

**IN THE UNITED STATES DISTRICT COURT  
MIDDLE DISTRICT OF TENNESSEE  
NASHVILLE DIVISION**

MARGARET WARD and TROY WARD,	)	
individually and on behalf of a class of	)	Case No.
similarly situated individuals,	)	
	)	
<i>Plaintiffs,</i>	)	COMPLAINT – CLASS ACTION
	)	
v.	)	JURY DEMAND
	)	
	)	
AMERICAN HONDA MOTOR	)	
CO., INC.,	)	
	)	
	)	
<i>Defendant.</i>	)	

**CLASS ACTION COMPLAINT**

Plaintiffs Margaret Ward and Troy Ward (“Plaintiffs”) bring this class action suit against Defendant American Honda Motor Co., Inc. (“Defendant”) on their own behalf, and on behalf of a class of all Tennessee purchasers and lessees of 2015 Honda CR-Vs, to obtain relief from Defendant for withholding information about a known defect in its 2015 Honda CR-V vehicles which causes them to rattle and vibrate violently and for its failure to repair the defect. On behalf of themselves and the proposed class, Plaintiffs seek damages, restitution and injunctive relief against Defendant for the defects in their 2015 Honda CR-V, for Honda continuing to market and sell the vehicles long after it was aware that the vehicles were defective, and for its refusal to remedy those defects despite having knowledge and being actually informed about the defect and its severity. For their class action complaint, Plaintiffs allege as follows upon personal knowledge as to themselves and their own acts and experiences, and as to all other matters, upon information and belief, including investigation conducted by their attorneys.

## **JURISDICTION AND VENUE**

1. This Court has diversity jurisdiction under 28 U.S.C. § 1332(a) and (d), because (1) at least one member of the putative class is a citizen of a state different from any Defendant, (2) the amount in controversy exceeds \$5,000,000, exclusive of interests and costs, and (3) none of the exceptions under that subsection apply to the instant action.

2. This Court has personal jurisdiction over the Defendant because Defendant conducts business in this District.

3. Venue is proper in the Middle District of Tennessee, because Defendant transacts business in this District, and a substantial part of the events in this action occurred in this District.

## **PARTIES**

4. Plaintiffs Margaret and Troy Ward are citizens and residents of the State of Tennessee.

5. Defendant American Honda Motor Co., Inc. is the exclusive distributor of Honda vehicles in the United States. Defendant was the fifth largest distributor of automobiles in the United States in 2014. It is a California corporation licensed to do business in Tennessee, and a subsidiary of Honda Motor Co., Ltd., a Japanese corporation. Defendant is registered and conducts business in Tennessee, including in this District, and conducts business elsewhere throughout the United States.

## **COMMON ALLEGATIONS OF FACT**

6. Defendant's most popular sports utility vehicle is the Honda CR-V, which is also the best selling sports utility vehicle in the United States.

7. In an effort, among other things, to increase gas mileage and further boost sales of its already popular CR-V, for the 2015 model year Honda and/or its corporate parent re-engineered the CR-V with a continuously variable transmission, coupled with a new direct-injection “Earth Dreams” engine.

8. The 2015 Honda CR-Vs so equipped are, and have been since their introduction, plagued by design defects that are the subject of this lawsuit.

9. Installing this engine and transmission, combined with – on information and belief – other changes to the engineering of the CR-V, has caused the 2015 Honda CR-V to exhibit a defect that was not present in the Honda CR-Vs built in previous years. The defect caused by these engineering changes to the engine and transmission creates increased engine vibration, which leads to drivers of the CR-V routinely experiencing excessive and physically discomforting vibrations from the 2015 Honda CR-V.

10. On information and belief, Honda knew, or exercising reasonable care should have known, about the engine vibration defect in the 2015 Honda CR-V before distributing the vehicles to dealerships in late September 2014. By early November 2014, shortly after the 2015 Honda CR-V was first made available for purchase by the public, consumers began to voice complaints about the engine vibration defect on various websites and owners’ forums.

11. While Defendant has recognized that its customers have been complaining about the vibrations in the 2015 Honda CR-V and even published a You-Tube video regarding the defect (*see* <https://www.youtube.com/watch?v=a6K6JPh7zak>), Defendant has not attempted to remedy the defects in the vehicle or recall the 2015 Honda CR-V, and continues to sell and market the 2015 CR-V without mentioning the defects.

12. Defendant continues to ignore the situation and market and sell the 2015 Honda CR-V without disclosing the defect despite a growing number of consumer complaints posted online – including consumer complaints posted directly in response to Defendant’s video – and scores of complaints made on the National Highway Traffic and Safety Administration’s website. The scope and prevalence of the defect is readily apparent given the number of complaints posted online and the frequency of news media reports about the vibration problems in the 2015 Honda CR-Vs.

13. Because Defendant has not solved the vibration defect in the 2015 Honda CR-V, the value of the vehicle purchased by Plaintiffs, and those vehicles purchased or leased by other consumers, was reduced as of the time of purchase and continues to be reduced due to this defect. As the public becomes more widely aware of the scope of this defect, or if Honda issues a recall or otherwise provides further acknowledgment of the vehicle defect, the value of the 2015 Honda CR-V will continue to decrease and consumers who have purchased or leased a 2015 Honda CR-V will continue to sustain further damages.

14. Despite the numerous consumer complaints mentioned above, and its own acknowledgement that there is a defect, Defendant has offered no relief to Plaintiffs or the other members of the Class affected by the vibration defect and the resulting annoyance, inconvenience and physical discomfort, as well as the resulting loss in value of their 2015 Honda CR-Vs. Nor has Defendant issued a recall.

#### **FACTS SPECIFIC TO PLAINTIFFS**

15. On or about March 20, 2015, Plaintiffs purchased a 2015 Honda CR-V EX-L from Darrell Waltrip Honda, in Franklin, TN. The sales price of the vehicle, including taxes,

fees, and an extended warranty, was \$33,361.50.

16. Honda was aware of the engine/transmission defect causing vibrations in the 2015 Honda CR-Vs at the time that Plaintiffs purchased their 2015 Honda CR-V

17. Shortly after taking delivery of the vehicle, Plaintiffs took the vehicle on a brief road-trip. During the drive, Plaintiffs noticed that the sunglasses in the sunglass holder were rattling. As the trip continued, Plaintiffs both began to notice a vibration throughout the vehicle. The vibration continued to get worse during the course of the trip.

18. Shortly thereafter, Plaintiff Troy Ward drove the vehicle on a multi-hour drive to Louisiana for work. The vibration continued throughout the drive, predominantly rattling the steering wheel. During this drive and on the return trip, Troy's hands became numb from the vibrations in the steering wheel, and it felt like he was driving a motorcycle.

19. In addition to these discrete incidents, the vehicle continually shook violently at idle. During idle, the vibrations could be felt throughout the cabin of the vehicle, including in the seats and floorboards.

20. On April 30, 2015, shortly after Mr. Ward's return from Louisiana, and little over a month after first purchasing their 2015 CR-V, Plaintiffs brought the vehicle into the dealership to address the vibration problem. The dealership ran diagnostic tests on the engine and drivetrain and noticed the same vibration problem. The dealership made reference to a Honda bulletin about the vibration issue, and stated that there was no repair they could perform on the vehicle at that time.

21. During that same visit, Plaintiffs talked to a sales person at the dealership and asked if the dealership was aware of the widespread complaints about the vibration problem in

the 2015 CR-V, as nobody had informed Plaintiffs that such a problem existed. The sales person denied any knowledge of such complaints or any problem.

22. The service manager, however, admitted that there was an issue with the vibrations in the 2015 Honda CR-V, but said there was “not much we can do about it.” The dealership offered to repurchase the vehicle as a trade-in, but not a buy back. The Honda dealer offered only \$22,000.00 – over \$11,000.00 less than the sales price, even though the car had been purchased only a month earlier.

23. Later that same day, Plaintiffs went to a nearby GM dealership where they were offered \$24,000.00 for the vehicle. Even though Plaintiffs had only owned their 2015 CR-V since March 20, they no longer were willing to drive their new CR-V, and on April 30 they accepted the offer and purchased a different, GM vehicle.

24. Plaintiffs would not have sold their 2015 Honda CR-V, and would not have sold the vehicle for the very low price offered to them, had it not been for the vibration defect in their car and Honda’s inability to fix it.

### **CLASS ACTION ALLEGATIONS**

25. Plaintiffs, pursuant to Federal Rule of Civil Procedure 23(a), 23(b)(2), and 23(b)(3) bring this action on behalf of themselves and a class of similarly situated individuals (the “Class”) defined as follows:

- All persons in the State of Tennessee who purchased or leased a 2015 Honda CR-V.

26. Plaintiffs will fairly and adequately represent and protect the interests of the other members of the Class. Plaintiffs have retained counsel with substantial experience in prosecuting complex litigation and class actions. Plaintiffs and their counsel are committed to

vigorously prosecuting this action on behalf of the other members of the Class, and have the financial resources to do so. Neither Plaintiffs nor their counsel have any interest adverse to those of the other members of the Class.

27. Absent this suit proceeding as a class action, most members of the Class would find the cost of litigating their claims to be prohibitive and would be unable to obtain any effective remedy for the damages they have suffered. The class treatment of common questions of law and fact is also superior to multiple individual actions or piecemeal litigation because it would conserve the resources of the courts and the parties to the litigation, as well as promote consistency and efficiency of adjudication.

28. Defendant has acted and failed to act on grounds generally applicable to Plaintiffs and the other members of the Class, requiring the Court's imposition of uniform relief to ensure compatible standards of conduct toward the members of the Class, and making injunctive or corresponding declaratory relief appropriate for the Class as a whole.

29. The factual and legal bases of Defendant's liability to Plaintiffs and to the other members of the Class are the same, causing injury to Plaintiffs and to all of the other members of the Class. Plaintiffs and the other members of the Class have all suffered harm and damages due to the unlawful and wrongful conduct of Defendant.

30. The Honda CR-V is the most popular sports utility vehicle sold in America, and one of Defendant's flagship models. Defendant sells thousands of CR-Vs every month, while sales of the 2015 Honda CR-V began on or about October 1, 2014. Thus, upon information and belief, there are tens of thousands of members of the Class, such that joinder of all members is impracticable.

31. There are many questions of law and fact common to the claims of Plaintiffs and the other members of the Class, and those questions predominate over any questions that may affect individual members of the Class. Common questions for the Class include, but are not limited to, the following:

1. Did Defendant design and build the 2015 Honda CR-V in such a way that causes the vehicle to exhibit excessive vibrations;
2. Is the defective vehicle design common to the 2015 Honda CR-Vs purchased or leased by the members of the Class;
3. Did Defendant knowingly fail to disclose to the Class members the cause and existence of the vibration defect in the 2015 Honda CR-V;
4. Did Defendant advertise and/or warrant that the 2015 Honda CR-V would be free from the type of defects experienced by Plaintiffs and the Class;
5. Did Defendant continue to advertise and sell the 2015 Honda CR-V with the defects alleged even after becoming aware of the defects;
6. Did Defendant fail to provide a remedy to the Class for the excessive vibrations in the 2015 Honda CR-V;
7. Did Defendant's material misrepresentations and/or omissions of material facts related to the vibration defects in the 2015 Honda CR-V cause the members of the Class to sustain ascertainable loss of monies, property, and/or value;
8. Are Plaintiffs and the Class entitled to monetary, restitutionary, and/or injunctive relief or other remedies, and, if so, what should be the nature of any such remedies.

**COUNT I – BREACH OF IMPLIED WARRANTY IN TORT**

32. Paragraphs 1–31 of the Complaint are expressly incorporated as if fully re-written and re-alleged herein.

33. Defendant Honda imported and supplied 2015 Honda CR-V vehicles in Tennessee to Plaintiffs and the prospective Class Members.

34. These 2015 Honda CR-V vehicles contained a design defect – namely, a



combination of engine and transmission that greatly increases vibrations emanating from the vehicle's engine, causing noticeable and excessive shaking throughout the vehicle's cabin.

35. This product defect existed at the time these Honda CR-V vehicles left the hands of Honda.

36. This design defect in the Honda CR-V vehicles was the direct and proximate cause of Plaintiffs' economic damages, as well as damages incurred and to be incurred by each of the prospective Class Members, who suffered damages, and will suffer future damages, in an amount to be determined at trial.

#### **COUNT II – BREACH OF EXPRESS WARRANTY**

37. Paragraphs 1–36 of the Complaint are expressly incorporated as if fully re-written and re-alleged herein.

38. On or about October 1, 2014, Honda issued a written New Vehicle Limited Warranty for the 2015 Honda CR-V.

39. Under the warranty, Honda was to repair or replace, at its own expense, any defective parts in the 2015 Honda CR-V.

40. The engine and/or transmission and related equipment in Plaintiffs' Honda CR-V were defective, causing the vibration issues Plaintiffs complained of to the dealership and described above.

41. Honda did not honor its New Vehicle Limited Warranty by repairing the vibration defect in Plaintiffs' vehicle after Plaintiffs complained about it.

42. Honda did not repair or attempt to repair Plaintiffs' vehicle despite acknowledging the widespread complaints about the same issue by other 2015 Honda CR-V

consumers.

43. Instead, Honda, through its authorized dealer, told Plaintiffs that there was “not much we can do about it.” Rather than repair the vehicle, Honda offered to repurchase it from Plaintiffs at more than an \$11,000.00 loss to Plaintiffs.

44. Honda has failed to honor the New Vehicle Limited Warranty, resulting in damages to Plaintiffs and the putative Class Members in an amount to be determined at trial.

### **COUNT III - NEGLIGENCE**

45. Paragraphs 1–44 of the Complaint are expressly incorporated as if fully re-written and re-alleged herein.

46. Honda and/or its corporate parent negligently designed the engine and/or transmission in all of the 2015 Honda CR-Vs sold in Tennessee.

47. The negligent design of the 2015 Honda CR-V has led to a defect causing increased engine vibration that can be felt in the vehicle cabin and steering column, causing significant discomfort to drivers and passengers.

48. The engine vibration defect decreased the monetary value of the 2015 Honda CR-V purchased by Plaintiffs, as well as each 2015 Honda CR-V purchased in Tennessee by the Class members.

49. As a direct and proximate result of Defendant’s negligence, Plaintiffs and the putative Class Members have sustained damages in an amount to be determined at trial.

#### **COUNT IV - FRAUD**

50. Paragraphs 1–49 of the Complaint are expressly incorporated as if fully re-written and re-alleged herein.

51. Honda affirmatively misrepresented and concealed material facts concerning the engine/transmission defect in the 2015 Honda CR-V from Tennessee consumers including Plaintiffs and the Class members.

52. Honda intended to induce Plaintiffs and members of the Class to purchase its vehicles and to purchase those vehicles at a higher price than Plaintiffs and the Class would otherwise have paid had the defect been disclosed.

53. Honda was under a duty to disclose to Plaintiffs and the Class information regarding the engine/transmission defect in the 2015 Honda CR-V, due to Honda's superior knowledge and affirmative misrepresentations and/or omissions to the contrary.

54. Plaintiffs and the Class were unaware of these omitted facts and materially relied upon the omitted facts to their detriment; they would not have acted as they did if they knew the omitted facts.

55. Because Honda omitted material facts regarding the engine/transmission defect in the 2015 Honda CR-V, Plaintiffs and the Class sustained damages by purchasing 2015 Honda CR-Vs at prices that did not reflect the defects in the vehicle and by the ongoing diminution in value of the vehicles.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs, individually and on behalf of all others similarly situated, respectfully requests that this Court enter a judgment against Defendant for the following relief:

1. An order certifying the Class as defined above;
2. A declaration that Defendant breached its implied and express warranties to Plaintiffs and the Class;
3. Notification to all Class members about the inaccurate and deceptive description of the 2015 Honda CR-V and the vibration defects in the 2015 Honda CR-V;
4. An award to Plaintiffs and the Class of actual, compensatory, and punitive damages, as proven at trial;
5. An award to Plaintiffs and the Class of restitution of all monies paid to Defendant as a result of the unlawful and tortious conduct of Defendant;
6. An award to Plaintiffs and the Class of reasonable attorneys' fees, costs, and pre- and post-judgment interest;
7. An injunction barring Defendant from continuing to advertise the 2015 Honda CR-V as fit for normal driving purposes until Defendant has remedied the defects complained of; and
8. An award to Plaintiffs and the Class of such other and further relief as may be determined to be just, equitable and proper by this Court.

### **JURY DEMAND**

Plaintiffs request trial by jury of all claims that can be so tried.

Dated: July 10, 2015

Respectfully submitted,

MARGARET WARD and TROY WARD,  
individually and on behalf of a class of similarly  
situated individuals

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