



Court File No. **VLC-S-S-262711**

NO.
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:



PLAINTIFF

AND:

HONDA MOTOR COMPANY, LTD.,
HONDA CANADA INC., and
HONDA DEVELOPMENT & MANUFACTURING OF AMERICA, LLC

DEFENDANTS

Brought under the *Class Proceedings Act*, R.S.B.C. 1996, c. 50

NOTICE OF CIVIL CLAIM

This action has been started by the plaintiff(s) for the relief set out in Part 2 below.

If you intend to respond to this action, you or your lawyer must

- (a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must

- (a) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

TIME FOR RESPONSE TO CIVIL CLAIM

A response to civil claim must be filed and served on the plaintiff(s),

- (a) if you reside anywhere in Canada, within 21 days after the date on which a copy of the filed notice of civil claim was served on you,
- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed notice of civil claim was served on you,
- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed notice of civil claim was served on you, or
- (d) if the time for response to civil claim has been set by order of the court, within that time.

CLAIM OF THE PLAINTIFF(S)

Part 1: STATEMENT OF FACTS

A. Nature of Claim

1. The within proposed multi-jurisdictional automotive defect class proceeding involves certain model and model year Honda- and Acura-brand vehicles equipped with electronic power steering (“EPS”), defined below as the “**Affected Class Vehicles**,” engineered, designed, developed, manufactured, assembled, tested, marketed, distributed, supplied, leased, and/or sold by the Defendants, HONDA MOTOR COMPANY, LTD. (“HMC”), HONDA CANADA INC. (“HCF”), and/or HONDA DEVELOPMENT & MANUFACTURING OF AMERICA, LLC (“HDMA”), in Canada, including the Province of British Columbia.

2. In particular, the EPS system in the Affected Class Vehicles is equipped with a defective gearbox assembly, which renders the vehicles prone to random momentary failures during normal use, typically at highway speeds, requiring increased steering effort or input by the driver—a phenomenon often described by drivers as “sticky steering” (the “**Steering Defect**”), thereby posing a real, substantial, and imminent risk of harm and/or injury to vehicle occupants and other users of the road.

3. The Steering Defect arises from defects in the gearbox assembly used in the EPS

system, including: (i) deformation of the worm wheel teeth over time due to improper annealing and component conditioning during manufacturing, causing the worm gear to catch on the worm wheel and/or reducing the thickness of the grease film between the components; (ii) the application of an inadequate amount of grease or lubrication in the gearbox during the manufacturing process; and/or (iii) the worm gear spring preload being set excessively high, which increases gear slide load and results in higher friction and increased torque fluctuation during steering.

4. As a result of the Steering Defect, the EPS gearbox assembly generates increased friction and resistance during steering input, causing the steering wheel to momentarily resist movement before suddenly releasing.

5. “Affected Class Vehicles” include, but are not limited to, the following model-year Honda- and Acura-brand vehicles:

ACURA	
MODEL	MODEL YEAR
Integra	2023-2025
Integra Type S	2024-2025
HONDA	
MODEL	MODEL YEAR
Civic	2022-2025
Civic Hybrid	2025
Civic Hatchback	2022-2025
Civic Hatchback Hybrid	2025
Civic Type R	2023-2025
CR-V	2023-2025
CR-V Fuel Cell EV	2025
CR-V Hybrid	2023-2025
HR-V	2023-2025

The Plaintiff reserves the right to add additional vehicles to the definition of Affected Class Vehicles.

6. The Steering Defect causes drivers to exert additional force to steer the vehicle, resulting in jerking, over-steering, and/or over-correction. The Steering Defect was present at the time of sale and/or lease and is inherent in each of the Affected Class Vehicles, which are equipped with the same or substantially similar defective EPS system.

7. A vehicle's steering system is a critical safety component that must function reliably and predictably at all times. Even brief interruptions or resistance in steering can compromise a driver's ability to control the vehicle and avoid hazards.

8. The Steering Defect is material because steering interruptions—even momentary ones—can lead to loss of vehicle control and increase the risk of collisions. As a result of the Steering Defect, the Affected Class Vehicles pose a real, substantial, and imminent risk of harm and/or injury to vehicle occupants and other users of the road.

9. At all material times to cause of action herein, the Defendants had exclusive knowledge and possession of material facts concerning the Steering Defect, which were not known and could not have been reasonably discovered by the Plaintiff or putative class members prior to purchase and/or lease of the Affected Class Vehicles.

10. The Defendants knew, or ought to have known, since at least 2021, if not earlier, of the Steering Defect and the associated risks based on, *inter alia*: pre-production design and validation testing; durability and component stress testing; internal engineering analyses and failure investigations; post-sale warranty data; dealer repair records; service bulletins and internal dealer communications; consumer complaints made directly to the Defendants; and consumer complaints lodged with American and Canadian government vehicle safety regulators, including the United States National Highway Traffic Safety Administration (“NHTSA”) and/or Transport Canada.

11. In these circumstances, the Defendants had an affirmative duty to disclose the existence and nature of the Steering Defect at the point of sale and/or lease of the Affected Class Vehicles, which they failed to do.

12. Beginning in or around July 2023, after receiving numerous consumer complaints regarding the Steering Defect, the Defendants issued multiple Service Bulletins (“SBs”) acknowledging steering issues in the Affected Class Vehicles and purporting to address the Steering Defect. These SBs have been revised on multiple occasions, and the prescribed repair procedures have likewise been modified.

13. Rather than replacing the EPS gearbox assembly with a properly functioning unit, or replacing the defectively manufactured components within the gearbox, the Defendants in or

around October 2024 implemented piecemeal recall countermeasures, including replacing the spring assembly and redistributing or adding grease within the EPS gearbox assembly. These recall countermeasures do not adequately remedy or fix the underlying Steering Defect.

14. Despite these recall countermeasures, Affected Class Vehicles continue to experience increased steering effort and irregular steering behavior consistent with the Steering Defect.

15. Despite their knowledge of the Steering Defect, the Defendants failed to implement an adequate repair capable of remedying or fixing the defect within the expected useful life of the Affected Class Vehicles.

16. As a direct and proximate result of the Defendants' failure to disclose the Steering Defect and their conduct in engineering, designing, developing, manufacturing, assembling, testing, marketing, distributing, supplying, leasing, and/or selling the Affected Class Vehicles, the Plaintiff and putative class members have suffered and continue to suffer loss and damage, including that they: (i) overpaid for the Affected Class Vehicles because they were not of merchantable quality and not fit for their ordinary purpose; (ii) own and/or lease vehicles that are unsafe, unreliable, and dangerous; (iii) own and/or lease vehicles with significantly diminished resale value; and (iv) have incurred and will continue to incur out-of-pocket expenses for diagnosis, inspection, repair, and replacement of components associated with the EPS system.

17. The Plaintiff and putative class members purchased and/or leased Affected Class Vehicles that they would not have purchased and/or leased, or would have paid less for, had the Defendants disclosed the Steering Defect.

18. In engineering, designing, developing, manufacturing, assembling, testing, marketing, distributing, supplying, leasing and/or selling the Affected Class Vehicles, the Defendants have engaged in unfair, deceptive, and/or misleading consumer practices, and further have breached their express warranties and the implied conditions of merchantable quality and fitness for purpose.

19. The Plaintiff and putative class members reasonably expected that the Defendants would disclose material defects affecting the safety, reliability, durability, and performance of the Affected Class Vehicles, including defects that could result in costly and non-routine repairs such as replacement of the EPS gearbox assembly. The Defendants failed to disclose the Steering

Defect.

20. The Plaintiff seeks relief on behalf of all owners and/or lessees of the Affected Class Vehicles with the Steering Defect, including, without limitation, damages; declaratory and injunctive relief; repair or replacement pursuant to applicable provincial consumer protection legislation; damages for breach of express warranty and breach of implied conditions of merchantable quality and fitness for purpose; relief for breaches of applicable competition legislation; and reimbursement of all costs and expenses incurred in connection with diagnosing and repairing the EPS system in the Affected Class Vehicles.

B. The Parties

i. The Representative Plaintiff

21. The Plaintiff [REDACTED] has an address c/o 210-4603 Kingsway, Burnaby, British Columbia, V5H 4M4, Canada.

22. On or about July 30, 2024, the Plaintiff purchased a new 2025 Honda Civic (“Civic”), bearing Vehicle Identification Number 2HGFE2F54SH100130, from a dealership in Langley, British Columbia, primarily for personal, family, or household purposes, and not for resale or business purposes.

23. The Plaintiff’s Civic is one of the Affected Class Vehicles with the EPS system and defective EPS gearbox assembly described herein.

24. In purchasing the Civic, the Plaintiff relied on the Defendants’ marketing, promotional materials, and representations regarding the vehicle’s safety, reliability, durability, and performance.

25. At the time of purchase, the Plaintiff reasonably expected that the Civic was of merchantable quality, fit for its ordinary purpose, and free from latent defects affecting its safety, reliability, durability, and performance.

26. Shortly after taking delivery of the Civic, and within the ordinary course of use, the Plaintiff began experiencing issues consistent with the Steering Defect, including irregular steering

feel and increased resistance during steering input.

27. On or about June 7, 2025, the Plaintiff presented his Civic to an authorized Honda dealership for service. The dealership performed a repair relating to the steering system, including replacement of the spring seat, spring, and end plug in the steering gearbox and the injection of grease into the EPS gearbox assembly.

28. The dealership identified the issue as relating to the EPS gearbox assembly and performed the repair pursuant to a Honda manufacturer-directed procedure and recall intended to address steering concerns.

29. Despite this repair, the Plaintiff continued to experience issues with the EPS system consistent with the Steering Defect, including increased steering effort and irregular steering behavior.

30. On or about January 3, 2026, the Plaintiff returned to the dealership for further service. No permanent repair to the EPS gearbox assembly was performed at that time, and the Steering Defect remains unresolved.

31. The Plaintiff has at all material times used his Civic in a normal and intended manner and has complied with recommended maintenance and service requirements.

32. As a result of the Steering Defect, the Plaintiff has lost confidence in the Civic's ability to provide safe and reliable transportation. The Plaintiff is concerned about the safety risks associated with irregular and unpredictable steering performance.

33. The Defendants failed to disclose the Steering Defect to consumers, including the Plaintiff. As a result, the Plaintiff purchased the Civic under the reasonable but mistaken belief that it was safe, reliable, and durable.

34. Had the Plaintiff known of the Steering Defect at the time of purchase, he would not have purchased the Civic or would have paid significantly less for it.

35. The Plaintiff has suffered a concrete and ascertainable loss as a direct and proximate result of the Defendants' conduct, including overpayment for the Civic and diminution in its value.

36. The Plaintiff's experience is representative of the experiences of putative class members who have purchased and/or leased Affected Class Vehicles exhibiting the Steering Defect.

ii. The Defendants

37. The Defendant, HMC, is a company duly incorporated pursuant to the laws of Japan and has an address for service at Toranomom Alcea Tower, 2-2-3 Toranomom, Minato-ku, Tokyo 105-8404 Japan.

38. The Defendant, HCI, is a company duly incorporated pursuant to the laws of Canada, registered within British Columbia under number A0055194, and has an attorney, LML & S Services Inc., at 1500 Royal Centre, P.O. Box 11117, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7, Canada.

39. The Defendant, HDMA, is a company duly incorporated pursuant to the laws of the State of Ohio, one of the United States of America, and has a registered agent, Corporation Service Company, at 1160 Dublin Road, Suite 400, Columbus, Ohio, 43215, United States of America. Up until April 1, 2021, the Defendant, HDMA, operated under the business name of "Honda of America Mfg., Inc".

40. The Defendant, HMC, is a global conglomerate manufacturer of automobiles, motorcycles and battery-powered equipment, including Honda- and Acura-brand vehicles.

41. At all material times to the cause of action herein, the Defendant, HMC, engineered, designed, developed, manufactured, assembled, marketed, distributed, and/or supplied the Affected Class Vehicles through its subsidiaries, affiliates, agents, and authorized dealers, including the Defendants, HCI and HDMA, for distribution and sale in North America, including Canada.

42. At all material times to the cause of action herein, the Defendant, HCI, was, and is, a wholly owned Canadian subsidiary of the Defendant, HMC, and is responsible for, *inter alia*, the engineering, manufacturing, marketing, distribution, supply, and sale of Honda- and Acura-brand vehicles in Canada, including certain Affected Class Vehicles.

43. At all material times to the cause of action herein, the Defendant, HDMA, was, and is, a wholly owned American subsidiary of the Defendant, HMC, and is responsible for, *inter alia*, the engineering, manufacturing, marketing, distribution, supply, and sale of Honda- and Acura-brand vehicles in the United States of America and Canada, including certain Affected Class Vehicles.

44. At all material times to the cause of action herein, the Defendant, HMC, exercised direct and/or indirect control over the Defendants, HCI and HDMA, including with respect to vehicle design, engineering specifications, manufacturing processes, quality control, marketing, warranty policies, and repair procedures.

45. At all material times to the cause of action herein, the Defendants, HCI, HMC and HDMA, shared the common purpose of, *inter alia*, engineering, designing, developing, manufacturing, assembling, marketing, distributing, supplying, leasing and/or selling the Affected Class Vehicles in Canada. Further, the business and interests of the Defendants, HCI, HMC and/or HDMA, are inextricably interwoven with that of the other as to the Steering Defect in the Affected Class Vehicles such that each is the agent or alter ego of the other.

46. Hereinafter, the Defendants, HMC, HCI and HDMA, are collectively, and/or interchangeably, referred to as the “**Defendant, Honda**” or “**Defendants**”, unless otherwise referred to individually.

C. The Class

47. This action is brought on behalf of members of a class consisting of the Plaintiff, and all other persons or entities resident in Canada, who own, owned, lease and/or leased any one or more of the Affected Class Vehicles (“**Class**” or “**Class Members**”), excluding employees, officers, directors, agents of the Defendants and their family members, class counsel, presiding judges and any person who has commenced an individual proceeding against or delivered a release to the Defendants concerning the subject of this proceeding, or such other class definition or class period as the Court may ultimately decide on the application for certification.

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D. Factual Allegations

i. Automotive power steering systems

48. Automotive power steering is a system designed to reduce the amount of effort needed to be exerted by a driver to turn the steering wheel. Steering is heavy and requires significant effort in a vehicle without power assisted steering of some kind, especially at low speeds.

49. The 1951 Chrysler Imperial was the first production vehicle to have power-assisted steering, and other vehicle manufacturers soon offered power-assisted steering. Most power-assisted steering systems (commonly referred to as “power steering”) between the 1950s and early 2000s were hydraulic—an engine-powered pump pressurized hydraulic fluid in a mechanical system, such as rack-and-pinion or recirculating-ball systems, to reduce the driver effort needed to turn the steering wheel. Over time, power steering went from optional to standard equipment.

50. Power steering systems evolved over time. In recent years, electric power steering systems became the prevailing type of power steering system. EPS systems use electric motors to provide steering assistance. In most vehicles, the vehicle’s Electronic Control Unit (“ECU”) is then able to adjust the amount of assistance based on inputs, including the vehicle’s speed.

ii. The defective EPS gearbox assembly in the Affected Class Vehicles

51. The Defendant, HMC, introduced its first EPS system on the 1993 Acura NSX, and began installing EPS on some Civics in North America in 2002. The Defendant, HMC, describes EPS as follows:

Using a brush-type DC motor installed concentrically around the steering rack, the system combines torque and velocity information from the steering wheel with vehicle-speed information to calculate the optimum amount of steering assist to provide. Utilizing electronic sensors and a sophisticated electronic control unit (ECU) allowed engineers to decrease steering assist at higher speeds and increase it at lower speeds when it’s most needed.

52. In 2012, the Defendant, HMC, installed Motion-Adaptive EPS on all Honda Civic models. By July 2015, if not before, the Defendant, HMC, knew of and was investigating consumer complaints regarding EPS in 2012-2015 Honda Civics. Many of the problems in the 2012-2015 Honda Civics are similar to the Steering Defect in the Affected Class Vehicles.

53. All Affected Class Vehicles utilize an electronically assisted rack-and-pinion steering system and are substantially similar or identical with respect to the EPS system, including the EPS gearbox assembly. The EPS system incorporates an electric motor and reduction gear mounted to the steering rack to assist the driver in turning the wheels to the left or right.

54. In particular, the EPS system in the Affected Class Vehicles comprises of a steering wheel that is attached to a steering shaft, which passes under the dashboard, through the firewall and connects to the gearbox assembly, which contains the worm wheel and worm gear that are the subject of the Steering Defect.

55. The EPS gearbox assembly connects to the front wheels through the steering rack and tie rods and is mounted to the subframe beneath the vehicle, which also supports the engine, transmission, and front wheels and suspension components.

56. The amount of steering assistance (or boost) is controlled by a dedicated ECU for the EPS system, the EPS module, which monitors the driver's input to the steering wheel and adds boost in the same direction as the driver is turning the steering wheel. The EPS module determines the amount of boost with inputs from the steering assist motor angle and torque sensors, the vehicle speed sensors, and from other vehicle systems, including the Anti-lock Braking System control module, the Lane Keep Assist system, and Vehicle Stability Assist system.

57. As a result of defects in manufacturing, the teeth of the worm wheel within the EPS gearbox assembly become deformed over time, causing the worm wheel to catch on the worm gear. This creates resistance felt by the driver and directly countervails the purpose of the EPS system, which is to reduce the effort required to steer. Moreover, the lack of consistent grease application contributes to the momentary increase in steering effort.

58. Sticky steering caused by the defective EPS gearbox typically manifests during normal driving conditions, including when the vehicle is travelling in a straight line and the driver attempts to make minor steering adjustments to maintain lane position. As the driver initiates a small steering input, the steering wheel may exhibit abnormal resistance. When additional force is applied to overcome this resistance, the steering input may suddenly release, resulting in overcorrection. This can cause the vehicle to deviate from its intended path, requiring the driver to

make corrective steering inputs in the opposite direction. This process may repeat in both directions, such that the driver must continuously compensate to maintain control of the vehicle.

59. All Affected Class Vehicles are equipped with EPS gearbox assemblies of the same or substantially similar design and are manufactured using the same or substantially similar processes. As a result, the EPS gearbox assemblies share common defects, including the propensity for the worm wheel to deform over time and bind against the worm gear, as well as inadequate lubrication within the gearbox assembly. The shared characteristics give rise to the Steering Defect across the Affected Class Vehicles.

60. The EPS gearboxes installed in the Affected Class Vehicles are manufactured, in whole or in part, by Astemo, Ltd., formerly Hitachi Astemo, Ltd. (“**Astemo**”), an entity substantially owned and/or controlled by the Defendant, HMC.

61. Astemo has been the subject of reported quality control issues. On or about May 19, 2023, Astemo publicly disclosed that it had identified misconduct in product testing at multiple facilities, in some cases spanning several decades.

iii. The Defendants’ knowledge of the Steering Defect

62. The Defendants had exclusive and superior knowledge of the Steering Defect and knew, or ought to have known, the Steering Defect was not known or reasonably discoverable by the Plaintiff and Class Members before they purchased and/or leased the Affected Class Vehicles.

(a) Pre-release design, manufacture, and testing data

63. It is standard practice for vehicle manufacturers to engage in extensive pre-launch testing of their vehicles. The Defendants did so for the Affected Class Vehicles and tested the operation of the EPS system prior to selling the vehicles.

64. Prior to the sale of any of the Affected Class Vehicles, the Defendants—like all reasonable Original Equipment Manufacturers (**OEMs**) seeking to manufacture and sell vehicles on the North American market—completed a multitude of analyses and testing that exposed the existence of the defect, including most notably Failure Modes and Effects Analysis (**FMEA**) and Design Validation Plan and Report (**DVP&R**).

65. The purpose of the FMEA is to define, based on known and established engineering facts, potential risks of failures and rank them by severity, likelihood and ability to detect failure. Any conditions resulting in failure, like those associated with the Steering Defect and, consequently, the vehicle's operation, would result in a "high risk" priority and draw additional and more extensive analysis and validation testing during the FMEA and DVP&R phases.

66. For example, the DVP&R phase includes an extensive battery of tests and other work necessary to validate the robustness of any design and includes three basic types of testing: bench scale, dynamometer, and vehicle/field testing, each to be discussed immediately hereafter.

67. Bench-scale testing is component-specific testing typically conducted by the component supplier in coordination with the OEM to establish performance specifications and ensure that the component will operate reliably and durably under foreseeable operating conditions.

68. During this phase, the EPS system is subjected to bench testing, whereby the component is installed on specialized equipment designed to simulate a range of operating conditions, including stress loads, temperature variations, and repeated steering inputs, to assess whether it meets required specifications and performance criteria set by the supplier in coordination with the Defendants.

69. The Defendants received, or ought reasonably to have received, the results of such testing, including Technical Control Documents and related engineering materials prepared by or in conjunction with the supplier, which set out performance parameters, operating limitations, and potential failure modes associated with the EPS system, including the EPS gearbox assembly. The Defendants are in exclusive possession of the detailed information relating to these testing processes, including the specific tests conducted and the results obtained.

70. In addition to bench testing, the Defendants conducted, or caused to be conducted, dynamometer testing, in which vehicles or components are operated under controlled conditions designed to simulate real-world driving stresses, including extreme temperatures, vibration, and sustained operational loads. Such testing is intended to evaluate durability, performance, and the identification of potential defects.

71. The Defendants also conducted vehicle-level testing on prototype and pre-production vehicles, in which the Affected Class Vehicles were driven under a range of real-world and extreme operating conditions to validate performance prior to market release.

72. Through these phases of design validation, performance, and reliability testing, including DVP&R testing, the EPS system was repeatedly subjected to conditions under which the Steering Defect manifests.

73. The Defendants knew, or ought reasonably to have known, from the results of such testing that the EPS gearbox assembly was defective and posed a risk to the safe and reliable operation of the Affected Class Vehicles.

74. A short list of the specific type of standard validation tests that Defendants conduct during DVP&R include, but are not limited to:

TEST LEVEL	TEST TYPE	TEST DESCRIPTION
Bench	Durability	General durability test to validate robustness of component in extended use. Reveals moderate electronic or mechanical defects, like the Steering Defect.
Bench	Thermal Shock	Components are repeatedly heated and cooled which could initiate stress and fractures. Analogous to pouring cold water on hot glass/ceramic. Reveals electronic or mechanical defects related to quick fluctuations in temperature expected in vehicle usage, like the Steering Defect.
Bench	Vibration	Assess EPS robustness to range of expected frequencies. Reveals vulnerability to extended vibrations at expected frequencies, like the Steering Defect.
Dynamometer	Durability	General durability test to validate robustness of the entire vehicle including the EPS, typically at high load, wide-open-throttle conditions. Exposure to multiple extreme parameters simultaneously should reveal the Steering Defect.
Vehicle	Durability	Assess general durability of vehicle during usage. The tests may include severe duty cycles to accelerate (simulated) mileage and life accumulation. Testing is generally intended to represent the equivalence of 10 years and 150,000 miles. These tests will reveal flaws far more minor than the Steering Defect that could be expected through customer use.
Vehicle	Hot Weather	Assess Vehicle durability during extended high temperature conditions. Such high temperatures expose the EPS to randomized thermal cycling which is more likely to reveal

TEST LEVEL	TEST TYPE	TEST DESCRIPTION
		electronic and mechanical thermal fatigue defects and the Steering Defect.
Vehicle	Cold Weather	Assess vehicle durability during cold temperature conditions. Such low temperatures expose the EPS to randomized thermal cycling which is more likely to reveal electronic and mechanical thermal fatigue defects and the Steering Defect.

75. The Defendants also adhered to established quality management and testing protocols, including those consistent with International Organization for Standardization (ISO) 9001 standards, which require systematic documentation of testing procedures, methodologies, and results, as well as ongoing evaluation and improvement of product quality based on testing outcomes and field performance. Such processes include the review and analysis of durability data, warranty claims, in-warranty and out-of-warranty failure rates, service part usage, and consumer complaints, including those reported to vehicle safety regulators such as Transport Canada and NHTSA.

76. In light of the testing and quality assurance processes described above, the Defendants knew, or ought reasonably to have known, of the Steering Defect during the design, development, and pre-production phases of the Affected Class Vehicles.

(b) Class Member complaints to the Defendants, government vehicle safety regulators and on online forums

77. The Defendants knew, or ought reasonably to have known, of the Steering Defect through numerous consumer complaints describing materially similar steering issues across the Affected Class Vehicles.

78. Numerous consumers have reported experiencing steering issues consistent with the Steering Defect, including increased steering effort, intermittent resistance during steering input, and irregular steering behavior during normal driving conditions.

79. These complaints were submitted through multiple channels, including directly to the Defendants, to their authorized dealerships, and to government vehicle safety regulators, including Transport Canada and NHTSA.

80. Complaints submitted to government vehicle safety regulators describe consistent and recurring steering issues across different model years and vehicle configurations, including reports of “sticky steering,” steering wheel resistance, and the need for repeated corrective steering inputs during ordinary driving conditions.

81. The volume, consistency, and uniformity of these complaints is indicative of a common defect affecting the EPS system in the Affected Class Vehicles, rather than isolated or vehicle-specific issues.

82. In addition to complaints made directly to the Defendants and those collected by government vehicle safety regulators, numerous owners and/or lessees of Affected Class Vehicles have posted complaints regarding steering issues on public online forums and automotive websites.

83. These publicly available complaints further describe materially similar symptoms of the Steering Defect and demonstrate that the defect manifests in a consistent manner across the Affected Class Vehicles.

84. The Defendants monitor consumer complaints, warranty data, dealer repair records, and publicly available information relating to the performance of their vehicles, including complaints posted online.

(c) Regulatory investigations and recall activity

85. The Steering Defect has been the subject of regulatory investigation and recall activity in both the United States and Canada.

86. The Defendants received thousands of complaints and warranty claims relating to the Steering Defect prior to issuing the recall, including at least 10,328 warranty claims between September 2021 and September 2024.

87. Despite this knowledge, the Defendants did not initiate a safety recall until September 26, 2024.

NHTSA investigations and recall

88. The NHTSA investigation into the Steering Defect began as early as March 17, 2023,

when the Office of Defects Investigation opened a preliminary evaluation (PE23005) into reports of “sticky steering” in the affected vehicles. That investigation was subsequently upgraded to an engineering analysis (EA23003) on November 29, 2023.

89. In EA23003, NHTSA explained that the root cause of the Steering Defect as follows based on the information provided by the Defendant’s, HMC’s, American subsidiary, America Honda Motor Company, Inc.:

The steering gear contains a unit that includes a worm gear and worm wheel. Honda stated this condition of momentary increase in steering effort occurs due to two factors within this unit. During manufacturing, the worm wheel goes through annealing and component conditioning processes. These processes caused internal stress and strain within the worm wheel. This strain was slowly released over the first few months of the vehicle life. Over time, the released strain caused the deformation of the teeth on the worm wheel, causing the worm gear to catch on the worm wheel. This results in the consumer’s momentary increased [sic] in steering effort. Also, the manufacturing process did not guarantee consistent grease application and therefore, some vehicles within the scope received too little grease which contributes to the momentary increase in steering effort.

90. On October 3, 2024, NHTSA issued a Part 573 safety recall (Recall Report 24V-744) for 1,693,199 vehicles in the United States, including certain model-year Acura Integra, Honda Civic, Honda CR-V, and Honda HR-V vehicles, which stated in part the following:

Description of the Defect

Due to an improperly produced steering gearbox worm wheel, the wheel can swell during use, reducing the grease film thickness between the worm wheel and worm gear. In addition, the worm gear spring preload was set improperly high, increasing the sliding force between the components. As a result of the reduced grease film thickness and increased sliding force, friction between the worm wheel and worm gear increases.

Description of the Safety Risk

Increased friction between the worm gear and worm wheel can increase steering effort and difficulty, increasing the risk of a

crash or injury.

Description of the Cause

Due to an insufficient annealing process and high load single unit break-in during production of the worm wheel, environmental heat and moisture may cause the worm wheel teeth to swell during use, resulting in the increase of the worm wheel teeth pressure angle. This leads to higher surface pressure and a reduction of grease film thickness, increasing the friction between the worm wheel and worm gear. In addition, the preload of the worm gear spring was set too high, increasing the gear slide load and resulting in higher friction and increased torque fluctuation when steering.

Identification of Any Warning that can Occur

Abnormal noise and/or a momentary “sticky” feeling when the vehicle is in operation and the steering wheel is turned.

Transport Canada recall

91. On October 3, 2024, Transport Canada issued a similar recall (Recall No. 2024-588) affecting approximately 239,462 vehicles in Canada, including certain model-year Acura Integra, Honda Civic, Honda CR-V, and Honda HR-V vehicles, which stated in part the following:

Issue:

On certain vehicles, the incorrect steering gear box assembly may have been installed during a repair. As a result, the tires could become damaged by contact with the chassis and fail.

Safety Risk:

A tire failure could cause a loss of control and increase the risk of a crash.

Corrective Actions:

Honda will notify owners by mail and advise you to take your vehicle to a dealership to inspect and, if necessary, replace the steering gear box assembly. The dealer will also inspect the tires for damage and replace them, as necessary.

92. Notwithstanding the recall, Affected Class Vehicles continue to exhibit symptoms of the Steering Defect, including increased steering effort and irregular steering behavior.

iv. The Defendants have failed to offer an adequate remedy and/or fix for the Steering Defect

93. The Defendants have failed to offer an adequate repair, fix, replacement or to reimburse Affected Class Vehicle owners and/or lessees for costs incurred in diagnosing and repairing the defective EPS gearbox assembly.

94. The inadequacy of the Defendants' recall is common to all Affected Class Vehicles, insofar as all vehicles contain the EPS gearbox assembly of the same or substantially similar design and are manufactured using the same or substantially similar processes.

95. The Defendants' purported recall and/or remedy does not remove or replace the root cause of the Steering Defect: a defective steering gearbox, including defective worm gear, worm wheel, and associated components. Instead, the recall replaces only select gearbox components, including the worm gear spring, and redistributes or adds grease.

96. The addition of grease at an overstressed gearbox interface, and reduction of preload resting on the worm gear, do not cure the Steering Defect or restore the vehicles to safe operating condition. Replacement of the entire EPS gearbox assembly, including the worm wheel—which the Defendants have acknowledged is prone to deformation over time—is required to remedy the Steering Defect.

97. Strain at the interface between the worm wheel and worm gear causes grease to dissipate, friction to accumulate, and steering input to bind as components resist movement. This results in a “stick-slip” condition, whereby steering input is met with resistance followed by sudden release, making vehicles difficult and dangerous to control.

98. This condition not only affects vehicle control but also causes progressive deformation of the worm wheel and worm gear over time. At least with respect to the worm wheel, the Defendants' recall does not provide for inspection, repair, or replacement. Deformed components perpetuate increased friction at the interface, thereby sustaining and worsening the stick-slip or “sticky steering” condition. While the addition of grease may temporarily reduce friction, it does not repair damaged components or prevent recurrence of the condition.

99. The worm wheel and associated gearbox components were manufactured using

material that was insufficiently annealed, resulting in components that are susceptible to deformation under normal operating conditions. This deformation is exacerbated by environmental factors such as heat and humidity, leading to swelling of the worm wheel, particularly at the tooth tips, which are critical to the gear interface.

100. This deformation alters the interface geometry between the worm wheel and worm gear, increasing surface pressure, accelerating grease breakdown, and increasing friction. These conditions result in binding at the interface, which manifests as intermittent resistance and release during steering.

101. The Defendants' recall does not provide for replacement of these defective components, including the worm wheel, and therefore does not eliminate the underlying causes of the Steering Defect or restore the Affected Class Vehicles to a safe condition.

102. Post-recall complaints and reports submitted to government vehicle safety regulators demonstrate that the Steering Defect persists following application of the recall remedy. The Defendants have, in some instances, advised vehicle owners that replacement of the EPS gearbox is required to resolve the issue, while not covering such replacement under the recall.

103. Notwithstanding their knowledge of the Steering Defect, the Defendants have continued to market the Affected Class Vehicles as safe, including representations regarding safety, driver-assistance features, and overall vehicle reliability.

v. The warranties provided by the Defendants

104. The Defendants provide warranties directly to the Plaintiff and Class Members for the Affected Class Vehicles.

105. In Canada, the Defendant, HCI, warrants Honda-brand Affected Class Vehicles with a New Vehicle Limited Warranty ("NVLW") that provided coverage for three years or 60,000 kilometers ("km"), whichever came first. The Defendant, HCI, sold Acura-branded Affected Class Vehicles with an NVLW that provided coverage for four years or 80,000 km, whichever comes first.

106. The Affected Class Vehicles' NVLW provides in substantially similar fashion:

This warranty is your guarantee that under normal use and maintenance, your new Honda (including all power train components) will be free from any defects in material and workmanship.

107. The Affected Class Vehicles' NVLW also provides:

If any defects should be found and reported to a Honda dealer during the warranty period, necessary repairs with new or remanufactured Honda parts that meet Honda's quality standards or Honda-approved equivalents will be made at no cost to you for parts and labour immediately upon acknowledgement by Honda that such defects are attributable to faulty material or workmanship at the time of manufacture. These repairs should be completed immediately.

108. The warranty terms became part of the basis of the bargain when the Plaintiff and Class Members purchased and/or leased their Affected Class Vehicles.

vi. The Steering Defect renders the Affected Class Vehicles *per se* defective

109. In Canada, motor vehicle safety standards are governed by the *Motor Vehicle Safety Act*, S.C. 1993, c. 16 ("*MVSA*") and the *Motor Vehicle Safety Regulations*, C.R.C., c. 1038 ("*Regulations*"). The Minister of Transport has the power and authority to verify that companies and persons comply with the *MVSA*, *Regulations* and vehicle safety standards. Transport Canada is delegated the authority to oversee the *MVSA* and *Regulations*.

110. In the United States, the NHTSA oversees, *inter alia*, vehicle safety standards, such as the *Federal Motor Vehicle Safety Standard* ("*FMVSS*") pursuant to Title 49 of the Code of Federal Regulations, Part 571. Increasingly, the general approach to setting vehicle safety standards in Canada is to harmonize or analogize them with the *FMVSS* in the United States as much as possible. As such, vehicles designed or manufactured in the United States that comply with *FMVSS* may be imported and sold in Canada pursuant to the requirements of the *MVSA* and *Regulations*.

111. Vehicle manufacturers are required to file a report with Transport Canada and NHTSA within five days of identifying any safety related defects in their vehicles pursuant to the *MVSA* and *FMVSS*. The initial report is required to identify all vehicles potentially containing the defect and include a description of the manufacturer's basis for its determination of the recall population and a description of how the vehicles or items of equipment to be recalled differ from similar

vehicles or items of equipment that the manufacturer has not included in the recall. Additionally, the report must contain a “description of the defect” and identify and describe the risk to motor vehicle safety reasonably related to the defect.

112. The purpose of these government regulations is to facilitate the notification of owners of defective and noncomplying motor vehicles, and the remedy of such defects and noncompliance, by equitably apportioning the responsibility for safety-related defects and noncompliance with *MVSA* and *FMVSS* among vehicle manufacturers.

113. The Defendants failed to comply with their obligations under the *MVSA* and *Regulations* to provide Class Members with an adequate and effective remedy for the Steering Defect. Although a recall was issued, the remedy provided does not eliminate the defect or restore the Affected Class Vehicles to a safe condition. As a result, Class Members are left to drive vehicles that pose a real, substantial and imminent risk of harm, injury and/or death.

vii. Regulatory compliance does not preclude liability

114. Any compliance by the Defendants with NHTSA, Transport Canada, or other regulatory reporting, recall, or remedial requirements does not absolve the Defendants of liability for the harms caused by the Steering Defect.

115. Regulatory approval of, or acquiescence in, a recall remedy—whether interim or permanent—does not constitute a determination that the Affected Class Vehicles are free from defects, safe for ordinary use, or reasonably fit for their intended purpose.

116. The Defendants’ obligations under applicable consumer protection legislation, common law duties of care, contractual warranties, and duties to warn exist independently of, and in addition to, any regulatory compliance obligations.

117. The Defendants cannot rely on regulatory compliance as a defense where, as here, the recall remedies were inadequate, ineffective, and failed to eliminate the underlying safety hazard, and where the Defendants continued to expose consumers to an unreasonable risk of harm.

118. Further, regulatory compliance does not excuse the Defendants’ failure to disclose material facts concerning the Steering Defect at the point of sale or lease, nor does it negate the

Defendants' duty to provide an effective and permanent remedy for a known safety-related defect.

119. To the extent the Defendants contend that their conduct was reasonable because it was undertaken in coordination with or approved by regulators, such contentions raise issues of fact and law that do not defeat the Plaintiff's claims and are not a bar to liability, including liability for damages, restitution, and punitive relief.

viii. Agency relationship between Defendants and their authorized dealerships as to the Affected Class Vehicles

120. The Defendants have expressly or impliedly acknowledged that Honda- and Acura-authorized dealerships (the "**Dealerships**") are their sales agents. The Dealerships have accepted that undertaking, and the Defendants exercise the ability to control the Dealerships, thereby establishing a principal-agent relationship, as further detailed below:

- (a) The Defendants can terminate the relationship with the Dealerships at will;
- (b) The relationships are indefinite;
- (c) The Defendants are in the business of selling vehicles as are the Dealerships;
- (d) The Defendants provide tools and resources for the Dealerships to sell and/or lease vehicles;
- (e) The Defendants supervise the Dealerships regularly;
- (f) Without the Defendants, the Dealerships would not exist;
- (g) The Defendants as the principal require the following of the Dealerships:
 - (i) reporting of sales;
 - (ii) computer network connection with the Defendants;
 - (iii) training of their sales and technical personnel;
 - (iv) use of the Defendants-supplied computer software;
 - (v) participation in the Defendants' training programs;

- (vi) establishment and maintenance of service departments in the Dealerships;
 - (vii) certification of the Defendants' pre-owned vehicles;
 - (viii) reporting to the Defendants with respect to vehicle delivery and sales, including, but not limited to: the names, addresses, preferred titles, telephone numbers (primary and business), and e-mail addresses of owners and/or lessees; vehicle identification numbers; delivery dates; type of sale; lease or finance terms; applicable factory incentive coding; odometer readings at delivery; extended service contract sale designations, if any; and the names of the dealership employees involved in the delivery; and
 - (ix) displaying the Defendants' logos on signs, literature, products, and brochures within the vehicle showroom;
- (h) Dealerships bind the Defendants with respect to:
- (i) warranty repairs on the vehicles the dealers sell; and
 - (ii) issuing service contracts administered by the Defendants;
- (i) The Defendants further exercise control over the Dealerships with respect to:
- (i) financial incentives given to their employees;
 - (ii) locations of the Dealerships;
 - (iii) testing and certification of their personnel and technicians to ensure compliance with the Defendants' policies and procedures; and
 - (iv) customer satisfaction surveys, pursuant to which the Defendants allocate the number of their cars to the Dealerships, thereby directly controlling their profits;
- (j) The Dealerships sell the Defendants' vehicles on the Defendants behalf, pursuant to a "floor plan," and the Defendants do not receive payment for their cars until the Dealerships sell them;

- (k) Dealerships bear the Defendant brand names, use their logos in advertising and on warranty repair orders, post Honda- and Acura-brand signs for the public to see, and enjoy a franchise to sell the Defendants products, including the Affected Class Vehicles;
- (l) The Defendants require the Dealerships to follow the rules and policies of the Defendants in conducting all aspects of dealer business, including the delivery of the Defendants' warranties, and the servicing of defective vehicles such as the Affected Class Vehicles;
- (m) The Defendants require the Dealerships to post the Defendants' brand names, logos, and signs at dealer locations, including dealer service departments, and to identify themselves and to the public as authorized Honda and Acura dealers and servicing outlets for the Defendants' vehicles;
- (n) The Defendants require their dealers to use service and repair forms containing their brand names and logos;
- (o) The Defendants require the Dealerships to perform the Defendants' warranty diagnoses and repairs, and to do the diagnoses and repairs according to the procedures and policies set forth in writing by the Defendants.
- (p) The Defendants require the Dealerships to use parts and tools either provided by the Defendants or approved by Defendants and to inform the Defendants when dealers discover that unauthorized parts have been installed on one of the Defendants' vehicles.
- (q) The Defendants require the Dealerships' service and repair employees to be trained by the Defendants in the methods of repair of the Defendants' vehicles.
- (r) The Defendants audit the Dealerships' sales and service departments and directly contact customers of the Dealerships to assess their level of satisfaction with sales and repair services. Based on these assessments, the Defendants provide financial incentives or impose reprimands on the Dealerships;

- (s) The Defendants require the Dealerships to provide them with monthly statements and records pertaining, in part, the sales and servicing of the Defendants' vehicles;
- (t) The Defendants provides technical service bulletins and messages to the Dealerships detailing chronic defects present in product lines, and repair procedures to be followed for chronic defects;
- (u) The Defendants provide the Dealerships with specially trained service and repair consultants with whom the Dealerships' personnel are required to consult when they are unable to correct a vehicle defect on their own;
- (v) The Defendants require Honda- and Acura-brand vehicle owners to go to the Dealerships to obtain servicing under the Defendants' warranties; and
- (w) The Dealerships are required to notify the Defendants whenever a car is sold or put into warranty service.

Part 2: RELIEF SOUGHT

121. The Plaintiff, on his own behalf and on behalf of Class Members, claims against the Defendants, jointly and severally, as follows:

- (a) an order certifying this action as a class proceeding pursuant to the *Class Proceedings Act*, R.S.B.C. 1996, c. 50 (the "*CPA*"), and appointing the Plaintiff as representative plaintiff;
- (b) a declaration that the Defendants:
 - (i) were negligent in the manufacture and/or design of the Affected Class Vehicles causing the Plaintiff and Class Members to suffer damages;
 - (ii) breached their duty of care to the Plaintiff and Class Members, and are consequently liable to the Plaintiff and Class Members for damages;
 - (iii) breached the terms of their express warranty, and are consequently liable to the Plaintiff and Class Members for damages;

(iv) breached implied warranties or conditions of merchantability as to the Affected Class Vehicles and are consequently liable to the Plaintiff and Class Members for damages pursuant to ss. 18(a), (b) and 56 of the *Sale of Goods Act*, R.S.B.C. 1996, c. 410 (“**SGA**”); ss. 16(2), (4) and 52 of the *Sale of Goods Act*, R.S.A. 2000, c. S-2; ss. 16(1), (2) and 52 of the *Sale of Goods Act*, R.S.S. 1978, c. S-1; ss. 16(a), (b) and 54 of *The Sale of Goods Act*, C.C.S.M. 2000, c. S10; ss. 15(1), (2) and 51 of the *Sale of Goods Act*, R.S.O. 1990, c. S.1; arts. 1726 to 1730 of the *Civil Code of Québec*, C.Q.L.R., c. C.C.Q.-1991; ss. 16(a),(c) and 54 of the *Sale of Goods Act*, R.S.N.L. 1990, c. S-6 ; ss. 17(a), (b) and 54 of the *Sale of Goods Act*, R.S.N.S. 1989, c. 408; ss. 20(a), (b) and 67 of the *Sale of Goods Act*, R.S.N.B. 2016, c. 110; ss. 16(a), (b) and 53 of the *Sale of Goods Act*, R.S.P.E.I. 1988, c. S-1; ss. 15(a), (b) and 50 of the *Sale of Goods Act*, R.S.Y. 2002, c. 198; ss. 18(a),(b) and 60 of the *Sale of Goods Act*, R.S.N.W.T. 1988, c. S-2; and ss. 18(a), (b) and 60 of *the Sale of Goods Act*, R.S.N.W.T. (Nu) 1988, c. S-2 (collectively, the “**Provincial Sale of Goods Acts**,” unless otherwise referred to individually);

(v) breached arts. 37, 38, 40, 41, 53, 54 of the *Consumer Protection Act*, C.Q.L.R. c P-40.1;

(vi) breached the duty to act in good faith and with honesty in representations and in the performance of obligations, pursuant to arts. 6, 7, and 1375 of the *Civil Code of Québec*, C.Q.L.R., c C.C.Q.-1991; and

(vii) engaged in unfair practices contrary to ss. 4 and 5 of the *Business Practices and Consumer Protection Act*, S.B.C. 2004 (“**BPCPA**”); ss. 5 and 6 of the *Consumer Protection Act*, R.S.A. 2000, c. C-26.3; ss. 6 and 7 of *The Consumer Protection and Business Practices Act*, S.S., 2013, c C-30.2; ss. 2 and 3 of *The Business Practices Act*, C.C.S.M. c B120; ss. 14(1) and (2) of the *Consumer Protection Act*, 2002, S.O. 2002, c 30, Sch A; arts. 215, 219, and 228 of the *Consumer Protection Act*, C.Q.L.R. c. P-40.1; s. 2 of *Business Practices Act*, R.S.P.E.I. 1988, c B-7; and s. 7 of *Consumer Protection and Business Practices Act*, S.N.L. 2009, c C-31.1; (collectively, “**Parallel Consumer Protection**

Legislation,” unless otherwise referred to individually), and are consequently liable to the Plaintiff and Class Members for damages;

(c) a declaration that it is not in the interests of justice to require that notice be given, where applicable, under the *BPCPA*, and *Parallel Consumer Protection Legislation*, and waiving any such applicable notice provisions;

(d) an order for the statutory remedies available under the *BPCPA*, and *Parallel Consumer Protection Legislation*, including damages, cancellation and/or rescission of the purchase of the Affected Class Vehicles;

(e) an order directing the Defendants to advertise any adverse findings against it pursuant to s. 172(3)(c) of the *BPCPA*; s. 19 of the *Consumer Protection Act*, R.S.A. 2000, c. C-26.3; s. 93(1)(f) of *The Consumer Protection and Business Practices Act*, S.S., 2013, c. C-30.2; s. 23(2)(f) of *The Business Practices Act*, C.C.S.M. c. B120; s. 18(11) of the *Consumer Protection Act*, 2002, S.O. 2002, c. 30, Sch A; *Consumer Protection Act*, C.Q.L.R. c. P-40.1; s. 15 of the *Consumer Product Warranty and Liability Act*, S.N.B. 1978, c. C-18.1; *Business Practices Act*, R.S.P.E.I. 1988, c. B-7; and s. 7 of *Consumer Protection and Business Practices Act*, S.N.L. 2009, c. C-31.1;

(f) a declaration that the Defendants breached s. 52 of the *Competition Act*, R.S.C 1985, c. C-34 (“**Competition Act**”) and are consequently liable to the Plaintiff and Class Members for damages and/or remedies pursuant to s. 36 of the *Competition Act*;

(g) an order enjoining the Defendants from continuing their unlawful and unfair business practices as alleged herein;

(h) a declaration that the Defendants fraudulently concealed the Steering Defect in the Affected Class Vehicles from the Plaintiff and Class Members;

(i) injunctive and/or declaratory relief requiring the Defendants to repair and/or replace the defective EPS gearbox assembly and related components in the Affected Class Vehicles and/or to fully reimburse and make whole all Class Members for all costs and economic losses associated therewith;

- (j) an order pursuant to s. 24 of the *CPA* requiring the Defendants to pay the costs of notice to the Class and the costs of administering any plan of distribution, together with applicable taxes;
- (k) an order pursuant to s. 29 of the *CPA* directing an aggregate assessment of damages;
- (l) damages, including actual, compensatory, incidental, statutory and consequential damages;
- (m) punitive damages;
- (n) costs of investigation pursuant to s. 36 of the *Competition Act*;
- (o) pre-judgment and post-judgment interest pursuant to the *Court Order Interest Act*, R.S.B.C. 1996, c. 79; and
- (p) such further and other relief as this Honorable Court deems just.

Part 3: LEGAL BASIS

A. Jurisdiction

122. There is a real and substantial connection between British Columbia and the facts alleged in this proceeding. The Plaintiff and Class Members plead and rely upon the *Court Jurisdiction and Proceedings Transfer Act*, R.S.B.C. 2003, c.28 ("*CJPTA*") in respect of the Defendants. Without limiting the foregoing, a real and substantial connection between British Columbia and the facts alleged in this proceeding exists pursuant to sections 10 (e)(i), (e)(iii)(A)(B), (f), (g), (h) and (i) of the *CJPTA* because this proceeding:

- (e)(i) concerns contractual obligations to a substantial extent, were to be performed in British Columbia;
- (e)(iii)(A)(B) the contract is for the purchase of property, services or both, for use other than in the course of the purchaser's trade or profession, and resulted from a solicitation of business in British Columbia by or on behalf of the seller;

- (f) concerns restitutionary obligations that, to a substantial extent, arose in British Columbia;
- (g) concerns a tort committed in British Columbia;
- (h) concerns a business carried on in British Columbia; and
- (i) is a claim for an injunction ordering a party to do or refrain from doing anything in British Columbia.

B. Causes of Action

i. Negligence

123. The Plaintiff and Class Members hereby incorporate by reference the allegations contained in the preceding paragraphs of this Notice of Civil Claim.

124. At all material times to the cause of action herein, the Defendants owed a duty of care to the Plaintiff and Class Members to design, manufacture, and supply vehicles free from defects and reasonably safe for their intended use.

125. The Defendants, as designers, engineers, manufacturers, promoters, marketers and/or distributors of the Affected Class Vehicles, intended for use by ordinary consumers, owed a duty of care to the Plaintiff and Class Members to ensure that the vehicles were reasonably safe and free from defects that could impair steering control.

126. The Defendants breached the standard of care expected of a reasonable automobile manufacturer in that they knew, or ought reasonably to have known, that the Steering Defect could cause increased steering effort, intermittent resistance, and unpredictable steering behavior, thereby impairing vehicle control and increasing the risk of collision.

127. The Defendants owed the Plaintiff and Class Members a continuing duty to monitor the safety and post-sale performance of the Affected Class Vehicles, including through warranty data, dealer repair records, consumer complaints, regulatory investigations, and internal engineering analyses.

128. Despite actual or constructive knowledge of the Steering Defect derived from pre-production testing, durability testing, field data, and consumer complaints, the Defendants failed to timely disclose the defect, failed to provide adequate warnings, and failed to implement an adequate and permanent remedy.

129. Given the Defendants' involvement in the design, manufacture, and distribution of the Affected Class Vehicles, they were in a position of proximity to the Plaintiff and Class Members and were required to be fully informed of safety risks associated with the EPS system.

130. It was reasonably foreseeable that the Defendants' failure to properly design, manufacture, and test the EPS gearbox assembly, including the worm gear and worm wheel interface, would result in increased friction, binding, and "stick-slip" steering behavior, exposing drivers and other road users to a real, substantial, and imminent risk of harm and/or injury.

131. The Defendants, through their employees, officers, directors, and agents, failed to meet the reasonable standard of care or conduct expected of a reasonable automobile manufacturer, supplier, and/or distributor in the circumstances by:

- (a) designing, developing, manufacturing, testing, assembling, marketing, distributing, supplying, leasing, and/or selling vehicles with a defective EPS gearbox assembly;
- (b) failing to properly design and manufacture the worm gear, worm wheel, and associated components to withstand normal operating conditions without deformation or excessive friction;
- (c) failing to ensure adequate lubrication and grease retention within the EPS gearbox assembly;
- (d) failing to properly test and validate the EPS system under real-world and foreseeable operating conditions;
- (e) failing to identify and correct defects revealed through pre-production testing, including DVP&R testing and durability testing;

- (f) failing to adequately monitor post-sale performance of the Affected Class Vehicles;
- (g) failing to disclose the Steering Defect despite knowledge of it;
- (h) failing to provide timely and adequate warnings to consumers;
- (i) failing to implement an adequate repair, including failing to replace the defective EPS gearbox assembly; and
- (j) continuing to market and sell the Affected Class Vehicles despite knowledge of the Steering Defect.

132. Further, and in particular, the Defendants' SBs and recall measures are inadequate in that:

- (a) the prescribed recall countermeasures are limited to partial component replacement and lubrication-based mitigation, rather than replacement of the defective EPS gearbox assembly;
- (b) the Steering Defect is intermittent and may not be reproducible during short diagnostic inspections, thereby limiting access to repairs;
- (c) Affected Class Vehicles continue to experience increased steering effort and irregular steering behavior following application of the prescribed recall countermeasures;
- (d) the Defendants have failed to provide a complete and effective remedy capable of fixing the Steering Defect; and
- (e) the Plaintiff and Class Members remain exposed to a real, substantial, and imminent risk of harm due to impaired steering control.

133. The inadequacy of the Defendants' SBs and recall measures forms part of the Defendants' ongoing negligence and failure to meet the standard of care expected of a reasonable vehicle manufacturer, supplier, and/or distributor.

134. As a direct and proximate result of the Defendants' negligence, the Plaintiff and Class Members have suffered and will continue to suffer damages, including:

- (a) overpayment for the Affected Class Vehicles;
- (b) diminution in value of the Affected Class Vehicles;
- (c) out-of-pocket expenses associated with diagnosis, inspection, and repair;
- (d) loss of use and enjoyment of the Affected Class Vehicles; and
- (e) exposure to an ongoing real, substantial and imminent risk of harm associated with impaired steering performance.

135. The Defendants are liable to the Plaintiff and Class Members for all such damages.

ii. Breach of express warranty

136. The Plaintiff and Class Members hereby incorporate by reference the allegations contained in the preceding paragraphs of this Notice of Civil Claim.

137. At all material times to the cause of action herein, the Defendants were express warrantors, manufacturers, distributors, suppliers, and/or merchants of the Affected Class Vehicles, and issued express warranties and extended warranties governing the repair or replacement of defective components arising from defects in materials or workmanship.

138. The Defendants marketed, distributed and/or sold the Affected Class Vehicles throughout Canada, including the Province of British Columbia, through authorized dealerships and/or independent retail dealers, as safe, reliable, and durable vehicles. These representations formed the basis of the bargain in the Plaintiff's and Class Members' decision to purchase and/or lease the Affected Class Vehicles.

139. The Defendants' express warranties were unconscionable and/or misleading for, *inter alia*, the following reasons:

- (a) The Defendants knowingly supplied Affected Class Vehicles equipped with a

defective EPS gearbox assembly, which gives rise to the Steering Defect;

(b) Despite their superior and exclusive knowledge of the Steering Defect, the Defendants failed to disclose its existence and misrepresented the safety, reliability, durability, and performance of the Affected Class Vehicles;

(c) The Defendants limited the scope, duration, and availability of warranty coverage and proposed countermeasures in a manner that unreasonably favored the Defendants and defeated the reasonable expectations of the Plaintiff and Class Members;

(d) The Defendants knew, or ought reasonably to have known, that the Steering Defect existed in latent form during the warranty period but would often manifest after the expiration of the standard warranty;

(e) The Defendants restricted access to repair measures by requiring dealership verification of steering symptoms that are intermittent and difficult to reproduce on demand;

(f) Many Class Members had warranty claims denied or restricted despite the existence of the Steering Defect; and

(g) The warranties and countermeasures failed to address diminution in value, loss of use, or the safety risks associated with the Steering Defect.

140. Under the express warranties, the Defendants promised to repair or replace defective components arising from defects in materials or workmanship within a reasonable time and at no cost to the consumer, including the EPS gearbox assembly.

141. The Defendants further represented that they would stand behind the quality of the Affected Class Vehicles and remedy defects. These representations concealed the existence of the Steering Defect and shifted the burden of diagnosis, repair, and loss onto the Plaintiff and Class Members.

142. The Defendants breached their express warranties by failing to repair or replace defective EPS gearbox components, including the worm gear, worm wheel, and associated

components, within a reasonable time or at all.

143. The Plaintiff and Class Members experienced symptoms of the Steering Defect within the warranty period but were unaware of its existence due to the Defendants' concealment. Despite the warranties, the Defendants failed to disclose the defect and failed to provide a complete and effective repair, including replacement of the EPS gearbox assembly.

144. The Defendants' prescribed countermeasures, including partial component replacement and lubrication-based mitigation, do not repair the underlying defect and do not restore the Affected Class Vehicles to a safe and reliable condition.

145. The failure to provide a non-defective replacement EPS gearbox assembly renders the warranty remedies ineffective and inadequate.

146. The Defendants breached their express warranties by failing to correct known defects in the Affected Class Vehicles.

147. Privity of contract exists between the Defendants and the Plaintiff and Class Members through direct dealings and authorized dealerships. In the alternative, privity is not required because the Plaintiff and Class Members are intended third-party beneficiaries of the Defendants' warranties, which were issued for the benefit of end-user consumers.

148. The Defendants received notice of the Steering Defect through consumer complaints, warranty data, dealer reports, regulatory investigations, and internal testing. Any further opportunity to cure would be futile, as the Defendants have long known of the defect and failed to provide an adequate remedy.

149. Any attempt by the Defendants to limit or disclaim liability through warranty provisions is unconscionable and unenforceable, as the Defendants knowingly supplied defective vehicles and concealed material facts.

150. The limited warranties fail in their essential purpose as the contractual remedies provided were insufficient and ineffective in addressing the Steering Defect or making the Plaintiff and Class Members whole.

151. The Defendants knew that the Affected Class Vehicles were defective and did not conform to their warranties, and the Plaintiff and Class Members were induced to purchase and/or lease the vehicles on the basis of false or misleading representations.

152. The Steering Defect is latent and was not reasonably discoverable prior to purchase or within the warranty period due to its intermittent manifestation and the Defendants' concealment.

153. As a result of the Steering Defect, the Affected Class Vehicles are not reliable, and owners and/or lessees have lost confidence in the ability of Affected Class Vehicles to perform the function of safe, reliable and durable transportation.

154. As a direct and proximate result of the Defendants' breach of express warranties, the Plaintiff and Class Members have suffered damages, including repair costs, loss of use, diminished value, and out-of-pocket expenses.

iii. Breach of the implied warranties or condition of merchantability pursuant to *SGA* and *Parallel Provincial Sale of Goods Acts*

155. The Plaintiff and Class Members hereby incorporate by reference the allegations contained in the preceding paragraphs of this Notice of Civil Claim.

156. The Defendants are a "seller" with respect to the Affected Class Vehicles within the meaning of the *SGA*, and *Parallel Provincial Sale of Goods Acts*, pursuant to their role in manufacturing, marketing, distributing, supplying, and/or selling the Affected Class Vehicles directly or through its authorized Canadian dealers, distributors, resellers, retailers, and/or intermediaries.

157. The Defendants are and were at all relevant times a seller with respect to the Affected Class Vehicles. The Defendants directly sold and marketed the Affected Class Vehicles to customers through authorized dealers, like those from whom the Plaintiff and Class Members bought and/or leased their vehicles, for the intended purpose of consumers purchasing the vehicles. The Defendants knew that the Affected Class Vehicles would and did pass unchanged from the authorized dealers to Class Members, without modification.

158. A warranty that the Affected Class Vehicles were in merchantable condition was

implied by law pursuant to ss. 18(a) and/or (b) of the *SGA*, ss. 16(2) and/or (4) of the *Sale of Goods Act*, R.S.A. 2000, c. S-2; ss. 16(1) and (2) of the *Sale of Goods Act*, R.S.S. 1978, c. S-1; ss. 16(a) and/or (b) of *The Sale of Goods Act*, C.C.S.M. 2000, c. S10; ss. 15(1) and/or (2) of the *Sale of Goods Act*, R.S.O. 1990, c. S.1; arts. 1726 and 1728 of the *Civil Code of Québec*, C.Q.L.R. c. C.C.Q.-1991; ss. 16(a) and/or (c) of the *Sale of Goods Act*, R.S.N.L. 1990, c. S-6 ; ss. 17(a) and/or (b) of the *Sale of Goods Act*, R.S.N.S. 1989, c. 408; ss. 20(a) and/or (b) of the *Sale of Goods Act*, R.S.N.B. 2016, c. 110; ss. 16(a) and/or (b) of the *Sale of Goods Act*, R.S.P.E.I. 1988, c. S-1; ss. 15(a) and/or (b) of the *Sale of Goods Act*, R.S.Y. 2002, c. 198; ss. 18(a) and/or (b) of the *Sale of Goods Act*, R.S.N.W.T. 1988, c. S-2; and ss. 18(a) and (b) of the *Sale of Goods Act*, R.S.N.W.T. (Nu) 1988, c. S-2.

159. The Defendants marketed, distributed, sold and/or leased the Affected Class Vehicles in Canada, including British Columbia, as safe, reliable, and durable vehicles through authorized dealerships. These representations formed the basis of the bargain in Class Members' decision to purchase and/or lease the Affected Class Vehicles.

160. The Affected Class Vehicles are defective due to the Steering Defect arising from the EPS gearbox assembly, including defects in the worm gear, worm wheel, and associated components, which result in increased steering effort, binding, and irregular steering behavior.

161. As a result of the Steering Defect, the Affected Class Vehicles are not of merchantable quality and are not fit for their ordinary purpose, as they cannot provide safe, reliable, and predictable steering control during normal operation.

162. The Steering Defect is a latent defect that was present at the time the Affected Class Vehicles left the Defendants' possession and was not reasonably discoverable by consumers prior to purchase.

163. The Defendants knew, or ought reasonably to have known, of the Steering Defect at the time of sale and/or distribution, based on pre-production testing, warranty data, consumer complaints, and internal engineering analyses.

164. The Plaintiff and Class Members purchased and/or leased the Affected Class Vehicles from Defendants, directly or through authorized agents, resellers, or private parties. At all relevant

times, the Defendants were manufacturers, distributors, warrantors, sellers and/or lessors of the Affected Class Vehicles. Therefore, there existed privity or vertical privity of contract between Class Members and Defendants. Alternatively, privity of contract need not be established as the Plaintiff and Class Members are intended third-party beneficiaries of the Defendants' warranties.

165. The Defendants' resellers, authorized dealers and/or distributors are intermediaries between the Defendants and consumers. These intermediaries sell the Affected Class Vehicles to consumers and are not, themselves, consumers of the Affected Class Vehicles and, therefore, have no rights against the Defendants with respect to the Plaintiff's and Class Members' acquisition of the Affected Class Vehicles. The Defendants' warranties were designed to influence consumers who purchased and/or leased the Affected Class Vehicles.

166. The Defendants knew or had reason to know of the specific use for which the Affected Class Vehicles were purchased and/or leased.

167. Despite having knowledge of the Steering Defect, the Defendants failed to remedy the defect, failed to replace the defective EPS gearbox assembly, and continued to supply defective vehicles.

168. At all times that the Defendants warranted, sold and/or leased the Affected Class Vehicles, they knew, or should have known, that their warranties were false and yet they did not disclose the truth or stop manufacturing or selling their Affected Class Vehicles and, instead, continued to issue false warranties and to insist the products were safe. The Affected Class Vehicles were defective when the Defendants delivered them to its resellers, authorized dealers and/or distributors which sold and/or leased the Affected Class Vehicles and the Affected Class Vehicles were, therefore, still defective when they reached Plaintiff and Class Members.

169. The Defendants' attempt to disclaim or limit the implied warranty of merchantability is unconscionable and unenforceable. They knowingly sold or leased defective vehicles without disclosing the Steering Defect. Warranty time limitations were inadequate and favored the Defendants, creating a gross disparity in bargaining power. The Steering Defect posed a real, substantial, and imminent risk of harm to vehicle occupants and other road users.

170. The Plaintiff and Class Members have complied with all obligations under the warranty

or are excused from performance due to the Defendants' conduct. Affording the Defendants an opportunity to cure would be unnecessary and futile.

171. As a direct and proximate result of the Defendants' breach of implied warranties or conditions of merchantability, the Plaintiff and Class Members have suffered loss, diminution and/or damage, pursuant to s. 56 of the *SGA*, s. 52 of the *Sale of Goods Act*, R.S.A. 2000, c. S-2; s. 52 of the *Sale of Goods Act*, R.S.S. 1978, c. S-1; s. 54 of *The Sale of Goods Act*, C.C.S.M. 2000, c. S10; s. 51 of the *Sale of Goods Act*, R.S.O. 1990, c. S.1; arts. 1726, 1727, and 1739 of the *Civil Code of Québec*, C.Q.L.R. c. C.C.Q.-1991; s. 54 of the *Sale of Goods Act*, R.S.N.L. 1990, c. S-6 ; s. 54 of the *Sale of Goods Act*, R.S.N.S. 1989, c. 408; s. 67 of the *Sale of Goods Act*, R.S.N.B. 2016, c. 110; s. 53 of the *Sale of Goods Act*, R.S.P.E.I. 1988, c. S-1; s. 60 of the *Sale of Goods Act*, R.S.Y. 2002, c. 198; s. 60 of the *Sale of Goods Act*, R.S.N.W.T. 1988, c. S-2; and s. 60 of the *Sale of Goods Act*, R.S.N.W.T. (Nu) 1988, c. S-2.

iv. Violation of *BPCPA* and *Parallel Provincial Consumer Protection Legislation*

172. The Plaintiff and Class Members in British Columbia hereby incorporate by reference the allegations contained in the preceding paragraphs of this Notice of Civil Claim.

173. The Defendants are in British Columbia for the purposes of the *BPCPA*, and in provinces with *Parallel Consumer Protection Legislation*.

174. The Affected Class Vehicles are consumer "goods" within the meaning of s. 1(1) of the *BPCPA*, and in provinces with *Parallel Consumer Protection Legislation*.

175. The Plaintiff and Class Members in British Columbia purchased and/or leased the Affected Class Vehicles primarily for personal, family or household purposes, and not for resale or for the purposes of carrying on business, are "consumers" within the meaning of s. 1(1) of the *BPCPA*, and in provinces with *Parallel Consumer Protection Legislation*.

176. The purchase and/or lease of the Affected Class Vehicles by the Plaintiff and Class Members in British Columbia for personal, family or household purposes, and not for resale or for carrying on business constitutes a "consumer transaction" within the meaning of s. 1(1) of the *BPCPA*, and in provinces with *Parallel Consumer Protection Legislation*.

177. The Defendants are a “supplier” within the meaning of s. 1(1) of the *BPCPA*, and in provinces with *Parallel Consumer Protection Legislation*, as they carried on business in British Columbia and who in the course of business participated in a consumer transaction by: (i) supplying goods to a consumer, or (ii) soliciting, offering, advertising or promoting with respect to a consumer transaction, whether or not privity of contract exists between that person and the consumer, and includes an assignee of, any rights or obligations of the supplier under the *BPCPA*, and *Parallel Consumer Protection Legislation*.

178. The Defendants are the supplier and/or manufacturer of the Affected Class Vehicles and distribute, market and/or supply such vehicles to consumers including Class Members in British Columbia. At all relevant times, the Defendants were a supplier and/or seller of the Affected Class Vehicles as their resellers, authorized dealers and/or distributors were acting as the agents of the Defendants.

179. By failing to disclose and actively concealing the Steering Defect, the Defendants engaged in deceptive acts or practices contrary to ss. 4 and 5 of the *BPCPA* and the *Parallel Consumer Protection Legislation*.

180. The Defendants knew, or ought reasonably to have known, that the Affected Class Vehicles were defective due to the Steering Defect, which poses a real, substantial, and imminent risk of harm to vehicle occupants and other users of the road.

181. The Defendants made misleading representations and omissions concerning the safety, reliability, durability, and performance of the Affected Class Vehicles.

182. In purchasing the Affected Class Vehicles, the Plaintiff and Class Members were deceived by the Defendants’ failure to disclose the Steering Defect and its associated safety risks.

183. The Defendants engaged in unfair or deceptive acts or practices, including:

- (a) failing to disclose that the Affected Class Vehicles were not of a particular standard, quality, or grade;
- (b) failing to disclose that the Affected Class Vehicles contained a latent defect in the EPS gearbox assembly;

- (c) failing to disclose that the Steering Defect could cause increased steering effort, binding, and unpredictable steering behavior;
- (d) failing to disclose that the Steering Defect poses a real, substantial, and imminent risk of harm to vehicle occupants and other road users;
- (e) failing to disclose all known material defects or nonconformities before, during, and after the time of purchase and/or lease of the Affected Class Vehicles;
- (f) failing to provide adequate warnings or notices regarding the Steering Defect despite having exclusive knowledge of it; and
- (g) actively concealing the Steering Defect while continuing to market, sell and/or the Affected Class Vehicles.
- (h) failing to disclose that the Affected Class Vehicles were defective, not fit for their intended use, and posed a real, substantial, and imminent risk of harm, injury, or death to vehicle occupants and other road users; and
- (i) failing to give adequate warnings or notices regarding the use, defects, and problems with the Affected Class Vehicles to the Plaintiff and Class Members, even though the Defendants had exclusive knowledge of the Steering Defect.

184. The Defendants made misleading representations by:

- (a) representing that the Affected Class Vehicles were safe, reliable, and fit for their intended purpose;
- (b) omitting any reference to the Steering Defect in owner's manuals, marketing materials, and other consumer-facing documents; and
- (c) continuing to market the Affected Class Vehicles as safe and reliable despite knowledge of the Steering Defect.

185. The Defendants' conduct violated ss. 4 and 5 of the *BPCPA*, and the relevant provisions of *Parallel Consumer Protection Legislation*, by:

- (a) representing that the Affected Class Vehicles were defect-free when they were not;
- (b) representing that the Affected Class Vehicles were of a particular standard, quality, or grade when they were not;
- (c) advertising the vehicles with intent not to sell them as represented; and
- (d) representing that the vehicles conformed to prior representations regarding safety, reliability, durability, and performance when they did not.

186. Class Members were deceived by the Defendants' failure to disclose their exclusive knowledge of the Steering Defect and its impact on the safety, reliability, and performance of the Affected Class Vehicles.

187. The Defendants intentionally and knowingly misrepresented and omitted material facts regarding the Affected Class Vehicles, specifically regarding the Steering Defect, with an intent to mislead Class Members.

188. Class Members had no way of knowing that the Defendants' representations were false, misleading and incomplete or knowing the true nature of the Steering Defect. As alleged herein, the Defendants engaged in a pattern of deception in the face of a known defect in the Affected Class Vehicles. Class Members did not, and could not, unravel the Defendants' deception on their own.

189. The Defendants knew, or ought to have known, that their conduct violated ss. 4 and 5 of the *BPCPA*, and the relevant provisions of *Parallel Consumer Protection Legislation*.

190. The Defendants owed the Plaintiff and Class Members a duty to disclose the truth about the Steering Defect as it created serious safety risks and the Defendants:

- (a) possessed exclusive knowledge of the defect;
- (b) intentionally concealed the foregoing from the Plaintiff and Class Members; and/or

(c) failed to warn consumers or publicly disclose that the defect posed a real, substantial, and imminent risk of harm.

191. The Defendants had a duty to disclose that the Affected Class Vehicles were fundamentally flawed due to the Steering Defect because Class Members relied on the Defendants' material misrepresentations and omissions.

192. The Defendants' conduct proximately caused injuries to Class Members that purchased the Affected Class Vehicles and suffered harm as alleged herein.

193. Class Members were injured and suffered ascertainable loss, injury-in-fact, and/or actual damage as a proximate result of the Defendants' conduct. In particular, Class Members incurred costs and expenses related to the Steering Defect, including, *inter alia*, repair, service, and/or replacement costs, rental car costs, and overpaid for their Affected Class Vehicles, which have suffered a diminution in value due to the existence and risk of the Steering Defect.

194. The Defendants' violations cause continuing injuries to Class Members. As such, the Defendants' unlawful acts and practices complained of herein affecting the public interest.

195. The Defendants knew, or ought to have known, that the Steering Defect materially compromised the safety, reliability, durability, and performance of the Affected Class Vehicles.

196. The facts concealed and omitted by the Defendants from Class Members are material in that a reasonable consumer would have considered them to be important in deciding whether to purchase the Affected Class Vehicles or pay a lower price.

197. Class Members' injuries were directly or proximately caused by the Defendants' unlawful and deceptive business practices.

198. As a result of the Defendants' conduct as alleged herein, Class Members in British Columbia are entitled to: (i) a declaration under s. 172(1)(a) of the *BPCPA* that the Defendants' acts or practices in respect of the purchase of the Affected Class Vehicles contravened the *BPCPA*; (ii) an injunction under s. 172(1)(b) of the *BPCPA* restraining such conduct; and/or (iii) damages under s. 171 of the *BPCPA*. Class Members in other provinces are likewise entitled to comparable remedies available under *Parallel Consumer Protection Legislation*.

199. The Plaintiff and Class Members seek a waiver of any notice requirements under s. 173 of the BPCPA and analogous provisions in other provinces due to the Defendants' concealment and failure to disclose the Steering Defect.

v. Breach of the *Competition Act*

200. The Plaintiff and Class Members hereby incorporate by reference the allegations contained in the preceding paragraphs of this Notice of Civil Claim.

201. The Defendants made representations to the public regarding the safety, reliability, durability, and performance of the Affected Class Vehicles, which were false or misleading in a material respect, contrary to section 52 of the *Competition Act*, R.S.C. 1985, c. C-34.

202. The Defendants' representations:

- (a) were made to the public through advertising, promotional materials, owner's manuals, press releases, dealership communications, and other standardized materials concerning the safety, reliability, durability, and performance of the Affected Class Vehicles;
- (b) were made for the purpose of promoting the supply, use, and sale of the Affected Class Vehicles and advancing the Defendants' business interests; and
- (c) were materially false or misleading in that they failed to disclose the Steering Defect and conveyed that the Affected Class Vehicles were safe, reliable and durable when they were not.

203. At all relevant times, the Defendants were the manufacturer, seller and/or supplier of the Affected Class Vehicles. As such, there existed contractual privity and/or vertical privity of contract between the Plaintiff and Class Members and the Defendants as to the Affected Class Vehicles as their resellers, authorized dealers and/or distributors at all material times were acting as the agents of the Defendants.

204. The Defendants engaged in deceptive marketing practices by knowingly or recklessly:

- (a) representing that the Affected Class Vehicles were safe, reliable, and fit for their

intended purpose;

(b) omitting disclosure of the Steering Defect, including the risk of increased steering effort, and loss of predictable steering control;

(c) failing to disclose that the Steering Defect posed a real, substantial, and imminent risk of harm to vehicle occupants and other road users; and

(d) continuing to market and sell the Affected Class Vehicles despite knowledge of the Steering Defect.

205. The Defendants possessed superior knowledge of the Steering Defect through pre-production testing, warranty data, dealer repair records, consumer complaints, and regulatory investigations, which information was not available to the Plaintiff and Class Members.

206. The Defendants' failure to disclose the Steering Defect and their active concealment of material facts rendered their representations false or misleading in a material respect.

207. The Defendants' misrepresentations and omissions were material in that they would have influenced a reasonable consumer's decision to purchase or lease the Affected Class Vehicles, or the price paid for them.

208. The Plaintiff and Class Members relied upon the Defendants' representations regarding safety, reliability, durability, and performance in purchasing or leasing the Affected Class Vehicles.

209. Had the Steering Defect been disclosed, the Plaintiff and Class Members would not have purchased the Affected Class Vehicles or would have paid significantly less for them.

210. The Defendants knew, or ought reasonably to have known, that their representations were false or misleading in a material respect.

211. The Defendants' conduct was knowing or reckless, as they failed to disclose a known safety-related defect while continuing to market the Affected Class Vehicles as safe and reliable.

212. As a result of the Defendants' conduct, the Plaintiff and Class Members have suffered

loss and damage.

213. Pursuant to s. 36(1) of the *Competition Act*, the Plaintiff and Class Members are entitled to recover damages for loss or damage suffered as a result of the Defendants' conduct, together with costs of investigation and prosecution of this action.

vi. Fraudulent concealment

214. The Plaintiff and Class Members hereby incorporate by reference the allegations contained in the preceding paragraphs of this Notice of Civil Claim.

215. The Defendants intentionally and knowingly concealed, suppressed, and/or omitted material facts relating to the standard, quality, safety, reliability, durability, and performance of the Affected Class Vehicles, including the existence of the Steering Defect and its associated safety risks, with the intention that the Plaintiff and Class Members rely on such omissions. As a direct result of this conduct, the Plaintiff and Class Members have suffered damages.

216. The Defendants knew, at the time of sale and thereafter, through pre-production testing, validation data, warranty data, service records, field reports, and consumer complaints, that the Affected Class Vehicles were equipped with a defective EPS system, including a defective EPS gearbox assembly prone to increased friction, binding, and intermittent resistance during steering input. Despite this knowledge, the Defendants concealed the Steering Defect and failed to provide a timely and adequate remedy.

217. The Defendants owed a duty to disclose the Steering Defect and its associated safety risks to the Plaintiff and Class Members by virtue of:

- (a) their exclusive and superior knowledge of the defect;
- (b) the latent nature of the defect, which was not reasonably discoverable by consumers prior to purchase; and
- (c) their active representations that the Affected Class Vehicles were safe, reliable, durable, and fit for their intended purpose.

218. Having made representations to the public concerning the safety, reliability, durability,

and performance of the Affected Class Vehicles, the Defendants were under a duty to disclose material facts concerning the Steering Defect. Instead, the Defendants intentionally concealed the defect and its safety implications in order to promote sales, limit warranty exposure, and avoid the costs associated with a full and effective repair.

219. No reasonable consumer expects a vehicle to exhibit intermittent resistance in steering input, unpredictable steering behavior, or “stick-slip” conditions that impair the driver’s ability to maintain directional control, or to expose occupants and other road users to a heightened risk of collision due to an undisclosed latent defect such as the Steering Defect.

220. The Defendants intended to conceal material facts concerning the Steering Defect with the intent to deceive consumers. This intent is evidenced by, *inter alia*:

- (a) the failure to disclose the Steering Defect at the point of sale or lease;
- (b) the issuance of service bulletins and recall measures that did not fully disclose the nature, scope, or root cause of the defect;
- (c) the provision of partial or temporary countermeasures that obscured the persistence of the defect; and
- (d) the restriction of meaningful repairs, including full EPS gearbox replacement, despite knowledge that such replacement is required to remedy the defect.

221. The Defendants financially benefitted from their concealment by maintaining sales volumes, preserving price premiums, and avoiding the costs associated with comprehensive repairs and replacement of defective components.

222. The Plaintiff and Class Members would not have purchased the Affected Class Vehicles, or would have paid significantly less for them, had the Defendants disclosed the Steering Defect and its associated safety risks.

223. The Defendants knew, or were reckless in not knowing, that their concealment and suppression of material facts was misleading and that disclosure would have adversely affected vehicle sales.

224. The Plaintiff and Class Members reasonably relied on the Defendants' omissions, concealment, and partial disclosures in purchasing and/or leasing the Affected Class Vehicles.

225. The Defendants' conduct was intentional, willful, and undertaken with disregard for the safety and rights of the Plaintiff and Class Members.

226. As a result of the Steering Defect and the Defendants' fraudulent concealment of its existence and safety implications, the Plaintiff and Class Members have suffered damages, including diminution in value, out-of-pocket repair costs, loss of use, and ongoing exposure to safety risks, in amounts to be determined at trial.

vii. Tolling of the *Limitation Act*, S.B.C. 2012, c. 13 ("*Limitation Act*") and parallel provincial limitation period legislation

227. The Plaintiff and Class Members hereby incorporate by reference the allegations contained in the preceding paragraphs of this Notice of Civil Claim.

228. The Plaintiff and Class Members had no reasonable means of discovering the existence of the Steering Defect prior to purchase or within the ordinary course of use, as the defect is latent, intermittent in nature, and within the exclusive knowledge and control of the Defendants.

229. The Defendants concealed their knowledge of the Steering Defect while continuing to market, distribute, sell and/or lease the Affected Class Vehicles as safe, reliable, and fit for their intended purpose.

230. Within the time limits prescribed in the *Limitation Act*, and the *Limitations Act*, R.S.A. 2000, c. L-12; *The Limitation of Actions Act*, C.C.S.M. c. L150; *Limitation of Actions Act*, S.N.B. 2009, c. L-8.5; *Limitations Act*, S.N.L. 1995, c. L-16.1; *Limitation of Actions Act*, R.S.N.W.T. 1988, c. L-8; *Limitation of Actions Act*, S.N.S. 2014, c. 35; *Limitation of Actions Act*, R.S.N.W.T. (Nu) 1988, c. L-8; *Limitations Act*, 2002, S.O. 2002, c. 24, Sch. B; *Civil Code of Québec*, C.Q.L.R., c. C-1991, arts. 2925-2930; *Statute of Limitations*, R.S.P.E.I. 1988, c. S-7; *The Limitations Act*, S.S. 2004, c. L-16.1; and *Limitation of Actions Act*, R.S.Y. 2002, c. 139 (collectively "***Parallel Provincial Limitation Period Legislation***"), the Plaintiff and Class Members could not have discovered through the exercise of reasonable diligence that the Defendants were concealing the

conduct complained of herein and misrepresenting the true qualities of the Affected Class Vehicles, in particular the Steering Defect.

231. The Plaintiff and Class Members did not know facts that would have caused a reasonable person to suspect or appreciate that there was a defect in the Affected Class Vehicles.

232. The Steering Defect is a latent defect that manifests intermittently and is not readily identifiable without specialized technical knowledge, diagnostic procedures, or access to internal information in the possession of the Defendants.

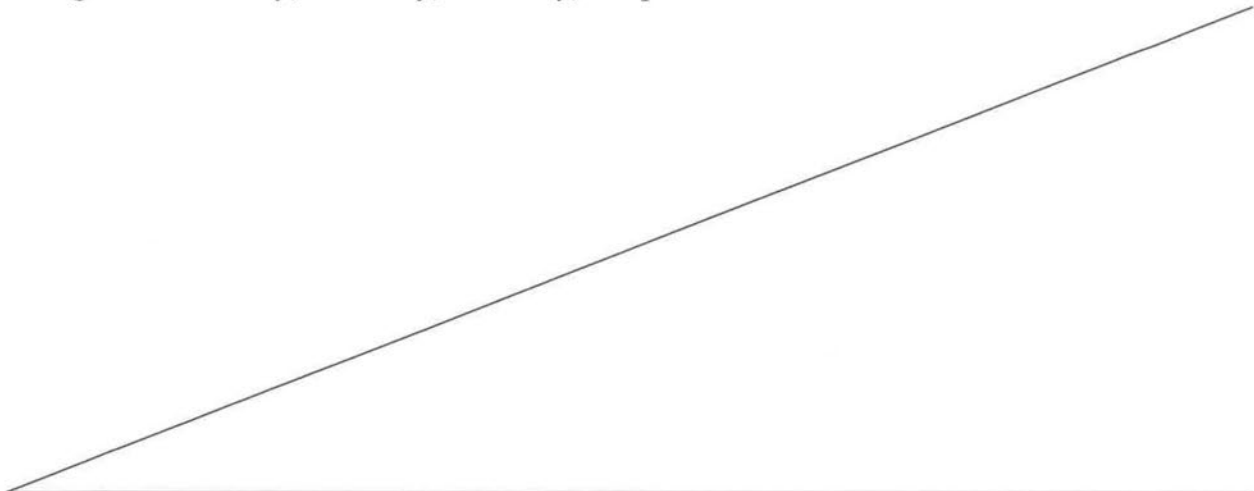
233. By reason of the foregoing, the running of time under the *Limitation Act* and the Parallel Provincial Limitation Period Legislation was postponed by operation of the discoverability rule.

234. Further, the Defendants' knowledge of the Steering Defect, together with their failure to disclose and active concealment of material facts relating to the defect, operates to toll the applicable limitation periods.

235. Instead of disclosing the Steering Defect, the Defendants continued to market and sell the Affected Class Vehicles while withholding material information regarding the defect and its associated safety risks.

236. The Defendants were under a continuous duty to disclose to the Plaintiff and Class Members the existence of the Steering Defect in the Affected Class Vehicles.

237. The Defendants knowingly, affirmatively and actively concealed or recklessly disregarded the safety, reliability, durability, and performance of the Affected Class Vehicles.



238. As such, the Defendants are estopped from relying on the *Limitation Act* and *Parallel Provincial Limitation Period Legislation* in defense of this proposed multi-jurisdictional class proceeding.

Plaintiff's address for service:

Dusevic & Garcha
Barristers & Solicitors
210-4603 Kingsway
Burnaby, BC V5H 4M4
Canada

Fax number address for service (if any):

604-436-3302

E-mail address for service (if any):

ksgarcha@dusevicgarchalaw.ca

Place of trial:

Vancouver, BC, Canada

The address of the registry is:

800 Smithe Street
Vancouver, BC V6Z 2E1
Canada

Dated: April 15, 2026



Signature of K.S. Garcha
Lawyer for the Plaintiff

**ENDORSEMENT ON ORIGINATING PLEADING OR PETITION FOR SERVICE
OUTSIDE BRITISH COLUMBIA**

There is a real and substantial connection between British Columbia, the Defendants and the facts alleged in this proceeding. The Plaintiff and the Class Members plead and rely upon the *Court Jurisdiction and Proceedings Transfer Act* R.S.B.C. 2003 c.28 (the “*CJPTA*”) in respect of these Defendants. Without limiting the foregoing, a real and substantial connection between British Columbia, the Defendants and the facts alleged in this proceeding exists pursuant to sections 10(e)(i), (iii)(a) & (b), (f), (g), (h) and (I) of the *CJPTA* because this proceeding:

- (e)(i) concerns contractual obligations to a substantial extent, were to be performed in British Columbia:

- (e) (iii)(a) & (b) the contract is for the purchase of property, services or both, for use other than in the course of the purchaser’s trade or profession, and resulted from a solicitation of business in British Columbia by or on behalf of the seller;

- (f) concerns restitutionary obligations that, to a substantial extent, arose in British Columbia;

- (g) concerns a tort committed in British Columbia;

- (h) concerns a business carried on in British Columbia;

- (i) is a claim for an injunction ordering a party to do or refrain from doing anything in British Columbia.

Appendix

[The following information is provided for data collection purposes only and is of no legal effect.]

Part 1: CONCISE SUMMARY OF NATURE OF CLAIM:

The within proposed multi-jurisdictional automotive defect class proceeding involves certain model and model year Honda- and Acura-brand vehicles equipped with electronic power steering (“EPS”), engineered, designed, developed, manufactured, assembled, tested, marketed, distributed, supplied, leased, and/or sold by the Defendants, HONDA MOTOR COMPANY, LTD., HONDA CANADA INC., and/or HONDA DEVELOPMENT & MANUFACTURING OF AMERICA, LLC, in Canada, including the Province of British Columbia. In particular, the EPS system in the subject vehicles is equipped with a defective gearbox assembly, which renders the vehicles prone to random momentary failures during normal use, typically at highway speeds, requiring increased steering effort or input by the driver—a phenomenon often described by drivers as “sticky steering”, thereby posing a real, substantial, and imminent risk of harm and/or injury to vehicle occupants and other users of the road.

Part 2: THIS CLAIM ARISES FROM THE FOLLOWING:

A personal injury arising out of:

- motor vehicle accident
- medical malpractice
- another cause

A dispute concerning:

- contaminated sites
- construction defects
- real property (real estate)
- personal property
- the provision of goods or services or other general commercial matters
- investment losses
- the lending of money
- an employment relationship
- a will or other issues concerning the probate of an estate
- a matter not listed here

Part 3: THIS CLAIM INVOLVES:

- a class action
- maritime law
- aboriginal law
- constitutional law
- conflict of laws
- none of the above
- do not know

Part 4:

1. *Class Proceedings Act*, R.S.B.C. 1996, c. 50
2. *Court Jurisdiction and Proceedings Transfer Act*, R.S.B.C. 2003, c. 28
3. *Business Practices and Consumer Protection Act*, S.B.C. 2004; *Consumer Protection Act*, R.S.A. 2000, c. C-26.3; *The Consumer Protection and Business Practices Act*, S.S., 2014, c C-30.2; *The Business Practices Act*, C.C.S.M. c B120; *Consumer Protection Act*, 2002, S.O. 2002, c 30, Sch A; *Consumer Protection Act*, C.Q.L.R. c. P-40.1; *Consumer Product Warranty and Liability Act*, S.N.B. 1978, c C-18.1;; *Business Practices Act*, R.S.P.E.I. 1988, c B-7; and *Consumer Protection and Business Practices Act*, S.N.L. 2009, c C-31
4. *Sale of Goods Act*, R.S.B.C 1996, c. 410; *Sale of Goods Act*, R.S.A. 2000, c. S-2; *Sale of Goods Act*, R.S.S. 1978, c. S-1; *The Sale of Goods Act*, C.C.S.M. 2000, c. S10; *Sale of Goods Act*, R.S.O. 1990, c. S.1; arts. 1726, 1727, and 1739 of the *Civil Code of Québec*, C.Q.L.R. c. C.C.Q.-1991; *Sale of Goods Act*, R.S.N.L. 1990, c. S-6 ;*Sale of Goods Act*, R.S.N.S. 1989, c. 408; *Sale of Goods Act*, R.S.N.B. 2016, c. 110; *Sale of Goods Act*, R.S.P.E.I. 1988, c. S-1; *Sale of Goods Act*, R.S.Y. 2002, c. 198; *Sale of Goods Act*, R.S.N.W.T. 1988, c. S-2; and *Sale of Goods Act*, R.S.N.W.T. (Nu) 1988, c. S-2; and
5. *Motor Vehicle Safety Act*, R.S.C. 1993, c.16
6. *Motor Vehicle Safety Regulations*, C.R.C., c. 1038
7. United States *Federal Motor Vehicle Safety Standard*: Title 49 of the Code of Federal Regulations, Part 5711
8. *Court Order Interest Act*, R.S.B.C. 1996, c. 79
9. *Competition Act*, R.S.C 1985, c. C-34
10. *Limitation Act*, S.B.C. 2012, c.13; *Limitations Act*, R.S.A. 2000, c. L-12; *The Limitations Act*, S.S. 2004, c. L-16.1; *The Limitations Act*, S.S. 2004, c. L-16.1; *The Limitation of Actions Act*, C.C.S.M. c. L150; *Limitations Act*, 2002, S.O. 2002, c. 24, Sch. B; *Civil Code of Québec*, C.Q.L.R., c. C-1991, arts. 2925-2930; *Limitations Act*, S.N.L. 1995, c. L-16.1; *Limitation of Actions Act*, S.N.S. 2014, c. 35; *Limitation of Actions Act*, S.N.B. 2009, c. L-8.5; *Statute of Limitations*, R.S.P.E.I. 1988, c. S-7; *Limitation of Actions Act*, R.S.Y. 2002, c. 139; *Limitation of Actions Act*, R.S.N.W.T. 1988, c. L-8; and *Limitation of Actions Act*, R.S.N.W.T. (Nu) 1988, c. L-8