



NO. Court File No. **VLC-S-S-248899**
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

[REDACTED]

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. Introduction - Overview of Claim

1. The within proposed automobile product liability multi-jurisdictional class proceeding involves certain model year 2016-2022 Honda Accord, Civic and CR-V vehicles equipped with a defective four cylinder 1.5-liter i-VTEC turbo-charged gasoline direct injection engine, defined below as **"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. ("HCI") and HONDA DEVELOPMENT & MANUFACTURING OF AMERICA, LLC, ("HDMA"), in Canada, including the Province of British Columbia. In particular, engine coolant seeps and collects in the grooves on the engine's cylinder head causing the seeped coolant to degrade the engine's head gasket and allowing the coolant to leak into the engine's combustion chambers resulting in overheating, blown head gaskets, engine component failures and/or loss of motive power, all of which creates a real, substantial and imminent danger to vehicle occupants (**"Engine Defect"**).
2. Turbo-charged engines have advantages but come at a cost. They produce far greater internal pressure and heat than naturally aspirated engines. As a result, they must be designed and manufactured with components that are tolerant of high compression forces

and heat, and must be adequately sealed and cooled to prevent internal component damage and engine failure.

3. For the Affected Class Vehicles with the Engine Defect, the Defendants, HMC, HCI and HDMA, failed to design vehicles with a turbo-charged engine that properly manages the increased compression and heat.
4. The coolant leaks cause three related problems. First, once the coolant leaks, an insufficient amount remains to adequately cool the turbo-charged engine, causing the turbo-charged engine to overheat which results in damage that includes, *inter alia*, warping, engine seizure, and fire. Second, when the coolant leaks into the turbo-charged engine's pistons, the engine misfires and loses motive power. Third, the leaked coolant mixes with the engine oil, diluting and contaminating the oil, causing corrosion and excessive and premature engine wear.
5. Affected Class Vehicles refers to the following model year Honda-branded vehicles engineered, designed, developed, manufactured, assembled, tested, marketed, distributed, supplied, leased and/or sold by the Defendants, HMC, HCI and HDMA, in Canada, including the Province of British Columbia, with the Engine Defect:

<u>Defendant</u> <u>Manufacturer</u>	<u>Model</u>	<u>Model Years</u>
HDMA	Accord	2018-2022
HCI/HDMA	Civic	2016-2022
HCI/HDMA	CR-V	2017-2022

The Plaintiff reserves the right to amend or add to the vehicle models included in the definition of Affected Class Vehicles.

6. Although the Affected Class Vehicles are under warranty, the Defendants, HCI, HMC and/or HDMA, have failed and/or refused to honour the warranty.

7. The Engine Defect poses a real, substantial and imminent danger of harm or injury to vehicle occupants, and though consumers have complained about it, the Defendants, HCI, HMC and/or HDMA, have failed and/or refused to issue a recall and adequately remedy or fix the Engine Defect in the Affected Class Vehicles.
8. Further, when owners and/or lessees of the Affected Class Vehicles seek a repair for the Engine Defect they are routinely told by Honda dealerships that there is no recall and many are forced to pay for this safety-related cost of repair at their own expense, with the cost of a blown head gasket exceeding \$5,000. Additionally, when owners and/or lessees present their Affected Class Vehicles to Honda dealerships after the Engine Defect manifests, the Defendants, HCI, HMC and/or HDMA, fail to reimburse them for rental cars, alternative transportation, towing costs and other out-of-pocket costs incurred as a result of the Engine Defect.
9. In engineering, designing, developing, manufacturing, assembling, testing, marketing, distributing, supplying, leasing and/or selling the Affected Class Vehicles, the Defendants, HCI, HMC and/or HDMA, have engaged in unfair, deceptive, and/or misleading consumer practices, and further have breached their express and implied warranties.
10. Prior to selling and/or leasing the Affected Class Vehicles, the Defendants, HCI, HMC and/or HDMA, knew that the Affected Class Vehicles were defective, yet omitted and kept this material fact from the Plaintiff and putative class members. Rigorous pre-release durability testing made the Defendants, HCI, HMC and/or HDMA, aware of the Engine Defect. The Engine Defect is also widely discussed and complained about on internet forums and message boards devoted to the Affected Class Vehicles and in complaints made directly to government safety regulators, Transport Canada and/or the United States National Highway Traffic Safety Administration ("NHTSA"), all of which the Defendants, HCI, HMC and/or HDMA, review and monitor. The Defendants, HCI, HMC and/or HDMA, have failed and/or refused to recall the Affected Class Vehicles and have not sufficiently remedied or fixed the Engine Defect.
11. As a result of the alleged misconduct of the Defendants, HCI, HMC and/or HDMA, the Plaintiff and putative class members were harmed and suffered actual damages. The

Plaintiff and putative class members did not receive the benefit of their bargain; rather, they purchased and/or leased vehicles that are of a lesser standard, grade and quality than represented, and they did not receive vehicles that met ordinary and reasonable consumer expectations regarding safe and reliable operation. Purchasers and/or lessees of the Affected Class Vehicles paid more, either through a higher purchase price or lease payments, than they would have had the Engine Defect been disclosed. The Plaintiff and putative class members were deprived of having a safe, defect-free turbo-charged engine installed in their Affected Class Vehicles, and the Defendants, HCI, HMC and/or HDMA, have unjustly benefitted from the higher price paid by consumers for such turbo-charged vehicles.

12. The Plaintiff and putative class members also suffered damages in the form of diminished value of the Affected Class Vehicles.
13. No reasonable consumer would have purchased and/or leased an Affected Class Vehicle had the Defendants, HCI, HMC and/or HDMA, made full and complete disclosure of the Engine Defect, or would have paid a lesser price.
14. The Plaintiff and putative class members expected that the Defendants, HCI, HMC and/or HMA, would disclose material facts about the safety of their Affected Class Vehicles and the existence of any defect that will result in expensive and non-ordinary repairs. The Defendants, HCI, HMC and/or HDMA, failed to do so.
15. The Plaintiff seeks relief for all other current and/or former owners and/or lessees of the Affected Class Vehicles with the defective turbo-charged engine, including, *inter alia*, recovery of damages, buy back and/or repair under provincial consumer protection legislation, breach of express warranty, breach of implied warranty of merchantability and reimbursement of all expenses associated with the repair and/or recall of the Engine Defect in the Affected Class Vehicles.

B. The Parties

i. Representative Plaintiff

16. The Plaintiff, [REDACTED] has an address c/o 210-4603 Kingsway, Burnaby, British Columbia, V5H 4M4, Canada.
17. In or about April 2020, the Plaintiff entered into a motor vehicle purchase agreement for a 2018 Honda Accord ("Honda Accord") with the Engine Defect, an Affected Class Vehicle, from a Honda dealership in Abbotsford, British Columbia, Canada, for approximately \$31,000. At no time did the said Honda dealership or the Defendants, HMC, HCI and/or HDMA, advise the Plaintiff of the Engine Defect in the Honda Accord prior to, or at the time of purchase, or thereafter.
18. Prior to purchasing his Honda Accord, the Plaintiff reviewed the Defendants', HMC's, HCI's and/or HDMA's, promotional materials, sales brochures, test drove the vehicle and interacted with at least one sales representative at the Honda dealership, all without the Defendants, HMC, HCI and/or HDMA, disclosing the Engine Defect in the Affected Class Vehicles.
19. Through his exposure to the Defendants', HMC's, HCI's and/or HDMA's, advertisements, promotional materials and other public statements, the Plaintiff was aware of and believed the Defendants' HMC's, HCI's and/or HDMA's, marketing message that their vehicles are safe and dependable, which was material to his decision to purchase the Honda Accord.
20. When he purchased the Honda Accord, the Plaintiff believed, based on the Defendants' HMC's, HCI's and/or HDMA's, marketing message, that he would be in a safe and dependable vehicle, one that is safer and more dependable than other vehicles on the market.
21. At no point before the Plaintiff purchased the Honda Accord did the Defendants, HMC, HCI and/or HDMA, disclose the Engine Defect to him, including that as a result, the vehicle was not safe and dependable, as advertised.

22. The Plaintiff's Honda Accord was not safe and dependable. The Engine Defect manifested in his Honda Accord. At highway speeds there is a loss of motive power as the Honda Accord starts to shudder, vibrate and/or misfire. The Plaintiff has taken the vehicle back to the Honda dealership for service and who have simply advised him that there is nothing wrong with his Honda Accord. The Plaintiff continues to experience shuddering, vibration and/or misfiring in his Honda Accord. The Engine Defect has created a dangerous condition that gives rise to a real, substantial and imminent risk of harm or injury to the Plaintiff, vehicle occupants and others on the road.
23. The Plaintiff's Affected Class Vehicle is not subject to any technical service bulletins, special service campaigns, or recalls for the Engine Defect, as further explained below.
24. As such, the Plaintiff has been left without a remedy or fix and, as a result of the Defendants', HMC's, HCI's and/or HDMA's, conduct and the Engine Defect, is continuously exposed to a real, substantial and imminent risk of harm or injury.

ii. The Defendants

25. The Defendant, HMC, is a company duly incorporated pursuant to the laws of Japan and has an address for service at 1-1, 2-Chome, Minami-Aoyama, Tokyo, 107-8556 Japan.
26. 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, Donald M. Dalik, at #2900 - 550 Burrard Street, Vancouver, British Columbia, V6C 0A3, Canada.
27. 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".
28. The Defendant, HMC, is a global conglomerate manufacturer of automobiles, motorcycles and battery-powered equipment. It is the world's largest manufacturer of internal

combustion engines.

29. At all material times to the cause of action herein, the Defendant, HMC, engineers, designs, develops, manufactures, assembles, markets, advertises, distributes supplies, leases and/or sells the Affected Class Vehicles, as averred to in paragraph five herein, through its related subsidiaries, affiliates, agents, operating and/or organizational units, including the Defendants, HCl and HDMA, independent retail dealers and authorized dealerships in North America, including the Province of British Columbia.
30. At all material times to the cause of action herein, the Defendant, HCl, was, and is, a wholly owned North American subsidiary of the Defendant, HMC, and engineers, designs, develops, manufactures, assembles, markets, advertises, distributes, supplies, leases and/or sells Honda-branded vehicles, including certain Affected Class Vehicles, as averred to in paragraph five herein, with the defective turbo-charged engine in Canada at an automobile plant located in Ontario for distribution and/or sale in Canada and/or the United States of America.
31. At all material times to the cause of action herein, the Defendant, HDMA, was, and is, a wholly owned North American subsidiary of the Defendant, HMC, and engineers, designs, develops, manufactures, assembles, markets, advertises, distributes, supplies, leases and/or sells Honda-branded vehicles, including certain Affected Class Vehicles, as averred to in paragraph five herein, equipped with the defective turbo-charged engine, in automobile plants located, *inter alia*, in the State of Ohio, United States of America, for distribution and/or sale in the United States of America and Canada, including the Province of British Columbia.
32. At all material times to the cause of action herein, the Defendant, HMC, exercises direct and/or indirect control and ownership over the Defendants, HCl and HDMA, including, *inter alia*, management policies, information governance policies, pricing and warranty terms.
33. At all material times to the cause of action herein, the Defendants, HCl, 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 with the defective turbo-charged engine, averred to herein, 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 defective turbo-charged engine in the Affected Class Vehicles, as averred to in paragraph five herein, such that each is the agent or alter ego of the other.

34. Hereinafter, the Defendants, HMC, HCI and HDMA, are collectively, and/or interchangeably, referred to as the Defendant, "**Honda**" or "**Defendants**", unless referred to individually.

C. The Class

35. This action is brought on behalf of members of a class consisting of the Plaintiff, all British Columbia residents, and all other persons resident in Canada, who own, owned, lease and/or leased an Affected Class Vehicle ("**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.

D. Factual Allegations

36. The Defendant, Honda, engineers, designs, develops, manufactures, assembles, markets, and sells millions of vehicles worldwide, including the Affected Class Vehicles, under the Honda and Acura brand names.
37. In 2023, the Defendant, Honda, sold over 1.5 million vehicles in North America.
38. All Affected Class Vehicles are equipped with a four-cylinder 1.5L turbo-charged engine (the "**Engine(s)**"). The Engines in the Affected Class Vehicles are substantially similar and, for the purposes of this proposed class proceeding, materially identical in all relevant respects.

i. History of the Defendant, Honda's, 1.5L Engine

39. In 1984, the Defendant, Honda, introduced the D-series 1.5L naturally-aspirated engine ("D15") for production in Honda-brand vehicles. The Defendant, Honda, engineered, designed, developed, manufactured, tested, assembled and sold vehicles equipped with several variants of the D15 engine until it was discontinued in 2005.
40. Like the Affected Class Vehicles' Engines, pre-Class Honda vehicles with the D15 engines suffered from head gasket failures which caused engine coolant to leak through the cylinder head surface into the adjacent combustion chambers, leading to engine overheating and engine damage.
41. On November 10, 1997, the Defendant, Honda, acknowledged the defect in the D15 engines when it released a Technical Service Bulletin, TSB 97-047, which covered model year 1988-1995 Honda Civic vehicles.
42. In TSB 97-047, the Defendant, Honda, explained "[the] head gasket leaks oil externally or allows coolant into the combustion chambers." The Defendant, Honda's, countermeasure to the D15 engine defect was a redesign of the cylinder head gasket and head bolts.
43. Commencing in 2001, the Defendant, Honda, introduced the successor to the D15 engine family, the L-Series 1.5L naturally-aspirated engine ("NA-L15").
44. In 2013, the Defendant, Honda, released two new variants of the NA-L15 engine, the L15B and L15C, which featured a dual overhead camshaft ("DOHC") and variable timing control ("VTC"), and a new technology known as the "intelligent Variable Valve Timing and Lift Electronic Control," or "i-VTEC."
45. The i-VTEC is intended to optimize performance and fuel efficiency by dynamically adjusting the timing and lift of the engine's valves based on driving conditions.
46. The Defendant, Honda's, L15B and L15C engines were plagued with engine issues from the start of production, including head gasket failure and VTC actuator failure, among other

things.

47. Hundreds of owners and/or lessees of the pre-Class Honda vehicles filed complaints with NHTSA and Transport Canada concerning these failures.

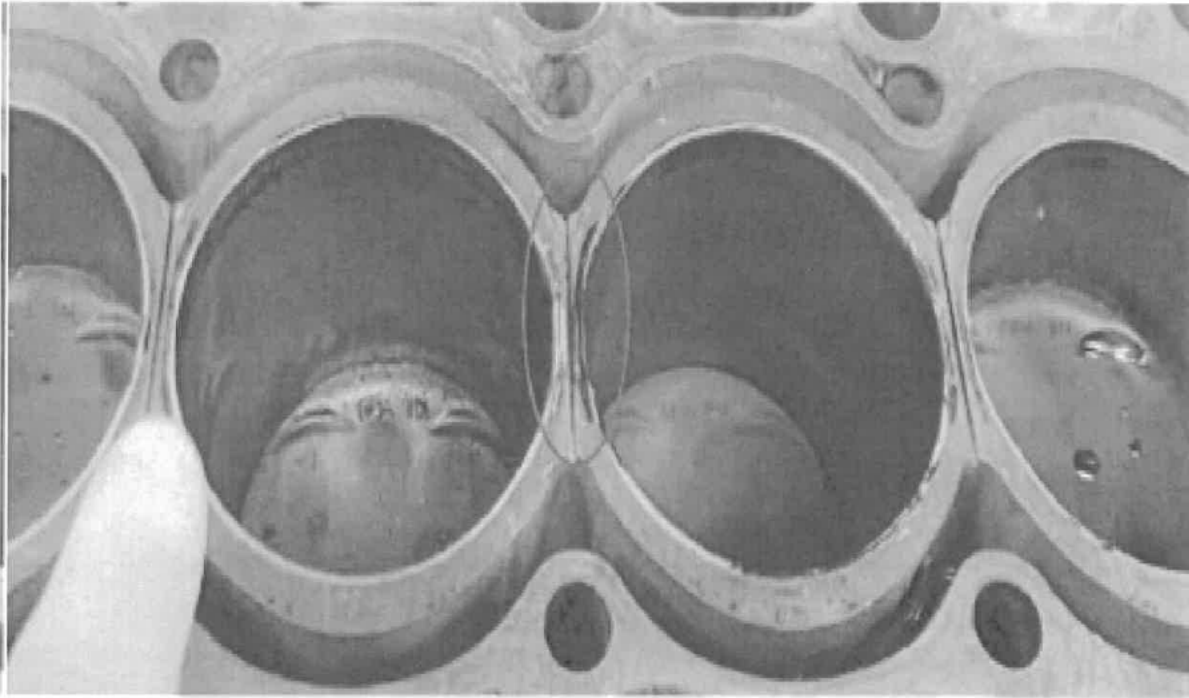
ii. The Engine in the Affected Class Vehicles

48. In or about 2016, the Defendant, Honda, debuted in the North American market the Engine at issue, the 1.5L i-VTEC turbo-charged gasoline direct injection engine. The Engine features a single-scroll turbocharger, DOHC cylinder head, and dual-VTC.
49. According to the Defendant, Honda, the design changes to the Engine are significantly different in many ways to the NA-L15.
50. The application of the dual VTC and single-scroll turbocharger enabled the Engine to provide greater torque while possessing a smaller displacement than naturally-aspirated engines.
51. Overall, the Engine weight was 30 kilograms lighter than a conventional naturally-aspirated engine with the same output.
52. As part of the design changes, the Engines contain shallow-dish pistons, which consist of a curved surface and an up slope surface.
53. These shallow-dish pistons work to produce double the kinetic energy compared to a naturally-aspirated engine.
54. By using a wide overlap period for the intake and exhaust valves, residual gas is scavenged from the cylinder and funneled to the exhaust system. The flow of the scavenged gas works to increase the turbine speed of the Engine.

55. By utilizing the wide overlap period, the cylinder is allowed to fill more air charge and works to reduce knocking.
56. These design changes result in the 1.5L i-VTEC turbo-charged gasoline direct injection engine to produce a torque output that is about 30% higher than that of the previous NA-L15 engine design.

iii. The Engine Defect

57. The Affected Class Vehicles suffer from a dangerous defect which places the Plaintiff and Class Members, as well as others on the road, at a real, substantial and imminent risk of harm or injury.
58. High compression, heat mitigation, and engine operating temperatures are critical concerns when designing and manufacturing an internal combustion engine.
59. Without proper heat mitigation and temperature control, the engine will overheat and cause critical damage to internal components and engine failure.
60. Similarly, excessive engine and cylinder pressure can cause pre-ignition, pre-detonation, and engine knocking, among other things, which damages the internal engine components, engine seals, including the head gasket, and can lead to catastrophic engine failure.
61. The Engine Defect results from the design and/or manufacturing of the engine block and cylinder head, including use of an inadequate head gasket or other sealing compounds or characteristics on the cylinder head. This design includes grooves at the point where the engine's cylinder head attaches to the engine block, as seen below, circled for ease of view:



62. In a typical - non-defective - engine, liquid coolant circulates through veins in the engine block and cylinder head to keep the engine cool and prevent overheating.
63. As the coolant circulates, heat is transferred from the engine block to the liquid coolant.
64. The liquid coolant then circulates to the radiator, where it is cooled and re-circulated throughout the engine.
65. The liquid coolant is pressurized as it circulates, so all mating surfaces must be properly sealed to prevent liquid coolant from externally or internally leaking, causing the engines to overheat, damage internal components, and lead to catastrophic engine damage or failure.
66. The Affected Class Vehicles, however, fail to properly seal and contain the liquid coolant.

67. In the Affected Class Vehicles, the coolant seeps through and collects in the grooves on the cylinder head.
68. The coolant then degrades the Engine's gasket, eventually resulting in the coolant leaking into the Engine's cylinders.
69. The coolant leaks cause three related problems. First, due to the leaking, insufficient coolant remains in the Engine to properly cool it, which results in the Engine overheating. The engine overheating can then cause catastrophic damage, including cracked cylinder heads from the excessive heat.
70. Engine overheating can also warp other internal components, such as pistons. In addition, when an overheated engine reaches a certain degree, the overheating causes a loss of oil viscosity, which may lead to complete engine seizure, and in some instances, engine fire.
71. Second, coolant leaking into cylinders can cause the Engine to misfire and lose motive power.
72. Third, coolant that enters the cylinders can mix with the oil on the cylinder walls, causing oil dilution and/or contamination, which in turn causes corrosion and excessive wear on bearings and other internal Engine surfaces.
73. These failure modes can occur at low kilometers and can cause catastrophic engine failure within the warranty.
74. The Engine Defect creates a serious safety risk, because it renders the Affected Class Vehicles unexpectedly inoperable without warning, preventing them from moving out of the way of oncoming danger or from moving with the flow of traffic. As such, a vehicle that suffers from the Engine Defect is not fit for its ordinary purpose and does not pass without objection in the trade, and renders the Affected Class Vehicles substantially less drivable,

useable, safe, and valuable. This is especially true for the Affected Class Vehicles, which were marketed as safe and reliable family vehicles.

75. The Defendant, Honda, has publicly acknowledged the Engine Defect through Manufacturer Communications to Honda-authorized dealerships first issued in 2017, as well as cheap design changes made by the Defendant, Honda, in 2020 as an attempt to eliminate the Engine Defect, including changes to the head gasket. However, these design changes failed to address and adequately remedy or fix the Engine Defect.

iv. The Defendant, Honda's, knowledge of the Engine Defect and associated safety risks

76. The Defendant, Honda, fraudulently, intentionally, negligently, and/or recklessly concealed from the Plaintiff and Class Members the Engine Defect in the Affected Class Vehicles, even though the Defendant, Honda, knew or ought to have known of the design and/or manufacturing defects in the Affected Class Vehicles.
77. The Defendant, Honda, became aware of the Engine Defect through sources not available to the Plaintiff and Class Members, including, but not limited to: pre-production testing, pre-production design failure mode and analysis data, production design failure mode and analysis data, early consumer complaints made exclusively to the Defendant, Honda's, network of dealers and directly to the Defendant, Honda, aggregate warranty data compiled from the Defendant, Honda's, network of dealers, testing conducted by the Defendant, Honda, in response to consumer complaints, repair order and parts data received by the Defendant, Honda, from its network of dealers and suppliers, its investigation and field analysis of the Engine Defect and its investigation and root cause analysis of failures in pre-Affected Class Vehicles.
78. Despite its exclusive and actual knowledge, the Defendant, Honda has not recalled the Affected Class Vehicles or provided an adequate remedy or fix for the Engine Defect.

a. Pre-Release Testing

79. The Defendant, Honda, knew or ought to have known about the Engine Defect from the testing performed on the Engine and its' components. Prior to the sale of any of the Affected Class Vehicles, the Defendant, Honda, like any other reasonable Original Equipment Manufacturer (OEM) seeking to manufacture and sell vehicles on the North American market-completed a multitude of analyses and testing that exposed the existence of the Engine Defect.
80. The Defendant, Honda, and its suppliers, perform various pre-production testing on new vehicle components, including most notably Failure Modes and Effects Analysis ("FMEA") and Design Validation Plan and Report ("DVP&R").
81. The Defendant, Honda, and its suppliers performed these tests, and others, on the Affected Class Vehicles and, if performed with due care, each of these tests demonstrated that the relevant systems or components in the Affected Class Vehicles would lead to failure of the Engine.
82. FMEA tests methods or modes by which a particular component might fail. It examines the design of each component, the assembly of the part, and whether use in various manners would cause the part or system to fail. For example, in testing the systems at issue here, FMEA testing would explore, among other things, how and under what conditions the Engine and its components could fail, how likely failure was under different conditions, and how likely each condition tested was to occur.
83. The purpose of the FMEA is to define, based on known and established engineering facts like those asserted by the Defendant, Honda, 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 Engine Defect would result in a "high risk" priority and draw additional and more extensive analysis and validation testing during the FMEA and DVP&R phases. Given the reports of Engine failures after sale, these processes were designed to show the

various modes of failure caused by the Engine Defect and confirm what the Defendant, Honda, already knew about the Engine Defect.

84. 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. This testing is discussed below.
85. Bench scale testing is component-specific and establishes a strict set of specifications and guidelines to ensure that the component will operate reliably and durably in foreseeable operating conditions. During this phase of testing, the Defendant, Honda's, Engine was "bench tested," that is, set up on various machinery to simulate certain operating extremities and conditions to confirm whether it meets the necessary specifications and guidelines set by the supplier in coordination with the Defendant, Honda. The Defendant, Honda, would have received the detailed results of the bench testing and resulting Technical Control Documents ("TCDs"), which outline the operating limitations of the Defendant, Honda's, Engine along with the potential risks associated with installation in the Affected Class Vehicles, including the Engine Defect. Bench testing of the Engine would have confirmed what Defendant, Honda, already knew about its design choice or its workmanship and materials that the Engine fails to operate as intended and prematurely fails.
86. Dynamometer testing is one of the most important types of testing to ensure durability and performance of the powertrain and its components. In the dynamometer test, the powertrain is operated under extreme conditions such as maximum temperatures, revolutions per minute (RPMs), or excessive vibration. Dynamometer testing is intended to demonstrate powertrain robustness and reveal necessary improvements or flaws, such as the Engine Defect. Dynamometer testing would have revealed the Engine was poorly designed and manufactured, suffered from premature degradation, under-performance, and, ultimately, catastrophic failure.
87. The Defendant, Honda, and its suppliers also performed computer and real-world

simulations of the systems, including in extreme conditions, to confirm they are meeting the design goals. The Defendant, Honda, tested the Engine in actual vehicles, both prototype vehicles and pre-production line vehicles. In these tests, vehicles are driven through a full range of conditions and extremities that are encountered once a vehicle is sold to the public. These vehicle-specific development tests include mapping extreme operating conditions, which are the kinds of modes that manifest the Engine Defect.

88. Through the rigors of these three phases of DVP&R testing, the Defendant, Honda's, Engine was exposed repeatedly to conditions that cause the Engine Defect to manifest.
89. The Defendant, Honda, admits that it performs extensive pre-release testing of the Affected Class Vehicles before they are sold.
90. During this testing, the Defendant, Honda, learned that the Affected Class Vehicles' Engine grossly underperforms and suffers internal component damage and failure. However, due to the costs of redesigning and fixing the Engine, the Defendant, Honda, opted to conceal the Engine Defect.
91. The Defendant, Honda, knew or should have known that the Engine Defect was material to owners and/or lessees of the Affected Class Vehicles and that the Plaintiff and Class Members could not reasonably discover the Engine Defect on their own prior to purchasing and/or leasing the Affected Class Vehicles.
92. The Defendant, Honda, had and continues to have a duty to fully disclose the true nature of the Engine Defect to the Plaintiff and Class Members, among other reasons, because: (i) the Engine Defect poses a real, substantial and imminent risk of harm or injury; (ii) the Defendant, Honda, had and has exclusive knowledge or access to material facts about the Affected Class Vehicles' Engine that were and are not known to or reasonably discoverable by the Plaintiff and Class Members; and (iii) the Defendant, Honda, has actively concealed the Engine Defect from its customers at the time of purchase or repair.
93. Specifically, the Defendant, Honda,: (i) failed to disclose, at the time of purchase or repair and thereafter, any and all known material defects or material non-conformities of the Affected Class Vehicles, including the Engine Defect; (ii) failed to disclose, at the time of

purchase or repair and thereafter, that the Affected Class Vehicles and their Engines were not in good working order, were defective and prone to failure, and were not fit for their intended purpose; and (iii) failed to disclose and actively concealed the fact that the Affected Class Vehicles and their Engines were defective, despite the fact that the Defendant, Honda, learned of the Engine Defect before it placed the Affected Class Vehicles in the stream of commerce.

94. The Engine Defect and its associated safety risks were concealed and actively suppressed in order to protect the Defendant, Honda's, corporate profits from loss of sales, purchase refunds, warranty repairs, adverse publicity, and brand disengagement. Consumers were misled into believing their Affected Class Vehicles had different qualities than what they purchased or leased, and as a result, were deprived of economic value, the benefit of their bargain, and overpaid for their Affected Class Vehicles.
95. At all relevant times, in promotional materials, advertisements, and other representations, the Defendant, Honda, and its authorized dealers maintained that the Affected Class Vehicles were safe, reliable, and made no reference to the Engine Defect. The Plaintiff and Class Members, directly, and indirectly, were exposed to, saw or heard such promotional materials and advertisements prior to purchasing and/or leasing the Affected Class Vehicles. These misleading representations about the Affected Class Vehicles' reliability and safety were material to the Plaintiff's and Class Members' ultimate decision to purchase and/or lease the Affected Class Vehicles.
96. Notwithstanding the Defendant, Honda's, superior and exclusive knowledge of the Engine Defect, it failed to disclose the Engine Defect to the Plaintiff and Class Members at the time of purchase and/or lease of the Affected Class Vehicles and made no mention of the Engine Defect in its advertisements, promotional materials, and other representations.

b. Consumer complaints

97. Government regulations in both the United States and Canada (49 U.S. Code 301- Motor Vehicle Safety Act and *Motor Vehicle Safety Act*, R.S.C. 1993, c.16) require that vehicle manufacturers to disclose to NHTSA and Transport Canada respectively of "early warning

reporting” data, including claims relating to property damage received by the automotive manufacturer, warranty claims paid by the automotive manufacturer, consumer complaints, incidents involving injury or death, and field reports prepared by the automotive manufacturer’s employees or representatives concerning failure, malfunction, lack of durability, or other performance issues.

98. Further, these government regulations require immediate action when a vehicle manufacturer determines or should determine that a safety defect exists. A safety defect is defined by regulation to include any defect that creates an “unreasonable risk of accidents occurring because of the design, construction, or performance of a motor vehicle” or “unreasonable risk of death or injury in an accident.” Within a period of time of learning about a safety defect, a manufacturer must notify NHTSA and Transport Canada and provide a description of the vehicles potentially containing the defect, including “make, line, model year, [and] the inclusive dates (month and year) of manufacture,” a description of how these vehicles differ from similar vehicles not included in the recall, and “a summary of all warranty claims, field or service reports, and other information” that formed the basis of the determination that the defect was safety related. Then, “within a reasonable time” after deciding that a safety issue exists, the vehicle manufacturer must notify the owners of the defective vehicles. Violating these notification requirements can result in a substantial civil penalty.
99. As such, government regulations require the Defendant, Honda, to monitor defects that can cause a safety issue and report them within a specified time to Transport Canada and NHTSA. The Defendant, Honda, regularly monitors NHTSA complaints to meet regulatory reporting requirements. Due to the numerous consumer complaints to Transport Canada and/or NHTSA detailing the Engine Defect in the Affected Class Vehicles, the Defendant, Honda, had knowledge of such.
100. The Defendant, Honda, also monitors social media platforms and online forums, including Honda-specific forums, which the Defendant, Honda, monitors to track product performance and customer satisfaction. As such, the Defendant, Honda, is, and was, aware of the numerous, widespread complaints about the Engine in the Affected Class Vehicles.

101. Owners and/or lessees of the Affected Class Vehicles have also reported the Engine Defect on social media platforms and online forums, including Honda-specific forums.

c. Warranty data

102. The Defendant, Honda, also knew about the Engine Defect from its warranty data. Pursuant to government regulations, the Defendant, Honda, tracks customer complaints, vehicle diagnoses, and repairs from dealership technicians in a single, aggregated database. The Defendant, Honda, employs persons who monitor the database for repair trends, and engineering and management staff review such trends in regular meetings. The Defendant, Honda, has received voluminous Engine Defect warranty claims from the start of production.
103. Based on pre-production testing, pre-production design failure mode analysis, production design failure mode analyses, early consumer complaints made to Defendant, Honda's, network of exclusive dealers, aggregate warranty data compiled from those dealers, repair order and parts data received from the dealers, consumer complaints to Transport Canada and NHTSA, public consumer complaints made online, and the testing performed in response to the consumer complaints, the Defendant, Honda, knew the Engine Defect was present in all Affected Class Vehicles, but it has not disclosed the Engine Defect or provided an adequate repair or fix to all Affected Class Vehicles. The Defendant, Honda's, unconscionable acts deprived and continues to deprive the Plaintiff and Class Members of the benefit of their bargain. Had the Plaintiff and Class Members known what the Defendant, Honda, knew about the Engine Defect, they would not have purchased their Affected Class Vehicles, or certainly would have paid less to do so.
104. Based on the voluminous early warranty complaints submitted to the Defendant, Honda, and other sources, it knew of the Engine Defect well before the Affected Class Vehicles were purchased and/or leased by Class Members.

d. The Defendant, Honda's, manufacturer communications related to the Engine Defect

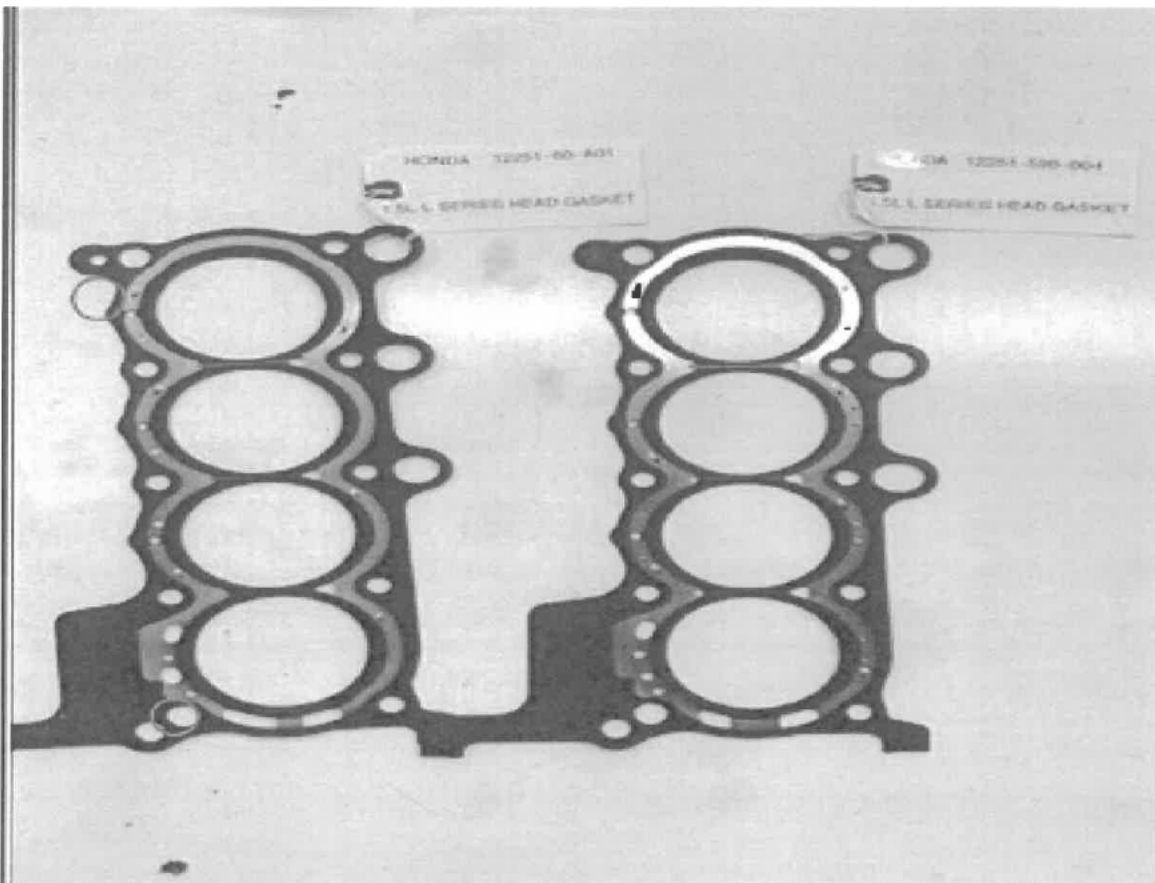
105. On October 4, 2017, the Defendant, Honda, issued an inspection request to authorized Honda dealerships requesting to inspect certain model years 2016-2018 Civics and 2017-2018 CR-Vs for complaints of oil leaks from the head cover gasket. No root cause was identified, and no repair was offered for customers suffering from the Engine Defect.
106. On July 26, 2024, the Defendant, Honda, issued a parts request to Honda authorized dealerships for certain model years 2018-2022 1.5L Accords, as well as 2017-2022 1.5L CR-Vs, and 2020-2020 CR-V FHEVs with customer complaints of the Malfunction Indicator Light (MIL) on with the DTC P030X (Cylinder Misfire Detected) stored. The Defendant, Honda, also stated that customers may experience rough running of the engine.
107. A qualifier for the parts request was that "Head Gasket coolant leak to cylinder has been confirmed." The Defendant, Honda, offered technicians VISA gift cards for reporting the qualifying failures, but no repair or fix was offered to customers suffering from the Engine Defect.
108. On August 15, 2024, the Defendant, Honda, issued a second parts request to Honda authorized dealerships for certain model years 2018-2022 1.5L Accords, as well as 2017-2022 1.5L CR-Vs, and 2020-2020 CR-V FHEVs with customer complaints of the Malfunction Indicator Light (MIL) on with the DTC P030X (Cylinder Misfire Detected) stored.
109. Again, a qualifier for the parts requests was that "Head Gasket coolant leak to cylinder has been confirmed." No repair or fix was offered for the customers suffering from the Engine Defect, but the Defendant, Honda, again offered technicians VISA gift cards for reporting the qualifying failures.
110. Despite knowledge of the Engine Defect, the Defendant, Honda, did not offer repairs for customers suffering from the Engine Defect, nor did the Defendant, Honda, cover any attempted repairs or fix under warranty.

e. The Defendant, Honda's, design changes

111. The Defendant, Honda, modified the short block design of the Affected Class Vehicles

starting for the 2019 model years (Part No. 10002-6A0-A01).

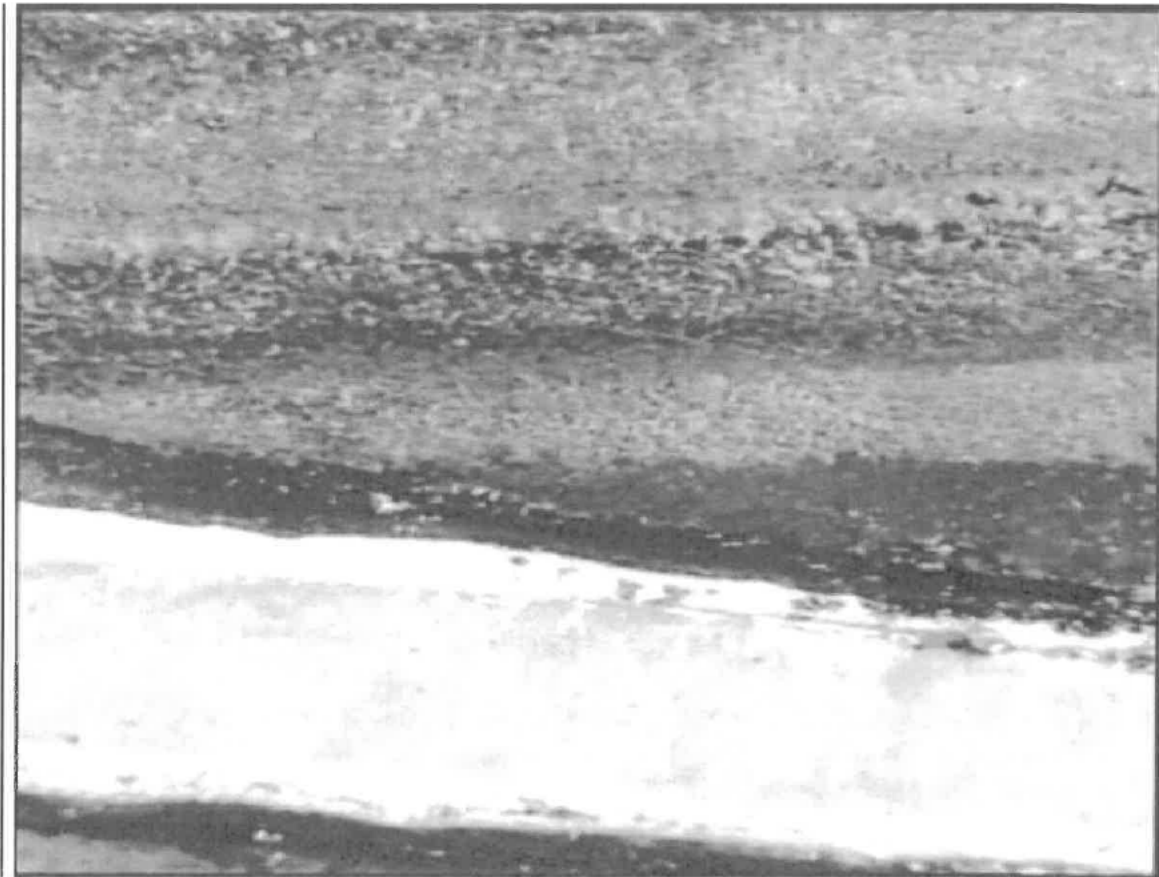
112. However, this design change did not eliminate the root cause of the Engine Defect because the design continued to include grooves at the point where the engine's cylinder head attaches to the engine block.
113. Starting for the 2020 model year Accord, the Defendant, Honda, introduced a modified head gasket design in an attempt to eliminate the Engine Defect. This design change was later implemented in the Civic and CR-V vehicles starting in model year 2021.
114. For illustrative purposes, the below image contains the newly designed head gasket (left) and the previous head gasket design (right):



115. As highlighted above, the 2020 design change only modified the size and location of certain

oil and coolant passages in an attempt to better manipulate oil and coolant flow.

116. This design change proved to be ineffective, and the Affected Class Vehicles' Engines continue to suffer from the Engine Defect.
117. Specifically, coolant continues to leak through the gasket, causing coolant to mix with engine oil, resulting in the Engine overheating due to pressure build-up in the cooling system, potentially leading to significant engine damage.
118. The below image of a 2022 Honda Accord equipped with the 2020 head gasket design demonstrates the Engine Defect eroding the head gasket between the cylinder and combustion chambers leading to head gasket failure, among other things:



119. Finally, starting in the 2023 model year for the Affected Class Vehicles, the Defendant,

Honda, introduced its second short engine block design change.

120. Since the specifics of the 2023 design change are currently in the exclusive and superior possession of the Defendant, Honda, and further, because the Engine Defect is a latent defect, it is not yet known whether the 2023 model year Accord, Civic and CR-V vehicles and onward are free of the Engine Defect.

E. The Defendant, Honda, touted the safety, quality, and reliability of the Affected Class Vehicles while concealing the Engine Defect

121. The Defendant, Honda, has operated in North America since 1959, manufacturing and selling passenger cars such as the Accord and Civic, and light trucks such as the CRV, since 1976, 1972, and 1997, respectively.
122. In its tenth generation, the Honda Accord underwent major changes in 2017, and model years 2018-2022 Accords now come standard with the 1.5-liter turbo-charged engine, depending on trim level.
123. Since 2015, the tenth-generation Civic sedan has been sold by the Defendant, Honda. Model years 2016-2022 Civics come equipped with the 1.5-liter turbo-charged engine, depending on trim level.
124. In 2017, the Defendant, Honda, introduced its fifth generation CR-V. Model years 2017-2023 CR-Vs contain the 1.5-liter turbo-charged engine, depending on trim level.
125. Through its extensive network of dealerships the Defendant, Honda, has become one of the top automakers in North America in terms of sales.
126. In 2020 and 2021, the Defendant, Honda, sold 1.34 million and 1.46 million vehicles respectively.
127. In 2021, 95% of the Honda and Acura branded vehicles sold in Canada were produced in North America.

128. The Accord has been the Defendant, Honda's, third best-selling vehicle, selling over 199,000 vehicles and over 202,000 vehicles in 2020 and 2021, respectively in the United States and over 6,400 such vehicles in Canada in both 2020 and 2021.
129. The Civic sold over 261,000 vehicles and over 263,000 vehicles in 2020 and 2021, respectively in the United States and over 43,000 such vehicles in Canada in both 2020 and 2021.
130. The CR-V has been the Defendant, Honda's, best-selling vehicle in the United States, selling over 333,000 vehicles in 2020, and over 361,000 vehicles in 2021 and over 50,000 such vehicles in Canada in both 2020 and 2021.
131. The Defendant, Honda, is one of the largest sellers in the North American automobile market based on its assurances to consumers of care, durability, and quality.
132. Consistent with its marketing and public statements, the Defendant, Honda, falsely represents its vehicles as safe and dependable so that consumers can rely upon the build and quality of the vehicles for daily use.
133. The Defendant, Honda's, overarching marketing message for the Affected Class Vehicles was, and is, that it creates safe, efficient, and dependable vehicles. This marketing message is false, and misleading given the Engine Defect, which can cause the Affected Class Vehicles' Engine to suffer from coolant leakage through the cylinder head surface into the adjacent combustion chambers, leading to overheating and blown head gaskets, among other component failures, as well catastrophic engine failure.
134. The Defendant, Honda, directly markets, for its benefit, the Affected Class Vehicles to consumers via extensive nationwide multimedia advertising campaigns on television, the internet, billboards, print, mailings, social media, and other mass media, which impart a universal and pervasive marketing message: safe and reliable vehicles.
135. The Defendant, Honda, dedicates a page on its website entitled "safety," where it represents the safety of its vehicles.

136. The Defendant, Honda's, YouTube channel similarly displays a commercial with respect to the engineering and safety of its vehicles.
137. The consistently uniform marketing message from the Defendant, Honda, concerning the safety and reliability of its vehicles is also found in its marketing brochures for the Affected Class Vehicles.
138. The Defendant, Honda's, marketing brochures for the Affected Class Vehicles tout the advanced engineering and cutting edge technology with respect to 1.5L turbo-charged engine equipped in such vehicles. Its marketing brochures are provided to prospective customers at its network of dealerships.
139. Although the Defendant, Honda, markets the Affected Class Vehicles as safe and reliable, in the field, the Affected Class Vehicles fail to meet that promise. Instead, the Defendant, Honda, omits the true nature of the Affected Class Vehicles and the fact that the Affected Class Vehicles suffer from the Engine Defect. The Defendant, Honda, has never disclosed the Engine Defect to the Plaintiff or Class Members.
140. The Plaintiff and Class Members were exposed to the Defendant, Honda's, pervasive and long-term marketing campaign touting the supposed quality, safety, and reliability of the Affected Class Vehicles.
141. The Plaintiff and Class Members, as any reasonable customer would, justifiably made their decisions to purchase and/or lease their Affected Class Vehicles based, in material part, on the Defendant, Honda's, misleading marketing, including affirmations of facts, promises, and representations, which also omitted any disclosure of the Engine Defect.
142. The Defendant, Honda, has actively concealed the Engine Defect throughout the Class Period despite its pervasive knowledge. Specifically, the Defendant, Honda, has:
 - (a) failed to disclose, at and after the time of purchase, lease, and/or service, any and all known material defects of the Affected Class Vehicles, including the Engine Defect;

- (b) failed to disclose, at and after the time of purchase, lease, and/or service, that the Affected Class Vehicles suffered the Engine Defect, were defective, and not fit for their intended purposes;
 - (c) failed to disclose, and actively concealed, the fact that the Affected Class Vehicles suffered the Engine Defect and were defective, despite that the Defendant, Honda, learned of the Engine Defect as early as 2016 or before, and well before the Plaintiff and Class Members purchased and/or leased their Affected Class Vehicles; and
 - (d) failed to disclose, and actively concealed, the existence and pervasiveness of the Engine Defect even when Class Members directly asked about it during communications with the Defendant, Honda, its dealerships and/or service centers.
143. The Defendant, Honda, also creates or approves much, if not all, of the marketing materials provided by a Honda-authorized dealership to consumers prior to or at the time of purchase. The Defendant, Honda, through its dealers and those marketing materials, could have disclosed the Engine Defect and the true nature of the Affected Class Vehicles, but it failed to do so. As a result of the Defendant, Honda's, omissions of material facts at the point of sale, the Plaintiff and Class Members were misled and have overpaid for their Affected Class Vehicles.
144. The Defendant, Honda's, touting of the safety and reliability of the Affected Class Vehicles while knowing of the Engine Defect and the Engine's gross under-performance is unconscionable.
- F. Agency relationship between the Defendant, Honda, and its authorized dealerships as to the Affected Class Vehicles**
145. Honda-authorized dealerships are sales agents of the Defendant, Honda, as the vehicle manufacturer. The dealerships have accepted that undertaking. The Defendant, Honda, has the ability to control authorized Honda dealers, and acts as the principal in that relationship, as is shown by the following:

- (a) the Defendant, Honda, can terminate the relationship with its dealers at will;
- (b) the relationships are indefinite;
- (c) the Defendant, Honda, is in the business of selling vehicles as are its dealers;
- (d) the Defendant, Honda, provides tools and resources for Honda dealers to sell vehicles;
- (e) the Defendant, Honda, supervises its dealers regularly;
- (f) without the Defendant, Honda, the relevant Honda dealers would not exist;
- (g) the Defendant, Honda, requires the following of its dealers:
 - (i) reporting of sales;
 - (ii) computer network connection with the Defendant, Honda;
 - (iii) training of dealers' sales and technical personnel;
 - (iv) use of the Defendant, Honda's, computer software system;
 - (v) participation in the Defendant, Honda's, training programs;
 - (vi) establishment and maintenance of service departments in Honda dealerships;
 - (vii) certify Honda pre-owned vehicles;
 - (viii) reporting to the Defendant, Honda, with respect to the vehicle delivery, including reporting customer names, addresses, preferred

titles, primary and business phone numbers, e-mail addresses, vehicle VIN numbers, delivery date, type of sale, lease/finance terms, factory incentive coding, if applicable, vehicles' odometer readings, extended service contract sale designations, if any, and names of delivering dealership employees; and

- (iv) displaying the Defendant, Honda's, logos on signs, literature, products, and brochures within Honda dealerships.
- (h) dealerships bind the Defendant, Honda, with respect to:
 - (i) warranty repairs on the vehicles the dealers sell; and
 - (ii) issuing service contracts administered by the Defendant, Honda;
- (i) the Defendant, Honda, further exercises control over its dealers with respect to:
 - (i) financial incentives given to Honda dealer employees;
 - (ii) locations of dealers;
 - (iii) testing and certification of dealership personnel to ensure compliance with the Defendant, Honda's, policies and procedures; and
 - (iv) customer satisfaction surveys, pursuant to which the Defendant, Honda, allocates the number of Honda cars to each dealer, thereby directly controlling dealership profits.
- (j) Honda dealers sell Honda vehicles on behalf of the Defendant, Honda, pursuant to a "floor plan," and the Defendant, Honda, does not receive payment for its vehicles until the dealerships sell them;

- (k) dealerships bear the Defendant, Honda's brand names, use its logos in advertising and on warranty repair orders, post Honda-brand signs for the public to see, and enjoy a franchise to sell the Defendant, Honda's, products, including the Affected Class Vehicles;
- (l) the Defendant, Honda, requires Honda dealers to follow its rules and policies in conducting all aspects of dealer business, including the delivery of its warranties described above, and the servicing of defective vehicles such as the Affected Class Vehicles;
- (m) the Defendant, Honda, requires its dealers to post its brand names, logos, and signs at dealer locations, including dealer service departments, and to identify itself and to the public as authorized Honda dealers and servicing outlets for the Defendant, Honda's, vehicles;
- (n) the Defendant, Honda, requires its dealers to use service and repair forms containing its brand names and logos;
- (o) the Defendant, Honda, requires Honda dealers to perform its warranty diagnoses and repairs, and to do the diagnoses and repairs according to the procedures and policies set forth in writing by it;
- (p) the Defendant, Honda, requires Honda dealers to use parts and tools either provided by it, or approved by it, and to inform the Defendant, Honda, when dealers discover that unauthorized parts have been installed on one of its vehicles;
- (q) the Defendant, Honda, requires dealers' service and repair employees to be trained by it in the methods of repair of Honda-brand vehicles;
- (r) the Defendant, Honda, audits Honda dealerships' sales and service departments and directly contacts the customers of said dealers to determine their level of satisfaction with the sale and repair services

provided by the dealers, who are then granted financial incentives or reprimanded depending on the level of satisfaction;

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

Part 2: RELIEF SOUGHT

146. The Plaintiff, on its own behalf and on behalf of Class Members, claims against the Defendant, Honda, as follows:

- (a) an order certifying this action as a class proceeding and appointing the Plaintiff as the named representative;
- (b) a declaration that the Defendant, Honda, was negligent in the design and/or manufacturing of the Affected Class Vehicles with the Engine Defect causing the Plaintiff and Class Members to suffer damages;

- (c) a declaration that the Defendant, Honda,:
 - (i) breached its duty of care to the Plaintiff and Class Members;
 - (ii) breached express warranties as to the Affected Class Vehicles and is consequently liable to the Plaintiff and Class Members for damages;
 - (iii) breached implied warranties or conditions of merchantability as to the Affected Class Vehicles and is consequently liable to the Plaintiff and Class Members for damages pursuant to sections 18(a),(b) and 56 of the *Sale of Goods Act*, R.S.B.C. 1996 ("SGA"), 410; sections 16(2), (4) and 52 of the *Sale of Goods Act*, RSA 2000, c. S-2; sections 16(1), (2) and 52 of the *Sale of Goods Act*, RSS 1978, c. S-1; sections 16(a), (b) and 54 of *The Sale of Goods Act*, CCSM 2000, c. S10; sections 15(1), (2) and 51 of the *Sale of Goods Act*, RSO 1990, c. S.1; sections 16(a),(c) and 54 of the *Sale of Goods Act*, RSNL 1990, c. S-6 ; sections 17(a),(b) and 54 of the *Sale of Goods Act*, RSNS 1989, c. 408; sections 20(a),(b) and 67 of the *Sale of Goods Act*, RSNB 2016, c. 110; sections 16(a), (b) and 53 of the *Sale of Goods Act*, RSPEI 1988, c. S-1; sections 15(a), (b) and 60 of the *Sale of Goods Act*, RSY 2002, c. 198; sections 18(a),(b) and 60 of the *Sale of Goods Act*, RSNWT 1988, c. S-2; and sections 18(a),(b) and 60 of *the Sale of Goods Act*, RSNWT (Nu) 1988, c. S-2; and
 - (iv) engaged in unfair practices contrary to sections 4 and 5 of the *Business Practices and Consumer Protection Act*, S.B.C. 2004 ("BPCPA"); Sections 5 and 6 of the *Consumer Protection Act*, RSA 2000, c. C-26.3; Sections 6 and 7 of *The Consumer Protection and Business Practices Act*, SS, 2013, c C-30.2; Sections 2 and 3 of *The Business Practices Act*, CCSM c B120; Sections 14(1) and (2) of the *Consumer Protection Act*, 2002, SO 2002, c 30, Sch A and Section 4(1) of the *Consumer Product Warranty and Liability Act*, SNB 1978, c C-18.1, and is consequently liable to Class Members for damages;

- (d) a declaration that it is not in the interests of justice to require that notice be given, where applicable, under the *BPCPA*; *Consumer Protection Act*, RSA 2000, c. C-26.3; *The Consumer Protection and Business Practices Act*, SS, 2013, c C-30.2; *The Business Practices Act*, CCSM c B120; *Consumer Protection Act*, 2002, SO 2002, c 30, Sch A; *Consumer Product Warranty and Liability Act*, and SNB 1978, c C-18.1, and waiving any such applicable notice provisions;
- (e) an Order for the statutory remedies available under the *BPCPA*; *Consumer Protection Act*, RSA 2000, c. C-26.3; *The Consumer Protection and Business Practices Act*, SS, 2013, c C-30.2; *The Business Practices Act*, CCSM c B120; *Consumer Protection Act*, 2002, SO 2002, c 30, Sch A; *Consumer Product Warranty and Liability Act*, SNB 1978, c C-18.1, including damages, cancellation and/or rescission of the purchase and/or lease of the Affected Class Vehicles;
- (f) an order directing the Defendant, Honda, to advertise any adverse findings against it pursuant to section 172(3)(c) of the *BPCPA*; Section 19 of the *Consumer Protection Act*, RSA 2000, c. C-26.3; Section 93(1)(f) of *The Consumer Protection and Business Practices Act*, SS, 2013, c C-30.2; Section 23(2)(f) of *The Business Practices Act*, CCSM c B120; Section 18(11) of the *Consumer Protection Act*, 2002, SO 2002, c 30, Sch A and Section 15 of the *Consumer Product Warranty and Liability Act*, SNB 1978, c C-18.1;
- (g) a declaration that the Defendant, Honda, breached sections 36 and/or 52 of the *Competition Act*, R.S.C 1985, c. C-34 and is consequently liable to the Plaintiff and Class Members for damages;
- (h) an order enjoining the Defendant, Honda, from continuing its unlawful and unfair business practices as alleged herein;
- (i) injunctive and/or declaratory relief requiring the Defendant, Honda, to recall, repair and/or replace the defective Engine in the Affected Class Vehicles and/or buy back all Affected Class Vehicles and to fully reimburse and make whole all Class Members for all costs and economic losses associated therewith;

- (j) an order pursuant to section 29 of the *Class Proceeding Act*, R.S.B.C. 1996, c.50 (“CPA”) directing an aggregate assessment of damages;
- (k) costs of notice and administering the plan of distribution of the recovery in this action plus applicable taxes pursuant to section 24 of the CPA;
- (l) damages, including actual, compensatory, incidental, statutory and consequential damages;
- (m) special damages;
- (n) punitive damages;
- (o) costs of investigation pursuant to section 36 of the *Competition Act*;
- (p) pre-judgment and post-judgment interest pursuant to the *Court Order Interest Act*, R.S.B.C. 1996, c. 79; and
- (q) such further and other relief as to this Honourable Court may seem just.

Part 3: LEGAL BASIS

G. Jurisdiction

147. 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 (the “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.

H. Causes of Action

i. Negligence

- 148. The Defendant, Honda, at all material times owed a duty of care to the Plaintiff and Class to provide a product that did not have a design defect. The Affected Class Vehicles with the defective Engine pose a real, substantial and imminent danger of harm or injury to Class Members as a result of coolant leaking into the engine's combustion chambers leading to, *inter alia*, overheating, blown head gaskets, misfire and loss of motive power, corrosion and excessive and premature engine wear.
- 149. The Defendant, Honda, as the designer, engineer, manufacturer, promoter, marketer and/or distributor of the Affected Class Vehicles, intended for use by ordinary consumers, owed a duty of care to the Plaintiff and Class to ensure that the Affected Class Vehicles and their Engine were reasonably safe for use.
- 150. At all material times, the Defendant, Honda, owed a duty of care to the Plaintiff and Class Members and breached that standard of care expected in the circumstances. It knew that its Engine in the Affected Class Vehicles was defective causing coolant to leak into the

engine's combustion chambers leading to, *inter alia*, overheating, blown head gaskets, misfire and loss of motive power, corrosion and excessive and premature engine wear. Despite such knowledge, the Defendant, Honda, continued to install the defective Engine in the Affected Class Vehicles.

151. The Defendant, Honda, owed the Plaintiff and Class Members a duty to carefully monitor the safety and post-market performance of the Engine in the Affected Class Vehicles. The Defendant, Honda, had a duty to warn, or promptly warn, the Plaintiff and Class Members that its Engine in the Affected Class Vehicles was defective causing coolant to leak into the engine's combustion chambers leading to, *inter alia*, overheating, blown head gaskets, misfire and loss of motive power, corrosion and excessive and premature engine wear, and which it failed to do.
152. The circumstances of the Defendant, Honda, being in the business of designing, manufacturing and placing the Affected Class Vehicles and their Engine into the Canadian stream of commerce are such that the Defendant, Honda, is in a position of legal proximity to the Plaintiff and Class Members, and therefore is under an obligation to be fully aware of safety when designing, manufacturing, assembling and selling a product such as the Affected Class Vehicles with the defective Engine.
153. It was reasonably foreseeable that a failure by the Defendant, Honda, to design, manufacturer and/or install an engine in the Affected Class Vehicles that did not cause coolant to leak into the engine's combustion chambers leading to, *inter alia*, overheating, blown head gaskets, misfire and loss of motive power, corrosion and excessive and premature engine wear, and thereafter to monitor the performance of the engine following market introduction, and take corrective measures when required, would cause an unreasonable risk of harm or injury to the Plaintiff and Class Members and damage to the Affected Class Vehicles.
154. The Defendant, Honda, through its employees, officers, directors, and agents, failed to meet the reasonable standard of care or conduct expected of a vehicle manufacturer in the circumstances in that:

- (a) it knew, or ought to have known, about the Engine Defect in the Affected Class Vehicles and should have timely warned the Plaintiff and Class Members;
- (b) it designed, developed, manufactured, tested, assembled, marketed, advertised, distributed, supplied and/or sold vehicles equipped with a defective Engine causing coolant to leak into the engine's combustion chambers leading to, *inter alia*, overheating, blown head gaskets, misfire and loss of motive power, corrosion and excessive and premature engine wear, all of which posed a real, substantial and imminent danger of harm or injury to vehicle occupants, and damage to the vehicle's engine;
- (c) it failed to timely warn the Plaintiff, Class Members and/or consumers about the Engine Defect in the Affected Class Vehicles causing coolant to leak into the engine's combustion chambers leading to, *inter alia*, overheating, blown head gaskets, misfire and loss of motive power, corrosion and excessive and premature engine wear, all of which posed a real, substantial and imminent danger of harm or injury to vehicle occupants, and damage to the vehicle's engine;
- (d) it failed to change the design, manufacture and/or assembly of the defective Engine in the Affected Class Vehicles in a reasonable and timely manner;
- (e) it failed to provide a safer alternative design for an engine in the Affected Class Vehicles that did not cause coolant to leak into the engine's combustion chambers leading to, *inter alia*, overheating, blown head gaskets, misfire and loss of motive power, corrosion and excessive and premature engine wear;
- (f) it failed to properly inspect and test the Engine in the Affected Class Vehicles;
- (g) it knew, or ought to have known, about the Engine Defect in the Affected Class Vehicles but failed to disclose it;
- (h) it failed to timely issue and implement safety, repair and/or replacement recalls of the Affected Class Vehicles with a defective Engine;

- (i) the Engine presented a serious safety hazard to drivers and passengers as the Affected Class Vehicles could lose motive power and become inoperable while in motion, and damage the vehicle's engine;
 - (j) notwithstanding that it foresaw personal injury and the loss of life and property of the drivers and passengers in the Affected Class vehicles, it failed or failed to promptly eliminate or correct the Engine Defect; and
 - (k) it failed to exercise reasonable care and judgment in matters of design, manufacture, materials, workmanship and/or quality of product which would reasonably be expected of them as an automobile manufacturer.
155. As a result of the Engine Defect in the Affected Class Vehicles by reason of the Defendant, Honda's, negligence and its failure to disclose and/or adequately warn of the Engine Defect, the Plaintiff and Class Members have suffered damages and will continue to suffer damages. The value of each of the Affected Class Vehicles is reduced or diminished. The Plaintiff and each Class Member must expend the time to have his/her vehicle repaired and be without their vehicle. The Defendant, Honda, should compensate the Plaintiff and each Class Member for their incurred out-of-pocket expenses for, *inter alia*, repair, towing, alternative transportation and vehicle payments as a result of the Engine Defect.
- ii. Breach of Express Warranty**
156. The Plaintiff and Class Members hereby incorporate by reference the allegations contained in the preceding paragraphs of this Notice of Civil Claim.
157. As an express warrantor, manufacturer, supplier and/or merchant, the Defendant, Honda, had certain obligations to conform the Affected Class Vehicles with the defective Engine to its express warranties.
158. The Defendant, Honda, marketed, distributed and/or sold the Affected Class Vehicles in Canada, including the Province of British Columbia, as safe and reliable vehicles through authorized dealerships and/or independent retail dealers. Such representations formed the

basis of the bargain in the Plaintiff's and Class Members' decisions to purchase and/or lease the Affected Class Vehicles.

159. When the Plaintiff and Class Members purchased and/or leased their Affected Class Vehicles equipped with the defective Engine (either as new vehicles or as used vehicles with remaining warranty coverage), the Defendant, Honda, expressly warranted under its warranty that it would cover all parts and labour needed to repair any item on the vehicle when it left the manufacturing plant that is defective in material, workmanship or factory preparation. The Defendant, Honda, provided a New Vehicle Limited Warranty of 3 years/60,000 kilometers and a 5 year/100,000 powertrain warranty on the Affected Class Vehicles it manufactured.
160. The warranties of the Defendant, Honda, formed a basis of the bargain that was reached when the Plaintiff and Class Members purchased and/or leased the Affected Class Vehicles.
161. The Engine Defect at issue in this litigation was present at the time the Affected Class Vehicles were sold and/or leased to Plaintiff and Class Members.
162. The Defendant, Honda, breached its express warranties (and continue to breach these express warranties) because it did not and has not corrected the Engine Defect in the Affected Class Vehicles.
163. Pursuant to its express warranties, the Defendant, Honda, was obligated to correct any engine defect in the Affected Class Vehicles owned and/or leased by the Plaintiff and Class Members.
164. Although the Defendant, Honda, was obligated to correct the Engine Defect, none of the purported, attempted fixes to the Engine in the Affected Class Vehicles are adequate under the terms of the warranty, as they did not cure the Engine Defect.
165. The Defendant, Honda, has failed and/or refused to conform the Affected Class Vehicles with the defective Engine to its express warranties. The Defendant, Honda's, conduct, as

averred to herein, has voided any attempt on its part to disclaim liability for its actions.

166. In particular, the Defendant, Honda, breached its express warranties by:
- (a) knowingly providing the Plaintiff and Class Members with Affected Class Vehicles containing defects in material that were never disclosed to the Plaintiff and Class Members;
 - (b) failing to repair or replace the Affected Class Vehicles' engine at no cost within the warranty period;
 - (c) ignoring, delaying responses to and denying warranty claims in bad faith; and
 - (d) supplying products and materials that failed to conform to its representations.
167. The Plaintiff and Class Members have performed each and every duty required of them under the terms of the warranties, except as may have been excused or prevented by the conduct of the Defendant, Honda, or by operation of law in light of the Defendant, Honda's, conduct as described herein.
168. The Plaintiff and Class Members have given the Defendant, Honda, a reasonable opportunity to cure its breach of express warranties or, alternatively, were not required to do so because such an opportunity would be unnecessary and futile given that the repairs and/or replacements offered by the Defendant, Honda, can neither cure the Engine Defect in the Affected Class Vehicles nor resolve the incidental and consequential damages flowing therefrom.
169. The Defendant, Honda, received timely notice regarding the Engine Defect from the Plaintiff and Class Members when they brought their vehicles to their dealerships. The Defendant, Honda, also received notice through complaints made by other consumers, to, *inter alia*, NHTSA and/or Transport Canada. Notwithstanding such notice, the Defendant, Honda, has failed and refused to offer an effective remedy.

170. In its capacity as a manufacturer, supplier and/or warrantor, and by the conduct described herein, any attempt by the Defendant, Honda, to limit its express warranties in a manner that would enforce the warranty period limit would be unconscionable. The Defendant, Honda's, warranties were adhesive, and did not permit negotiation, or the inclusion of design defects. The Defendant, Honda, possessed superior knowledge of the Engine Defect in the Affected Class Vehicles prior to offering them for sale. The Defendant, Honda, concealed and did not disclose or remedy the Engine Defect prior to sale (or afterward). Any effort to otherwise limit liability for the design defect is null and void.
171. Further, because the Defendant, Honda, has not been able remedy the Engine Defect, the limitation on remedies included in the warranty fails its essential purpose and is null and void.
172. The Plaintiff and Class Members have suffered damages caused by the Defendant, Honda's, breach of its express warranties and are entitled to recover damages, including but not limited to diminution of value and buy back.

iii. Breach of the Implied Warranty or Condition of Merchantability pursuant to SGA and Parallel Provincial Sale of Goods Legislation

173. The Plaintiff and Class Members hereby incorporate by reference the allegations contained in the preceding paragraphs of this Notice of Civil Claim.
174. The Defendant, Honda, is a "seller" with respect to motor vehicles within the meaning of the SGA, *Sale of Goods Act*, RSA 2000, c. S-2; *Sale of Goods Act*, RSS 1978, c. S-1; *The Sale of Goods Act*, CCSM 2000, c. S10; *Sale of Goods Act*, RSO 1990, c. S.1; *Sale of Goods Act*, RSNL 1990, c. S-6 ; *Sale of Goods Act*, RSNS 1989, c. 408; *Sale of Goods Act*, RSNB 2016, c. 110; *Sale of Goods Act*, RSPEI 1988, c. S-1; *Sale of Goods Act*, RSY 2002, c. 198; *Sale of Goods Act*, RSNWT 1988, c. S-2; and *Sale of Goods Act*, RSNWT (Nu) 1988, c. S-2, pursuant to its agency relationship with its authorized dealers, distributors, resellers, retailers and/or intermediaries..
175. The Defendant, Honda, is, and was, at all relevant times a seller with respect to Affected

Class Vehicles equipped with the defective Engine. The Defendant, Honda, directly sold and marketed vehicles equipped with the defective Engine to customers through authorized dealers, like those from whom Class Members bought and/or leased their vehicles, for the intended purpose of consumers purchasing the vehicles. The Defendant, Honda, knew that the Affected Class Vehicles equipped with the defective Engine would and did pass unchanged from the authorized dealers to Class Members, with no modification to the engine.

176. The Engine in the Affected Class Vehicles is inherently defective as it causes coolant to leak into the engine's combustion chambers leading to, *inter alia*, overheating, blown head gaskets, misfire and loss of motive power, corrosion and excessive and premature engine wear, all of which posed a real, substantial and imminent danger of harm or injury to vehicle occupants, and damage to the vehicle's engine.
177. A warranty that the Affected Class Vehicles were in merchantable condition was implied by law pursuant to sections 18(a) and/or (b) of the SGA, sections 16(2) and/or (4) of the *Sale of Goods Act*, RSA 2000, c. S-2; sections 16(1) and (2) of the *Sale of Goods Act*, RSS 1978, c. S-1; sections 16(a) and/or (b) of *The Sale of Goods Act*, CCSM 2000, c. S10; sections 15(1) and/or (2) of the *Sale of Goods Act*, RSO 1990, c. S.1; sections 16(a) and/or (c) of the *Sale of Goods Act*, RSNL 1990, c. S-6 ; sections 17(a) and/or (b) of the *Sale of Goods Act*, RSNS 1989, c. 408; sections 20(a) and/or (b) of the *Sale of Goods Act*, RSNB 2016, c. 110; sections 16(a) and/or (b) of the *Sale of Goods Act*, RSPEI 1988, c. S-1; sections 15(a) and/or (b) of the *Sale of Goods Act*, RSY 2002, c. 198; sections 18(a) and/or (b) of the *Sale of Goods Act*, RSNWT 1988, c. S-2; and sections 18(a) and (b) of the *Sale of Goods Act*, RSNWT (Nu) 1988, c. S-2.
178. The Defendant, Honda, marketed, distributed and/or sold the Affected Class Vehicles in Canada, including the Province of British Columbia, as safe and reliable vehicles through authorized dealerships and/or independent retail dealers. Such representations formed the basis of the bargain in Class Members' decisions to purchase and/or lease the Affected Class Vehicles.
179. Affected Class Vehicles equipped the said Engine were defective at the time they left the

possession of the Defendant, Honda. The Defendant, Honda, knew of this defect at the time these transactions occurred. Thus, Affected Class Vehicles with the defective Engine, when sold and at all times thereafter, were not in merchantable condition or quality and were not fit for their ordinary intended purpose.

180. The Plaintiff and Class Members purchased and/or leased the Affected Class Vehicles from the Defendant, Honda, through its subsidiaries, authorized agents for retail sales, through private sellers or were otherwise expected to be the eventual purchasers and/or lessees of the Affected Class Vehicles when bought and/or leased from a third party. At all relevant times, the Defendant, Honda, was the manufacturer, distributor, warrantor and/or seller of the Affected Class Vehicles. As such, there existed privity and/or vertical privity of contract between the Plaintiff and Class Members and the Defendant, Honda, as to its Affected Class Vehicles. Alternatively, privity of contract need not be established nor is it required because the Plaintiff and Class Members are intended third-party beneficiaries of contracts between the Defendant, Honda, and its resellers, authorized dealers and/or distributors and, specifically, of the Defendant, Honda's, implied warranties.
181. The Defendant, Honda's, resellers, authorized dealers and/or distributors are intermediaries between the Defendant, Honda, 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 Defendant, Honda, with respect to the Plaintiff's and Class Members' acquisition of the Affected Class Vehicles. The Defendant, Honda's, warranties were designed to influence consumers who purchased and/or leased the Affected Class Vehicles.
182. The Defendant, Honda, knew or had reason to know of the specific use for which the Affected Class Vehicles were purchased and/or leased.
183. As a result of the Engine Defect, the Affected Class Vehicles were not in merchantable condition when sold and are not fit for the ordinary purpose of providing safe and reliable transportation.
184. The Defendant, Honda, knew about the Engine Defect in the Affected Class Vehicles,

allowing it to cure its breach of warranty if they chose.

185. At all times that the Defendant, Honda, warranted and sold its Affected Class Vehicles, it knew or should have known that its warranties were false and yet it did not disclose the truth or stop manufacturing or selling its Affected Class Vehicles and, instead, continued to issue false warranties and continued to insist the products were safe. The Affected Class Vehicles were defective when the Defendant, Honda, delivered them to its resellers, authorized dealers and/or distributors which sold the Affected Class Vehicles and the Affected Class Vehicles were, therefore, still defective when they reached Plaintiff and Class Members.
186. The Defendant, Honda's, attempt to disclaim or limit the implied warranty of merchantability vis-à-vis the Plaintiff, Class Members and/or consumers is unconscionable and unenforceable. Specifically, the Defendant, Honda's, warranty limitation is unenforceable because it knowingly sold and/or leased a defective product without informing the Plaintiff, Class Members and/or consumers about the Engine Defect in the Affected Class Vehicles. The time limits contained in the Defendant, Honda's, warranty periods were also unconscionable and inadequate to protect the Plaintiff and Class Members. Among other things, the Plaintiff and Class Members had no meaningful choice in determining these time limitations, the terms of which unreasonably favored the Defendant, Honda. A gross disparity in bargaining power existed between the Defendant, Honda, and the Plaintiff and Class Members, and the Defendant, Honda, knew that the Affected Class Vehicles were equipped with a defective Engine which caused coolant to leak into the engine's combustion chambers leading to, *inter alia*, overheating, blown head gaskets, misfire and loss of motive power, corrosion and excessive and premature engine wear, all of which posed a real, substantial and imminent danger of harm or injury to vehicle occupants, and damage to the vehicle's engine.
187. The Plaintiff and Class Members have complied with all obligations under the warranty or otherwise have been excused from performance of said obligations as a result of the Defendant, Honda's, conduct alleged herein. Affording the Defendant, Honda, a reasonable opportunity to cure its breach of written warranties, therefore, would be unnecessary and futile.

188. As a direct and proximate result of the Defendant, Honda's, breach of implied warranties or conditions of merchantability, the Plaintiff and Class Members have suffered loss, diminution and/or damage as a result of the Engine Defect in the Affected Class Vehicles pursuant to sections 56 of the SGA, section 52 of the *Sale of Goods Act*, RSA 2000, c. S-2; section 52 of the *Sale of Goods Act*, RSS 1978, c. S-1; section 54 of *The Sale of Goods Act*, CCSM 2000, c. S10; section 51 of the *Sale of Goods Act*, RSO 1990, c. S.1; section 54 of the *Sale of Goods Act*, RSNL 1990, c. S-6 ; section 54 of the *Sale of Goods Act*, RSNS 1989, c. 408; section 67 of the *Sale of Goods Act*, RSNB 2016, c. 110; section 53 of the *Sale of Goods Act*, RSPEI 1988, c. S-1; section 60 of the *Sale of Goods Act*, RSY 2002, c. 198; section 60 of the *Sale of Goods Act*, RSNWT 1988, c. S-2; and section 60 of the *Sale of Goods Act*, RSNWT (Nu) 1988, c. S-2.

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

189. Class Members in British Columbia hereby incorporate by reference the allegations contained in the preceding paragraphs of this Notice of Civil Claim.
190. The Defendant, Honda, is in British Columbia for the purposes of the *BPCPA*, and in provinces with parallel consumer protection legislation, as described in Schedule "A".
191. The Affected Class Vehicles are consumer "goods" within the meaning of section 1(1) of the *BPCPA*, and in provinces with parallel consumer protection legislation, as described in Schedule "A".
192. Class Members in British Columbia who 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 section 1(1) of the *BPCPA*, and provinces with parallel consumer protection legislation, as described in Schedule "A".
193. The purchase and/or lease of the Affected Class Vehicles by 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 section 1(1) of the

BPCPA, and provinces with parallel consumer protection legislation, as described in Schedule "A".

194. The Defendant, Honda, is a "supplier" within the meaning of section 1(1) of the *BPCPA*, and in provinces with parallel consumer protection legislation, as described in Schedule "A", as it 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*. The Defendant, Honda, is the vehicle manufacturer of the Affected Class Vehicles and distributes, markets and/or supplies such vehicles to consumers including proposed Class Members in British Columbia. At all relevant times, the Defendant, Honda, was a supplier and/or seller of the Affected Class Vehicles as its resellers, authorized dealers and/or distributors were acting as the agents of the Defendant, Honda.
195. By failing to disclose and actively concealing the Engine Defect in the Affected Class Vehicles, the Defendant, Honda, engaged in unfair and deceptive trade practices prohibited by sections 4 and 5 of the *BPCPA*, and provinces with parallel consumer protection legislation, as described in Schedule "A". The Defendant, Honda, knew that the Affected Class Vehicles equipped with a defective Engine caused coolant to leak into the engine's combustion chambers leading to, *inter alia*, overheating, blown head gaskets, misfire and loss of motive power, corrosion and excessive and premature engine wear, all of which posed a real, substantial and imminent danger of harm or injury to vehicle occupants, and damage to the vehicle's engine. The Defendant, Honda, and made misleading statements or omissions concerning the Engine Defect, but yet failed to adequately warn consumers.
196. As alleged herein, the Defendant, Honda, made misleading representations and omissions concerning the quality, advanced technology, reliability, durability, performance and/or safety of the Affected Class Vehicles.
197. In purchasing and/or leasing the Affected Class Vehicles, Class Members were deceived by the Defendant, Honda's, failure to disclose its knowledge of the Engine Defect and

associated safety risk.

198. In particular, the Defendant, Honda, engaged in a pattern of unfair or deceptive acts or practices in failing to disclose to Class Members that the Affected Class Vehicles were equipped with a defective Engine which caused coolant to leak into the engine's combustion chambers leading to, *inter alia*, overheating, blown head gaskets, misfire and loss of motive power, corrosion and excessive and premature engine wear, ending in a costly repair and/or replacement process that the Defendant, Honda, will not cover, as follows.

- (a) failing to disclose that the Affected Class Vehicles equipped with the defective Engine was not of a particular standard, quality, or grade;
- (b) failing to disclose before, during and/or after the time of purchase, lease and/or repair, any and all known material defects or material nonconformity of the Affected Class Vehicles, including the Engine Defect;
- (c) failing to disclose at the time of purchase and/or lease that the Affected Class Vehicles, including the defective Engine, were not in good working order, defective, not fit for their intended, and ordinary purpose, and created a real, substantial and imminent danger or harm to occupants of the Affected Class Vehicles, and damage to the vehicle's engine;
- (d) failing to give adequate warnings and/or notices regarding the use, defects, and problems with the defective Engine in the Affected Class Vehicles' to consumers who purchased and/or leased the Affected Class Vehicles, even though the Defendant, Honda, possessed exclusive knowledge of the inherent defect in the Engine in the Affected Class Vehicles before and at the time of purchase and/or lease;
- (e) failing to disclose, either through warnings and/or recall notices, and/or actively concealing, the fact that the engine in the Affected Class Vehicles was defective, even though the Defendant, Honda, knew about the Engine Defect; and

- (f) representing that the Engine Defect in the Affected Class Vehicles would be covered under its warranty program.
199. In purchasing and/or leasing the Affected Class Vehicles, Class Members in British Columbia were deceived by the Defendant, Honda's, failure to disclose its exclusive knowledge that the defective Engine in the Affected Class Vehicles caused coolant to leak into the engine's combustion chambers leading to, *inter alia*, overheating, blown head gaskets, misfire and loss of motive power, corrosion and excessive and premature engine wear.
200. By failing to disclose and actively concealing the Engine Defect, the Defendant, Honda, engaged in unfair or deceptive acts or practices prohibited by sections 4 and 5 of the *BPCPA*, and parallel provincial consumer protection legislation, as described in Schedule "A".
201. Further, as alleged herein, the Defendant, Honda, made misleading representations and/or omissions concerning the quality, advanced technology, reliability, durability performance and/or safety of the Affected Class Vehicles equipped with the defective Engine, by:
- (a) publishing owners' manuals that made materially misleading omissions as to claims of advanced technology, safety and dependability but which uniformly omitted any warning to consumers that the Affected Class Vehicles were equipped with a defective Engine which caused coolant to leak into the engine's combustion chambers leading to, *inter alia*, overheating, blown head gaskets, misfire and loss of motive power, corrosion and excessive and premature engine wear;
 - (b) advertisements which uniformly omitted any information about the Engine Defect and which misled consumers into believing that the Engine would function properly; and
 - (c) emphasizing and extolling in brochures and press releases that the Affected Class Vehicles equipped with the defective Engine were dependable, technologically advanced, safe, of the highest quality and with exceptional capability.

202. The Defendant, Honda's, conduct as alleged herein was, and is, in violation of sections 4 and 5 of the *BPCPA*, and parallel provincial consumer protection legislation, as described in Schedule "A", in particular, by:
- (a) representing that the Affected Class Vehicles, including its Engine, were defect-free and did not pose a safety hazard, which it did not;
 - (b) representing that the Affected Class Vehicles, including its Engine, were of a particular standard, quality or grade, when they were not;
 - (c) advertising the Affected Class Vehicles, including its Engine, with the intent not to sell them as advertised; and
 - (d) representing that the Affected Class Vehicles, including its Engine, have been supplied in accordance with a previous representation as to quality, advanced technology, reliability, durability, performance and/or safety, when they have not.
203. In purchasing and/or leasing the Affected Class Vehicles, Class Members in British Columbia were deceived by the Defendant, Honda's, failure to disclose its exclusive knowledge of the Engine Defect and/or its representations made as to quality, advanced technology, reliability, durability, performance and/or safety of the Affected Class Vehicles in its sales brochure materials, manuals, press releases and/or websites.
204. The Defendant, Honda, intentionally and knowingly misrepresented and omitted material facts regarding its Affected Class Vehicles, specifically regarding the Engine Defect, with an intent to mislead Class Members.
205. In purchasing and/or leasing the Affected Class Vehicles, Class Members were deceived by the Defendant, Honda's, failure to disclose its knowledge of the Engine Defect and associated safety risk.
206. Class Members had no way of knowing of the Defendant, Honda's, representations were false, misleading and incomplete or knowing the true nature of the Engine Defect in the

Affected Class Vehicles. As alleged herein, the Defendant, Honda, engaged in a pattern of deception in the face of a known engine defect in the Affected Class Vehicles. Class Members did not, and could not, unravel the Defendant, Honda's, deception on their own.

207. The Defendant, Honda, knew, or should have known, that its conduct violated sections 4 and 5 of the *BPCPA*, and parallel provincial consumer protection legislation, as described in Schedule "A".
208. The Defendant, Honda, owed Class Members a duty to disclose the truth about the Engine Defect in the Affected Class Vehicles as it created a serious safety hazard and the Defendant, Honda:
 - (a) possessed exclusive knowledge of the Engine Defect in the Affected Class Vehicles;
 - (b) intentionally concealed the foregoing from Class Members; and/or
 - (c) failed to warn consumers or to publicly admit that the Affected Class Vehicles had an engine defect.
209. The Defendant, Honda, had a duty to disclose that the engine in the Affected Class Vehicles was fundamentally flawed as described herein because it created a serious safety hazard and Class Members relied on the Defendant, Honda's, material misrepresentations and omissions regarding the Affected Class Vehicles and the Engine Defect.
210. The Defendant, Honda's, conduct proximately caused injuries to Class Members that purchased and/or leased the Affected Class Vehicles and suffered harm as alleged herein.
211. Class Members were injured and suffered ascertainable loss, injury-in-fact and/or actual damage as a proximate result of the Defendant, Honda's, conduct in that Class Members incurred costs related the Engine Defect including, *inter alia*, repair, service and/or replacement costs, rental car costs and overpaid for their Affected Class Vehicles that have suffered a diminution in value.

212. The Defendant, Honda's, violations cause continuing injuries to Class Members. The Defendant, Honda's, unlawful acts and practices complained of herein affect the public interest.
213. The Defendant, Honda, knew of the defective Engine in the Affected Class Vehicles and which was materially compromised by the Engine Defect.
214. The facts concealed and omitted by the Defendant, Honda, from Class Members are material in that a reasonable consumer would have considered them to be important in deciding whether to purchase an Affected Class Vehicle or pay a lower price. Had Class Members known about the defective nature of the engine in the Affected Class Vehicles, they would not have purchased and/or leased the Affected Class Vehicles or would not have paid the prices they paid.
215. Class Members' injuries were directly or proximately caused by the Defendant, Honda's, unlawful and deceptive business practices.
216. As a result of the Defendant, Honda's, conduct as alleged herein, Class Members in British Columbia are entitled to a declaration under section 172(1)(a) of the *BPCPA* that an act or practice engaged in by the Defendant, Honda, in respect to the purchase and/or lease of the Affected Class Vehicles contravenes the *BPCPA*, an injunction under section 172(1)(b) of the *BPCPA* to restrain such conduct and/or damages under section 171 of the *BPCPA*, and to such remedies under parallel provincial consumer protection legislation, as described in Schedule "A".
217. Class Members in British Columbia are entitled, to the extent necessary, a waiver of any notice requirements under section 173(1) the *BPCPA*, and parallel provincial consumer protection legislation, as described in Schedule "A", as a result of the Defendant, Honda's, failure to disclose and/or actively conceal the Engine Defect from Class Members in British Columbia and its misrepresentations as to quality, advanced technology, reliability, durability, performance and/or safety of the Affected Class Vehicles.

v. Breach of the *Competition Act*

218. The Plaintiff and Class Members hereby incorporate by reference the allegations contained in the preceding paragraphs of this Notice of Civil Claim.
219. By making representations to the public as to quality, advanced technology, reliability, durability, performance and/or safety of the Affected Class Vehicles, the Defendant, Honda, breached sections 36 and/or 52 of the *Competition Act*, in that its representations:
- (a) were made to the public in the form of advertising brochures, manuals, statements and/or other standardized statements as to quality, advanced technology, reliability, durability, performance and/or safety of the Affected Class Vehicles;
 - (b) were made to promote the supply or use of a product or for the purpose of promoting its business interests;
 - (c) stated safety of the Affected Class Vehicles; and
 - (d) were false and misleading in a material respect.
220. At all relevant times, the Defendant, Honda, was the 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 Defendant, Honda, as to the Affected Class Vehicles as its resellers, authorized dealers and/or distributors at all material times were acting as the agents of the Defendant, Honda.
221. The Defendant, Honda, engaged in unfair competition and unfair or unlawful business practices through the conduct, statements and omissions described herein and by knowingly and intentionally concealing the Engine Defect in the Affected Class Vehicles from Plaintiff and Class Members, along with concealing the safety risks, costs, and monetary damage resulting from the Engine Defect. The Defendant, Honda, should have disclosed this information because it was in a superior position to know the true facts related to the Engine Defect and Plaintiff and Class Members could not reasonably be expected to

learn or discover the true facts related to the Engine Defect.

222. The Engine Defect in the Affected Class Vehicles constitutes a serious safety issue. The Defendant, Honda, knew that the Affected Class Vehicles with the defective Engine caused coolant to leak into the engine's combustion chambers leading to, *inter alia*, overheating, blown head gaskets, misfire and loss of motive power, corrosion and excessive and premature engine wear, all of which posed a real, substantial and imminent danger of harm or injury to vehicle occupants, and damage to the vehicle's engine, which triggered the Defendant, Honda's, duty to disclose the safety issue to consumers.
223. These acts and practices have deceived the Plaintiff and Class Members. In failing to disclose the Engine Defect and suppressing other material facts from the Plaintiff and Class Members, the Defendant, Honda, breached its duty to disclose these facts, violated the *Competition Act* and caused damage to the Plaintiff and Class Members. The Defendant, Honda's, omissions and concealment pertained to information that was material to the Plaintiff and Class Members, as it would have been to all reasonable consumers.
224. Further, the Plaintiff and Class Members relied upon the Defendant, Honda's, misrepresentations as to quality, advanced technology, reliability, durability, performance and/or safety of the Affected Class Vehicles to their detriment in purchasing and/or leasing the Affected Class Vehicles so as to cause loss and/or damage to the Plaintiff and Class Members.
225. The Plaintiff and Class Members have, therefore, suffered damages and are entitled to recover damages pursuant to section 36(1) and/or 52 of the *Competition Act*.

I. Tolling of the *Limitation Act*, S.B.C. 2012, c. 13

226. The Plaintiff and Class Members had no way of knowing about the Engine Defect in the Affected Class Vehicles. The Defendant, Honda, concealed its knowledge of the Engine Defect while continuing to market, sell and/or lease, the Affected Class Vehicles equipped with the defective Engine.

227. Within the *Limitation Act*, and to equivalent legislative provisions in the rest of Canada as described in Schedule “B”, the Plaintiff and Class Members could not have discovered through the exercise of reasonable diligence that the Defendant, Honda, was concealing the conduct complained of herein and misrepresenting the true qualities of the Affected Class Vehicles.
228. 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 Engine in the Affected Class Vehicles.
229. For these reasons, the *Limitation Act*, and to equivalent legislative provisions in the rest of Canada, as described in Schedule “B”, has been tolled by operation of the discovery rule with respect to the claims in this proposed class proceeding.
230. Further, due to Defendant, Honda’s, knowledge and active concealment of the Engine Defect throughout the time period relevant to this proposed class proceeding, the *Limitation Act*, and to equivalent legislative provisions in the rest of Canada as described in Schedule “A” has been tolled.
231. Instead of publicly disclosing the Engine Defect in the Affected Class Vehicles, the Defendant, Honda, kept the Plaintiff and Class Members in the dark as to the Engine Defect and the serious safety hazard it presented.
232. The Defendant, Honda, was under a continuous duty to disclose to the Plaintiff and Class Members the existence of the Engine Defect in the Affected Class Vehicles.
233. The Defendant, Honda, knowingly, affirmatively and actively concealed or recklessly disregarded the true nature, quality and character of the Affected Class Vehicles.
234. As such, the Defendant, Honda, is estopped from relying on the *Limitation Act*, and equivalent legislative provisions in the rest of Canada as described in Schedule “B”, in defense of this proposed class proceeding.

Plaintiff's(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: December 20, 2024



Signature of K.S. Garcha
lawyer for plaintiff(s)

Schedule "A"

Consumer Protection Legislation Across Canada

Province or Territory	Legislation
Alberta	<p><i>Consumer Protection Act</i>, RSA 2000, c. C-26.3</p> <p>"Goods"- Section 1(1)(e)(i); "Consumers"- Section 1(1)(b)(i); "Consumer Transaction" - Section 1(1)(c)(i); "Supplier" - Section 1(1)(i),(ii) and/or (iii); "Unfair Practices" - Sections 5 and 6; Statutory Remedies - Sections 13(1), (2) and 142.1; and Waiver of Notice - Section 7.1(1)</p>
Saskatchewan	<p><i>The Consumer Protection and Business Practices Act</i>, SS 2014, c. C-30.2</p> <p>"Goods" - Section 2(e); "Consumer" - Section 2(b); "Supplier" - Section 2(i); "Unfair Practices" - Sections 6 and 7; and Statutory Remedies - Section 93</p>
Manitoba	<p><i>Consumer Protection Act</i>, CCSM c. C200</p> <p>"Goods" - Section 1; "Consumer" - Section 1; "Consumer Transaction" - Section 1; "Supplier" - Section 1; "Unfair Business Practices" - Sections 2(1) and (3); and Statutory Remedies - 23(2)(a) and (b)</p>
Ontario	<p><i>Consumer Protection Act</i>, 2002, SO 2002, c. 30, Sch. A</p> <p>"Goods" - Section 1; "Consumer" - Section 1; "Supplier" - Section 1; "Unfair Practices"- Sections 14(1) and (2); Statutory Remedies - Sections 18(1) and (2); and Waiver of Notice - Sections 18(3) and (15)</p>

New Brunswick	<p><i>Consumer Product Warranty and Liability Act</i>, SNB 1978, c. C-18.1</p> <p>"Consumer Product" - Section 1(1); "Buyer" - Section 1(1); "Contract for the sale or supply of a consumer product" - Section 1(1); and "Seller" - Section 1(1);</p>
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Schedule “B”

Limitation Act Legislation Across Canada

Province or Territory	Legislation
Alberta	<i>Limitations Act</i> , RSA 2000, c. L-12
Saskatchewan	<i>The Limitations Act</i> , SS 2004, c. L-16.1
Manitoba	<i>The Limitation of Actions Act</i> , CCSM c. L150
Ontario	<i>Limitations Act</i> , 2002, SO 2002, c. 24, Sch. B
Newfoundland and Labrador	<i>Limitations Act</i> , SNL 1995, c. L-16.1
Nova Scotia	<i>Limitation of Actions Act</i> , SNS 2014, c. 35
New Brunswick	<i>Limitation of Actions Act</i> , SNB 2009, c. L-8.5
Prince Edward Island	<i>Statute of Limitations</i> , RSPEI 1988, c. S-7
Yukon	<i>Limitation of Actions Act</i> , RSY 2002, c. 139
Northwest Territories	<i>Limitation of Actions Act</i> , RSNWT 1988, c. L-8
Nunavut	<i>Limitation of Actions Act</i> , RSNWT (Nu) 1988, c. L-8

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

There is a real and substantial connection between British Columbia 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 and the facts alleged in this proceeding exists pursuant to sections 10(e)(i), (iii)(a) & (b), (f), (g), (h) and (l) 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 automobile product liability multi-jurisdictional class proceeding involves model year 2016-2022 Honda Accord, Civic and CR-V vehicles equipped with a defective four cylinder 1.5-liter i-VTEC turbo-charged gasoline direct injection engine designed, developed, manufactured, assembled, tested, marketed, distributed, supplied, leased and/or sold by the Defendants, HONDA MOTOR COMPANY, LTD., HONDA CANADA INC. and HONDA DEVELOPMENT & MANUFACTURING OF AMERICA, LLC, in Canada, including the Province of British Columbia. In particular, engine coolant seeps and collects in the grooves on the engine's cylinder head causing the seeped coolant to degrade the engine's head gasket and allowing the coolant to leak into the engine's combustion chambers resulting in overheating, blown head gaskets, engine component failures and/or loss of motive power, all of which creates a real, substantial and imminent danger to vehicle occupants, and damage to and/or catastrophic failure of the engine.

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*, RSA 2000, c. C-26.3; *The Consumer Protection and Business Practices Act*, SS, 2014, c C-30.2; *The Business Practices Act*, CCSM c B120; *Consumer Protection Act*, 2002, SO 2002, c 30, Sch A; *Consumer Product Warranty and Liability Act*, and SNB 1978, c C-18.1

4. *Sale of Goods Act*, R.S.B.C 1996, c. 410; *Sale of Goods Act*, RSA 2000, c. S-2; *Sale of Goods Act*, RSS 1978, c. S-1; *The Sale of Goods Act*, CCSM 2000, c. S10; *Sale of Goods Act*, RSO 1990, c. S.1; *Sale of Goods Act*, RSNL 1990, c. S-6 ;*Sale of Goods Act*, RSNS 1989, c. 408; *Sale of Goods Act*, RSNB 2016, c. 110; *Sale of Goods Act*, RSPEI 1988, c. S-1; *Sale of Goods Act*, RSY 2002, c. 198; *Sale of Goods Act*, RSNWT 1988, c. S-2; and *Sale of Goods Act*, RSNWT (Nu) 1988, c. S-2

5. *Motor Vehicle Safety Act* , R.S.C. 1993, c.16

6. 49 U.S. Code 301 - *Motor Vehicle Safety Act*

7. *Court Order Interest Act*, R.S.B.C., c. 79

8. *Competition Act*, R.S.C 1985, c. C-34

9. *Limitation Act*, S.B.C. 2012, c.13; *Limitations Act*, RSA 2000, c. L-12; *The Limitations Act*, SS 2004, c. L-16.1; *The Limitations Act*, SS 2004, c. L-16.1; *The Limitation of Actions Act*, CCSM c. L150; *Limitations Act*, 2002, SO 2002, c. 24, Sch. B; *Limitations Act*, SNL 1995, c. L-16.1; *Limitation of Actions Act*, SNS 2014, c. 35; *Limitation of Actions Act*, SNB 2009, c. L-8.5; *Statute of Limitations*, RSPEI 1988, c. S-7; *Limitation of Actions Act*, RSY 2002, c. 139; *Limitation of Actions Act*, RSNWT 1988, c. L-8; *Limitation of Actions Act*, RSNWT (Nu) 1988, c. L-8