker.

Rather than defend the lawsuit forthrightly, Honda stoops to shabby procedural maneuvering to frustrate his claim. Lawyers for Honda challenged a verification signed by Mr. Patterson's caretaker as it was not personally signed by Mr. Patterson. The sole purpose of Honda's challenge is to create one more obstacle to the plaintiff's lawsuit. This is an affront to the legal system and to those who seek redress under it.

Since Mr. Patterson was crippled on a Honda, Honda's attempted use of his handicap to block the lawsuit is utterly reprehensible. Any rational defendant with a touch of humanity would permit an agent to sign. Yet, Honda challenged this as not a legally binding verification as not personally signed by him. Honda's action defies its equal in callousness and legal frivolity. It is difficult to imagine Honda has no better way to defend its tort liability than to torment a quadriplegic paralyzed by a Honda.

Certainly, lawyers must defend a lawsuit with every reasonable effort. But, Honda should have realized that the courts would not find this a reasonable tactic. The Court of Appeals denied your writ. That should have ended Honda's challenge. Instead, your company appealed to the Supreme Court of California. It is not at all surprising that the Court refused to even hear Honda's appeal. The Center only regrets that the court did not more emphatically express its own disgust with Honda's action by imposing economic sanctions against Honda.

Not since the days of Dickens' "Bleak House" have the courts been used so shamelessly for so ridiculous a claim. Honda probably laments the fact that there is no longer a debtor's prison or public whipping in this country's legal system so those tools too could be used by Honda. No other manufacturer has shown so little compassion and respect for the people who drive its vehicles.

Sincerely,

A handwritten signature in dark ink, appearing to read "Clarence M. Ditlow III". The signature is stylized and somewhat cursive, with a long horizontal flourish extending to the right.

Clarence M. Ditlow III
Executive Director