

# Exhibit

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IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF TENNESSEE  
AT NASHVILLE

TERRY WILLIS, CHARLES SCOTT,	)	Class Action
MARCELINO "MARC" CHERRY, TONYA	)	No. 3-02-0490
R. HOWELL, LARONYA WHITFIELD,	)	
ANDRE and CAROLYN BUNNITT,	)	Judge Campbell
GREGORY and CHARMAINE FRANCIS,	)	Magistrate Judge Griffin
BRUCE REID, LARRY DUNN,	)	
HERBERT MANIGAULT, FRANKLIN KING,	)	
TERESA JACKSON, and BARBARA RODGERS,	)	
on behalf of	)	
themselves and all others similarly situated,	)	
	)	
Plaintiffs,	)	
	)	
v.	)	
	)	
AMERICAN HONDA FINANCE	)	
CORPORATION, a California corporation,	)	
	)	
Defendant.	)	

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**SETTLEMENT AGREEMENT**

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This Settlement Agreement is entered into between Terry Willis, Charles Scott, Marcelino "Marc" Cherry, Tonya R. Howell, Laronya Whitfield, Andre Bunnitt, Carolyn Bunnitt, Gregory Francis, Charmaine Francis, Bruce Reid, Larry Dunn, Herbert Manigault, Franklin King, Teresa Jackson, Barbara Rodgers, Jeannine Fishback, Albert Ayotte, Debra Pakeman, and Noe Pulido (collectively the "Class Representatives") on behalf of themselves and the Class Members defined below, and American Honda Finance Corporation ("AHFC").

**1. Recitals**

WHEREAS, Terry Willis, Charles Scott, Marcelino "Marc" Cherry, Tonya R. Howell,

Laronya Whitfield, Andre Bunnitt, Carolyn Bunnitt, Gregory Francis, Charmaine Francis, Bruce Reid, Larry Dunn, Herbert Manigault, Franklin King, Teresa Jackson, Barbara Rodgers, and Jeannine Fishback are (or in the case of Ms. Fishback have been) the plaintiffs in the action entitled *Willis, et al. v. AHFC*, U.S.D.C. M.D. Tenn. Civil Action No. 3-02-0490 (the "*Willis* Action");

WHEREAS, Debra Pakeman and Noe Pulido are the plaintiffs in the action entitled *Pakeman, et al. v. AHFC*, Ca. Sup. Court, Alameda County, No. RG03088920 (the "*Pakeman* Action");

WHEREAS, the *Willis* Action asserts that AHFC violated the Equal Credit Opportunity Act, 15 U.S.C. § 1601 et seq., and its implementing regulations (collectively "ECOA") in connection with the financing of automobiles involving African-American and Hispanic automobile purchasers;

WHEREAS, the *Pakeman* Action asserts that AHFC violated the Unruh Civil Rights Act, California Civil Code § 51 et seq., and the Unfair Competition Law, California Business & Professions Code § 17200 et seq., in connection with the financing of automobiles involving African-American and Hispanic automobile purchasers;

WHEREAS, the *Willis* and *Pakeman* Actions are distinct and separate actions asserting different claims, but for administrative convenience have been settled on the basis of coordinated negotiations;

WHEREAS, for administrative convenience and given the different procedural postures of the *Willis* Action and the *Pakeman* Action, the parties agree that the settlements of these Actions are conditioned upon obtaining approval of the settlement of the *Willis* Action by the court in the *Willis* Action;

WHEREAS, AHFC denies the allegations and all liability with respect to any and all facts and claims alleged in the *Willis* and *Pakeman* Actions (collectively referred to as the "Actions" or the "Litigation"), and further denies that the Class Representatives or any Class Member they

purport to represent have suffered any damage;

WHEREAS, contested issues of both law and fact exist concerning the allegations and claims made against AHFC;

WHEREAS, the Class Representatives and Class Counsel have conducted an extensive investigation into the facts and law and have engaged in extensive discovery and settlement negotiations relating to the Actions;

WHEREAS, AHFC vigorously and expressly denies liability, but nevertheless desires to settle the Actions finally on the terms and conditions set forth herein for the purposes of avoiding the burden, expense, and uncertainty of litigation, and putting to rest the controversies engendered by the Actions;

NOW THEREFORE, in consideration of the covenants and agreements set forth herein, the Class Representatives, on behalf of themselves and the purported class, themselves and through their undersigned counsel, and AHFC, agree to the settlement of the Actions, subject to Court approval, under the following terms and conditions:

## **2. Definitions**

### **2.1 "Annual Percentage Rate" or "APR"**

The measure of the cost of credit, expressed as a yearly rate, as defined in Regulation Z, 12 C.F.R. § 226.22(a) under the Truth in Lending Act, 15 U.S.C. § 1601, *et seq.*

### **2.2 "Buy Rate"**

The minimum percentage rate at which AHFC approves credit and agrees to accept assignment of a Contract from a dealer, as reflected in AHFC rate sheets.

### **2.3 "Class Complaint"**

The Last Amended Complaint to be filed in this action, which complaint shall add as named class representatives Jeannine Fishback and Albert Ayotte, and shall contain an amended definition of the Class to be identical to the definition of Settlement Class set forth below.

## **2.4 "Class Counsel"**

The phrase "Class Counsel" refers collectively to *Willis* Class Counsel and *Pakeman* Class Counsel, which are defined as follows:

### **2.4.1 *Willis* Class Counsel**

John T. Crowder, Jr., Richard T. Dorman, Robert T. Cunningham, Jr., and R. Edwin Lamberth of Cunningham, Bounds, Yance, Crowder & Brown, L.L.C., Mobile, Alabama; Clint W. Watkins of Law Office of Clint W. Watkins, Brentwood, Tennessee; Michael E. Terry of Terry & Gore, Nashville, Tennessee; Wyman O. Gilmore, Jr. of Gilmore Law Office, Grove Hill, Alabama; and Stuart T. Rossman of National Consumer Law Center, Boston, Massachusetts.

### **2.4.2 *Pakeman* Class Counsel**

Bill Lann Lee, Michael W. Sobol, and Lori E. Andrus of Lieff, Cabraser, Heimann & Bernstein, LLP, San Francisco, California; Morris J. Baller and Linda M. Dardarian of Goldstein, Demchak, Baller, Borgen & Dardarian, Oakland, California; Oren M. Sellstrom of the Lawyers' Committee for Civil Rights of the San Francisco Bay Area; and Tony M. Lawson of the Lawson Law Offices.

## **2.5 "Class Members"**

The members of the Settlement Class as defined below.

## **2.6 "Class Representatives"**

The phrase "Class Representatives" refers collectively to the *Willis* Action Class Representatives (i.e., Terry Willis, Charles Scott, Marcelino "Marc" Cherry, Tonya R. Howell, Laronya Whitfield, Andre Bunnitt, Carolyn Bunnitt, Gregory Francis, Charmaine Francis, Bruce Reid, Larry Dunn, Herbert Manigault, Franklin King, Teresa Jackson, Barbara Rodgers, Jeannine Fishback, and Albert Ayotte) together with the *Pakeman* Action Class Representatives (i.e., Debra Pakeman and Noe Pulido).

## **2.7 "Confidential Information"**

All documents and things produced as discovery materials by AHFC, its experts, its witnesses, or any dealership during the course of this Litigation, including without limitation all deal jackets, contract information, customer information, electronic data, data dictionaries, dealer bulletins, rate sheets, expert reports, depositions, deposition exhibits, and all reproductions of these discovery materials, whether photocopies, scanned copies, electronic copies, printouts, or copies created by any other method of reproduction; and all data or other information produced through the term of this Settlement Agreement (including in implementing Section 9.7.1 below).

Notwithstanding the above, all documents and information described in this paragraph that were filed in the public record during the course of the Litigation, unless currently under seal, ordered to be sealed by the Court, or stipulated to by the parties as Confidential Information, shall not be deemed Confidential Information.

#### **2.8 "Contract"**

A promissory note and security agreement, retail installment sales contract, or conditional sales contract signed in connection with the retail purchase of an automobile between an automobile dealership and an automobile purchaser.

#### **2.9 "Credit Tier"**

A category used by AHFC to designate a level of credit risk, currently super preferred, preferred, and standard.

#### **2.10 "ECOA"**

The Equal Credit Opportunity Act, 15 U.S.C. § 1691 *et seq.* and its implementing regulations, Regulation B, 12 C.F.R. Part 202.

#### **2.11 "Effective Date"**

The first date upon which all of the following have occurred: (1) approval of the Settlement Agreement by AHFC, Class Counsel, and the Class Representatives; (2) 31 days after entry of an order by the *Willis* Court giving final approval of the parties' Settlement Agreement, without

modification, and dismissing the claims of the Settlement Class and Class Representatives in the *Willis* Action with prejudice; (3) dismissal with prejudice of the *Pakeman* Action; and (4) final resolution, including appeals, of all challenges to the Settlement Agreement by any Class Member or by any intervening or objecting or other party.

**2.12 “Willis Court” or “District Court”**

The United States District Court for the Middle District of Tennessee.

**2.13 “Pakeman Court” or “Superior Court”**

The California Superior Court for the County of Alameda.

**2.14 “Dealer Participation”**

The percentage rate difference between the Annual Percentage Rate on a Contract and AHFC’s Buy Rate for that Contract.

**2.15 “Dealer Participation Cap”**

A limit on the number of percentage points by which the APR on a Contract may exceed AHFC’s Buy Rate.

**2.16 “AHFC Counsel”**

Robert A. Van Nest, Christa M. Anderson, Jeffrey E. Tsai, and Steven P. Ragland of Kecker & Van Nest, L.L.P., San Francisco, California; and

Randall D. Noel and Amy Holliman Brown of Armstrong, Allen, Prewitt, Gentry, Johnston & Holmes, PLLC, Memphis, Tennessee.

**2.17 “Preapproval No-Dealer Participation Credit Offer”**

A firm offer of credit to finance an automobile at a specific rate that is not subject to a dealer participation increase of the APR, the nature of which offer is detailed *infra* in Section 9.7.

**2.18 Open Contract**

A Contract acquired by AHFC that has not, as of the Effective Date, been paid off, charged off, or discharged in bankruptcy, and that AHFC otherwise still owns and as to which the vehicle is

not in repossession.

#### **2.19 Qualified Loans**

Current AHFC accounts in Open Contracts for which: (1) according to AHFC's records the Annual Percentage Rate is one (1.0) percentage point or more above the Buy Rate; (2) according to a pre-screen conducted by AHFC, the borrower remains qualified for credit in the same credit tier (or higher), under criteria used at the time the loan was originally made; and (3) the borrower is on the list of Identified Class Members as defined in Section 9.7.1, *infra*.

#### **2.20 Refinance Program**

The program to be implemented by AHFC as part of this Settlement as defined in Section 9.8, *infra*.

#### **2.21 Refinance Offers**

Offers to Refinance Open Contracts made by AHFC under the Refinance Program as addressed in Section 9.8, *infra*.

#### **2.22 "Settlement Agreement"**

This document, which has been signed by the Class Representatives, Class Counsel, AHFC, and AHFC Counsel.

#### **2.23 "Settlement Class"**

All African-American and Hispanic consumers who obtained financing from American Honda Finance Corporation ("AHFC") and/or any of its subsidiaries or parent/holding companies in the United States pursuant to AHFC's non-recourse loan program between January 1, 1990 and the Effective Date of this Settlement Agreement.

### **3. Denial of Liability**

AHFC expressly denies any wrongdoing or liability. This Settlement Agreement represents the compromise of disputed claims. It reflects the parties' recognition that litigation of these claims would severely burden all concerned and would require a massive commitment of time, resources,



and money. The Settlement Agreement does not constitute, is not intended to constitute, and shall not under any circumstances be deemed to constitute, an admission by either party as to the merits, validity, or accuracy, or lack thereof, of any of the allegations or claims in this Litigation. The Settlement Agreement does not constitute a waiver of any defenses or affirmative defenses AHFC may be entitled to assert in any pending or future litigation, including the applicable statute of limitations. Neither the District Court, nor the Superior Court, nor any other court, has made any findings or expressed any opinion concerning the merits, validity, or accuracy of any of the allegations or claims in the Litigation.

Nothing in or related to this Settlement Agreement, including any action taken to implement it or any statement, discussions, or communications made, or any materials prepared or issued during the course of negotiations leading up to the Settlement Agreement may be introduced or used or admitted in any way by anyone other than the party who took such action, issued such statements, or prepared such materials in any judicial, arbitral, administrative, investigative, or other proceeding of any kind as evidence of discrimination or any violation of the ECOA, the California Unruh Civil Rights Act, the Cal. Bus. & Prof'l Code § 17200 et seq., the common law of any jurisdiction, or any other federal, state or local law, statute, ordinance, regulation, rule, or executive order, or any obligation or duty at law or in equity.

If the Settlement Agreement does not become effective, is limited or modified by any court, or is deemed null and void for any other reason, nothing in this Settlement Agreement shall be deemed to waive any of the claims of the Settlement Class or AHFC's objections and defenses thereto (including its objections to class certification), and neither this Settlement Agreement nor any related proceedings relating to its approval shall be admissible in any court regarding the propriety of class certification or any other issue that is the subject of these Actions.

#### 4. Term of the Settlement Agreement

This Settlement Agreement shall be effective for a five-year period (the "Term"), beginning

on the Effective Date.

**5. Choice of Law**

This Settlement Agreement will be governed by the laws of the State of Tennessee.

**6. Return of Confidential Information**

Class Counsel acknowledge that during the course of the Litigation, they have received Confidential Information.

The Class Representatives, Class Counsel, their experts and consultants and others retained by them, as well as the agents of each of them, agree not to disclose any Confidential Information. The Class Representatives and Class Counsel agree not to use any Confidential Information as a basis for any future litigation against AHFC, its officers, directors, employees, parent(s), subsidiaries, affiliates, agents, and/or assigns, or to provide the information to others as a basis for any future litigation against AHFC, its officers, directors, employees, parent(s), subsidiaries, affiliates, agents, and/or assigns.

Class Counsel shall be responsible for advising their experts, outside consultants, and any other individual acting with, on behalf of, or at the request or direction of Class Counsel of the confidentiality provisions of this Settlement Agreement and shall request each such individual to sign a confidentiality agreement substantially in the form of Exhibit A, and shall provide a copy of each signed agreement to counsel for AHFC.

Class Counsel shall, not later than thirty (30) days after identifying Class Members pursuant to Section 9.7.1 below, return all computerized customer and AHFC data produced by AHFC to AHFC Counsel and destroy all Confidential Information.

**7. Non-Disparagement Clause**

Class Counsel and Class Representatives agree to refrain from disparaging AHFC, and its parent company, subsidiaries, affiliates, successors, or assigns with respect to any issue related to this case. Class Counsel and Class Representatives agree to refrain from taking any action designed

to harm the public perception of AHFC regarding any issue related to this case, except they may provide sworn testimony if required by compulsory process from a court of competent jurisdiction. AHFC and AHFC counsel agree to refrain from disparaging Class Counsel and Class Representatives publicly or in the media regarding any issue related to this case. Failure to abide by this provision will constitute a breach of this Settlement Agreement.

## **8. Release of Claims**

### **8.1 Class Claims Released**

In exchange for the good and valuable consideration provided by AHFC as set forth in this Settlement Agreement, the Class Representatives, on behalf of themselves and the members of the Settlement Class, consent to the dismissal of the Actions with prejudice. The Class Representatives, on behalf of themselves and the members of the Settlement Class, also forever release, waive, discharge, and agree to the dismissal of, with prejudice, the following, except as limited by 8.2, below:

All claims, whether known or unknown, suspected or unsuspected, under the law of any jurisdiction, for equitable, declaratory, and/or injunctive relief that have been, could have been, or could be made in the Litigation against AHFC, its officers, directors, employees, parent(s), subsidiaries, affiliates, agents, successors, and assigns under the ECOA that arose or will arise on or before the Effective Date of this Settlement Agreement.

All race or ethnic status discrimination claims, whether known or unknown, suspected or unsuspected, under the law of any jurisdiction, for equitable, declaratory and/or injunctive relief that have been, could have been, or could be made in the Litigation against

AHFC, its officers, directors, employees, parent(s), subsidiaries, affiliates, agents, successors, and assigns under any federal or state statutory or common law theory that arise in whole or in part out of the business practices challenged in the Last Amended Complaint and that arise or will arise on or before the Effective Date of this Settlement Agreement.

### **8.2 Class Claims Not Released**

Notwithstanding the terms of 8.1 above, the members of the Settlement Class, excluding Class Representatives, shall not be deemed to have released, waived, discharged, or agreed to the dismissal with prejudice of any claims for monetary relief that they may have (except to the extent that they participate in the Refinance Program, as described more fully below in Section 9.8).

### **8.3 Class Representative Claims Released**

In exchange for the good and valuable consideration provided by AHFC as set forth in this Settlement Agreement, the Class Representatives consent to the dismissal of the Litigation with prejudice. The Class Representatives also forever release, waive, discharge, and agree to the dismissal of, with prejudice, the following:

All claims that have been made or could have been made in the Litigation under the Equal Credit Opportunity Act, 15 U.S.C. § 1691 *et seq.*, the Unruh Civil Rights Act, and/or Cal. Bus. & Prof'l Code § 17200 *et seq.* against AHFC, its officers, directors, employees, parent(s), subsidiaries, affiliates, agents, successors, and assigns, including all claims for actual damages and punitive damages.

All claims that have been made or could have been made against AHFC, its officers, directors, employees, parent(s),

subsidiaries, affiliates, agents, successors, and assigns alleging discrimination on the basis of race or ethnic status under any other federal or state statutory, regulatory, or common law theory.

#### **8.4 Unknown Claims Released**

Class Representatives and Class Members, subject to Section 8.2, each waive and release any and all provisions, rights, and benefits conferred either (a) by section 1542 of the California Civil Code, or (b) by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to section 1542 of the California Civil Code, with respect to the claims released pursuant to paragraphs 8.1 and 8.3. Section 1542 of the California Civil Code reads:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Each Class Representative and Class Member may hereafter discover facts other than or different from those that he knows or believes to be true with respect to the subject matter of the claims released pursuant to the terms of paragraphs 8.1 or 8.3, but each of those individuals expressly agrees that, upon entry of the Final Judgment contemplated by this Settlement Agreement, he or she has fully, finally, and forever settled and released any known or unknown, suspected or unsuspected, asserted or unasserted, contingent or noncontingent claim with respect to the claims released pursuant to paragraph 8.1 or 8.3, whether or not concealed or hidden, without

regard to subsequent discovery or existence of such different or additional facts.

## **9. Classwide Settlement Relief**

During the Term of the Settlement Agreement AHFC will implement the following measures, contingent on the certification by the *Willis* Court of a Fed. R. Civ. P. 23(b)(2), non-opt-out settlement class defined as:

All African-American and Hispanic consumers who obtained financing from American Honda Finance Corporation ("AHFC") and/or any of its subsidiaries or parent/holding companies in the United States pursuant to AHFC's non-recourse loan program between January 1, 1990 and the Effective Date of this Settlement Agreement.

Thus, if the Court does not certify such a class, this Settlement Agreement will be null and void.

### **9.1 Cap on Dealer Participation**

AHFC will not acquire any Contract or accept for assignment any Contract if the APR is more than 2.25 percentage points above the Buy Rate for loans with terms of sixty months or less, and AHFC will not acquire any Contract or accept for assignment any Contract if the APR is more than 2.0 percentage points above the Buy Rate for loans with terms of greater than sixty months. Minimal bona fide errors on an irregular basis will not be deemed a violation of this Settlement Agreement, and AHFC will implement reasonable procedures designed to promptly correct any such errors that are discovered.

### **9.2 Plain Language Disclosure**



Within ninety (90) days of the Effective Date, AHFC will include the following disclosure in all retail installment contracts it prepares and disseminates to Honda and Acura dealers:

**THE ANNUAL PERCENTAGE RATE MAY BE NEGOTIATED WITH THE SELLER. THE SELLER MAY ASSIGN THIS CONTRACT AND RETAIN ITS RIGHT TO RECEIVE A PART OF THE FINANCE CHARGE.**

This disclosure will appear on the front of the contract, above any other pre-signature notices to the buyer, including state-law required notices and permitted acknowledgements of the receipt of the contract. The disclosure will be set forth in a bold font in all caps, with no smaller than 8 point type and centered to the extent possible.

In those states where prior regulatory review and approval is required to implement changes to contract terms, AHFC will have three hundred sixty five (365) days after the Effective Date in which to implement this disclosure.

### **9.3 Consumer Education and Assistance Programs**

Within fifteen (15) days after the Effective Date of this Settlement Agreement, AHFC will contribute nine hundred thousand dollars (\$900,000.00) toward certain consumer assistance initiatives for the purpose of improving the education of and/or assisting consumers with respect to credit financing. Contribution recipients will be tax-exempt nonprofit organizations. Plaintiffs will set forth a proposal for the distribution and accountability of the funds in writing for review by AHFC and for approval by the Court. It is agreed, subject to Court approval, that the money will be distributed to the following organizations, with the distribution of money as agreed by the parties:

Rainbow/PUSH;

LaRaza;

Consumer Federation of America;

National Urban League; and

NLADA.



As to the money provided to the NLADA, the parties agree that the money will not be used to fund efforts to bring or continue any affirmative suits against AHFC, its officers, directors, employees, parent(s), subsidiaries, affiliates, agents, successors, and assigns.

#### **9.4 Dealer ECOA Notification and Education**

AHFC is committed to the principles expressed in the ECOA. Accordingly, within one hundred eighty (180) days of the Effective Date, AHFC will distribute a communication to all Honda and Acura automobile dealers who have entered into a Dealer Retail Finance Agreement with AHFC setting forth AHFC's requirement that dealers comply fully with the requirements of the ECOA. The communication shall inform the dealers of the requirements of the ECOA, and the consequences and litigation risks of not complying with the ECOA.

#### **9.5 Consumer Education**

For two years following the Effective Date, AHFC will continue to educate consumers through classroom education provided by AHFC to high school students and young adults. This classroom education will be consistent in nature and extent with that provided by AHFC at the time of the execution of this Settlement Agreement, and in no event shall consist of less than 200 such training sessions over the course of said two year period.

#### **9.6 Instruction Against Downward Tier Movements**

During the Term of the Settlement Agreement, AHFC will adopt a policy against any movement of an applicant from a more creditworthy Credit Tier to a less creditworthy Credit Tier for any purpose other than AHFC's customary underwriting criteria and will instruct dealers as to its policy.

#### **9.7 Preapproval No-Dealer Participation APR Programs**

AHFC will offer Preapproval No-Dealer Participation APR programs as outlined below. Two programs will be conducted – an Active Account Preapproval No Dealer Participation APR Program for Class Members with active AHFC accounts as of the Effective Date (“Active Account Program”); and a Preapproval No-Dealer Participation APR Program for Class Members and other

African Americans and Hispanics who do not have active AHFC accounts as of the Effective Date ("Non-Active Account Program").

The objectives of the Preapproval No Dealer Participation APR Programs include: (1) to provide consumer education to Class Members and other African-Americans and Hispanics by informing them of rates for which they are eligible on a model-by-model basis; (2) to provide consumer education to Class Members and other African-Americans and Hispanics by informing them of the specific APR for which they are eligible based purely on their objective credit status for Honda and/or Acura models that do not have a promotional rate; and (3) to provide Class Members and other African-Americans and Hispanics No-Dealer Participation and promotional rate financing to facilitate comparison shopping and/or to allow them to consummate No-Dealer Participation and/or promotional rate finance transactions through AHFC.

#### **9.7.1 Preparation of a List of Identified Class Members**

Class Counsel will attempt to race identify customers who financed a vehicle through AHFC during the period from January 1, 1990 through the Effective Date. To this end, within forty-five (45) days of the Effective Date, AHFC will provide Class Counsel with electronic data regarding persons who financed an automobile through AHFC between January 1, 1990 and the Effective Date, to the extent such data still exist. Class Counsel will utilize the database(s) and methodology they possess to provide AHFC with their list of Identified Class Members within one hundred eighty (180) days after receipt of the data from AHFC. This list will comprise the "Class Counsel Class List."

Any data that has been or will be provided by AHFC in connection with this subsection of the Settlement Agreement, any race identified data or information obtained or created by Class Members or Class Counsel pursuant to this Settlement Agreement, and any data subsequently delivered to AHFC by Class Members or Class Counsel pursuant to this Settlement Agreement will be used exclusively for implementing this Settlement Agreement. The Class Members and Class

Counsel covenant that they will not retain, distribute, use, or seek to use such data for any other purpose and that they will treat said information as Confidential Information.

To the extent that Class Counsel is unable to race-identify any portion of the AHFC data provided pursuant to the above two paragraphs, AHFC will, within sixty (60) days of receiving the Class Counsel Class List, make reasonable and good faith efforts with readily available marketing sources to attempt to race-identify that remaining data for the purpose of implementing this Settlement Agreement. These efforts may include utilizing a third-party vendor such as Axciom to access AHFC's electronic data to generate a list of consumers who are most likely to be African American or Hispanic. This "Supplemental Class List" will be combined with the Class Counsel Class List to comprise the "Identified Class Members."

Within forty-five (45) days after receiving the list of Identified Class Members, and each year thereafter during the term of this Settlement Agreement, AHFC will identify additional customers from its existing portfolio of retail accounts who should be screened for the Active Account Preapproval Program. Customers will be selected from ZIP Code or census tracts. AHFC will make reasonable and good faith efforts to select these potential customers by targeting ZIP Code or census tracts with African-American and Hispanic (as defined by the United States Census Bureau) population concentrations of at least 85%, according to the latest available information from the United States Census Bureau. To the extent AHFC is unable to generate a sufficient number of preapproval offers from such ZIP Code or census tracts, AHFC will target tracts with progressively smaller population concentrations of African-Americans and Hispanics. Persons so identified will be added to the list of Identified Class Members.

#### **9.7.2 Preparation of a List of Identified Preapproval and Census Tract Preapproval Candidates**

In the event that the process set out in section 9.7.1 does not enable AHFC to generate the number of preapprovals required by this Agreement in any given year, AHFC shall supplement those procedures and extend preapprovals to other candidates as detailed herein.

Within sixty (60) days after receiving the list of Identified Class Members AHFC shall make a determination of whether that list will generate the number of preapprovals required by this Agreement. If not, AHFC shall arrange for American Honda Motor Corporation, Inc. (AHMC) to provide a third-party vendor such as Axciom access to data from AHMC regarding current or past registered Honda and/or Acura owners who do not at that time have an account with AHFC. The vendor will use these data to generate a list of consumers from these databases who are most likely African-American and Hispanic. That list will be cross-referenced with the list of Identified Class Members to eliminate duplicate listings. After elimination of such duplicates, this list will comprise the "Identified Preapproval Candidates."

If necessary, AHFC will supplement the list of Identified Preapproval Candidates by prescreening additional potential automobile buyers who are not Identified Class Members using a direct access method. AHFC will submit a list of Zip Codes to a credit reporting agency for the purpose of generating a list of potential automobile buyers who meet a predetermined set of non-subjective credit risk criteria. AHFC will make reasonable and good faith efforts to select these potential customers by targeting ZIP Code or census tracts with African American and Hispanic (as defined by the United States Census Bureau) population concentrations of at least 85%, according to the latest available information from the United States Census Bureau. To the extent AHFC is unable to generate a sufficient number of preapproval offers from such ZIP Code or census tracts, AHFC will target tracts with progressively smaller population concentrations of African-Americans and Hispanics.

### **9.7.3 Preapproval Parameters for Active Account Program**

AHFC will screen customers in its existing portfolio of retail accounts for the Active Account Program. Each year during the term of this agreement, AHFC shall screen the list of Identified Class Members (including those additional customers selected based on Zip Code or census tracts for the Active Account Program) with active AHFC accounts. Customers whose contracts are no more than twenty four (24) months and no less than six (6) months from maturity will be targeted. Preapproval customers must meet AHFC's reasonable and non-subjective credit risk criteria in place at the time of offering.

#### **9.7.4 Scope of Active Account Program**

The Active Account Program will be offered at least once annually, but need not be completed for all customers simultaneously. A minimum of fifteen thousand (15,000) Preapproval No-Dealer Participation Credit Offers will be generated annually for a total of seventy five thousand (75,000) Preapproval No-Dealer Participation Credit Offers during the Term of this Settlement Agreement.

Preapproval No Dealer Participation Credit Offers will not be generated for persons selected through the Zip Code and census tract method until all eligible Identified Class Members with active accounts have received a preapproval offer. After all eligible Identified Class Members with active accounts have received a preapproval offer, the persons who shall receive the remainder of the fifteen thousand (15,000) Preapproval No-Dealer Participation Credit Offers each year, if any, shall be selected from the persons identified through the Zip Code and census tract process. Procedures shall be implemented to avoid the issuance of duplicative offers to the same individual. In no case will AHFC be required to generate more than fifteen thousand (15,000) active customer preapprovals any year.

#### **9.7.5 Terms of Active Account Program**

For those active customers preapproved according to the criteria set forth above, AHFC will issue a preapproval certificate by mail, the content of which shall be negotiated by the parties in

good faith and agreed to by the time of the Final Approval by the Court of this Settlement. The certificate and accompanying information will specify that the customer is preapproved for automobile financing for all available Honda and Acura automobile models for which the customer is eligible at a participating Honda or Acura dealer for a period of not less than thirty (30) days, and that said financing is not subject to markup by the dealer.

The preapproval will apply only to a new automobile purchase or a certified one- to three-year old used Honda or Acura automobile, and will only apply to the purchase of an automobile that replaces the customer's existing AHFC account.

Preapproved customers will be advised that they are approved at a fixed No-Dealer Participation APR for their respective Credit Tier. The No-Dealer Participation APR will be the lower of (1) AHFC's standard Buy Rates for that Credit Tier in place at the time or (2) any promotional rates offered on particular automobiles in conjunction with American Honda Motor Co., Inc. Preapproved customers will be specifically informed of the specific APR for which they are eligible on a model-specific basis and will be specifically informed of the specific APR for which they are eligible on models that do not have a promotional rate. The information concerning the specific rates for which the preapproved customers qualify on different models will be made available to the preapproved customer (1) in the preapproval offer itself in the case of models with nationally advertised promotional rates and in the case of certified used vehicles; and (2) in a prompt response to a timely inquiry by the customer via an established e-mail address or fax number equipped by AHFC to receive and process such inquiries. Persons who receive and accept AHFC's preapproval offers shall be eligible for financing at the specific rate(s) communicated for any term chosen by the customer between and including twenty-four (24) and sixty (60) month terms, except that promotional rates offered on particular vehicles may be restricted to specific promotional parameters, including contract terms.

No dealer participation increase of the APR will be permitted.

The offer will be contingent on the following conditions: the offerees' presentation of the preapproval certificate to a participating Honda or Acura dealer; the offerees' signature on the certificate together with valid proof of identity; and compliance with the parameters regarding rate, term, eligible vehicle purchase, and monthly payment amount. The preapproval offers will be firm offers of credit, subject to, at the time of presentation, verification that the consumer continues to meet the specific criteria used to select the consumer for the offer.

#### **9.7.6 Preapproval Parameters for Non-Active Account Program**

Each year during the term of this agreement, AHFC shall use the lists of Identified Class Members and any Identified Preapproval Candidates to identify persons who are not in AHFC's then-existing customer database who should be screened for the Non-Active Account Program for persons who do not have AHFC accounts.

AHFC's prescreening for issuance of such preapprovals is subject to AHFC's normal credit screening parameters, which may change from time to time. Preapproved customers must meet AHFC's reasonable credit risk criteria for the acquisition of Contracts. AHFC may exclude customers from this program based on reasonable and non-subjective credit risk criteria in place at AHFC at the time of the offer such as, but not limited to, prior bankruptcy, prior vehicle repossession, too few related tradelines, prior chargeoff, existing past due trade line, consumer statement that appears in credit bureau records, and past due vehicle credit. Additional parameters may be used to assist in eliminating mailing errors and fraud.

#### **9.7.7 Scope of Non-Active Accounts Program**

The Non-Active Accounts Program will be offered at least once annually, but need not be completed for all customers simultaneously. AHFC will screen a sufficient number of prospects so that one hundred twenty-five thousand (125,000) Preapproval No-Dealer Participation Credit Offers be generated annually for a total of six hundred twenty-five thousand (625,000) Preapproval No-Dealer Participation Credit Offers during the Term of this Settlement Agreement.

Preapproval No-Dealer Participation Credit Offers will be generated in the following order of priority. First, AHFC will screen the list of Identified Class Members who do not have an active AHFC account. Second, AHFC will screen the list of Identified Preapproval Candidates, but not until all eligible Identified Class Members have received a promotional offer, and only as necessary. Procedures shall be implemented to avoid the issuance of duplicative offers to the same individual in any given year and to limit the number of offers to the same individual during the term of this agreement.

As to those preapproval offers issued to Identified Class Members with inactive accounts, in the event that any of said class members decline to accept the initial preapproval offer issued to them, those class members may notify AHFC within thirty (30) days (via a form included along with the offer) of their desire to be included in the pool of Identified Class Members with inactive accounts who will be considered for receipt of a preapproval offer in a later year of the Term of this Settlement Agreement, and may specify on that form the year in which they request such consideration. Those class members who submit such forms to AHFC and who declined to accept the initial preapproval offer issued to them will receive priority in consideration for receipt of another preapproval offer in the year specified by the class member, provided said class member meets the credit criteria specified in this Settlement Agreement and provided that AHFC has not exceeded its 125,000 annual limit on preapproval offers in the Non-Active Account Program.

In no case will AHFC be required to generate more than one hundred twenty-five thousand (125,000) preapprovals in any year for persons who do not have active AHFC accounts or more than six hundred twenty-five thousand (625,000) during the entire term of this agreement.

#### **9.7.8 Terms of the Non-Active Accounts Program**

For those Class Members and other African-American and Hispanic potential automobile buyers preapproved according to the criteria set forth above, AHFC will issue a preapproval certificate by mail, the content of which shall be negotiated by the parties in good faith and agreed



to by the time of the Final Approval by the Court of this Settlement . The notification will specify that the customer is preapproved for automobile financing for all available Honda and Acura automobile models for which the customer is eligible at a participating Honda or Acura dealer for a period of not less than thirty (30) days, and that said financing is not subject to markup by the dealer.

The preapproval will apply only to a new automobile purchase or a certified one- to three-year old used Honda or Acura automobile.

Preapproved customers will be advised that they are approved at a fixed APR for their respective Credit Tier which will not be subject to dealer participation. The No-Dealer Participation APR will be the lower of (1) AHFC's standard Buy Rates for that Credit Tier in place at the time or (2) any promotional rates offered on particular automobile in conjunction with American Honda Motor Co., Inc. Preapproved customers will be specifically informed of the specific APR for which they are eligible on a model-specific basis and will be specifically informed of the specific APR for which they are eligible on models that do not have a promotional rate. The information concerning the specific rates for which the preapproved customers qualify on different models will be made available to the preapproved customer (1) in the preapproval offer itself in the case of models with nationally advertised promotional rates and in the case of certified used vehicles; and (2) in a prompt response by AHFC to a timely inquiry by the customer via an established e-mail address or fax number equipped by AHFC to receive and process such inquiries. Persons who receive and accept AHFC's preapproval offers shall be eligible for financing at the specific rate(s) communicated for any term chosen by the customer between and including twenty-four (24) and sixty (60) month terms, except that promotional rates offered on particular vehicles may be restricted to specific promotional parameters, including contract terms.

No dealer participation increase of the APR will be permitted.

The offer will be contingent on the following conditions: the offerees' presentation of the preapproval certificate to a participating Honda or Acura dealer; the offerees' signature on the certificate together with valid proof of identity; and compliance with the parameters regarding rate, term, eligible vehicle purchase, and monthly payment amount. The preapproval offers will be firm offers of credit, subject to, at the time of presentation, verification that the consumer continues to meet the specific criteria used to select the consumer for the offer.

#### **9.8 Refinance Program**

AHFC will initiate a program involving offers of refinancing for all Qualified Loans, up to a maximum of \$1 billion of AHFC's current outstanding loan portfolio ("Refinance Program"). The offers will be subject to the following terms and conditions in this section ("Refinance Offers"). The Refinance Program is designed to provide an opportunity to Class Members to refinance Open Contracts at a lower interest rate in order to remedy the disparity alleged by the Class Representatives between the Dealer Participation on Contracts for Class Members and the Dealer Participation on Contracts for non-minority automobile purchasers.

Subject to the provisions herein, AHFC will offer borrowers with Qualified Loans an opportunity to refinance such Qualified Loans at one (1) percentage point lower than the existing APR interest rate on their loans.

For the purpose of identifying Qualified Loans, AHFC's current outstanding loan portfolio shall consist of all Open Contracts as of the date of final approval.

AHFC will not charge any cost to borrowers in connection with Refinance Offers. Refinancing shall be without prepayment penalty regardless of original contract terms.

Refinance Offers shall not extend the contract term, unless the borrower specifically requests that the refinanced loan extend the current term of the borrower's contract and AHFC agrees to the extension. AHFC will have full discretion whether to agree to any request for extension.

Refinance Offers shall advise borrowers that they must independently determine whether the refinancing is in their best interests.

AHFC shall make Refinance Offers by mail. Offers may be accepted by mail. AHFC will provide an informational website where recipients of Refinance Offers can learn how to accept the Refinance Offers they have received.

Borrowers who accept a Refinance Offer will be required to complete and return refinancing loan documents to AHFC.

Loans will be refinanced at simple interest rates. Loans subject to the Rule of 78s will not be eligible to receive Refinance Offers.

AHFC shall complete the Refinance Offers within one (1) year after the Effective Date. Within the one (1) year period, AHFC shall have discretion as to when the Refinance Offers will be made, subject to the following: (1) AHFC shall make good faith efforts, consistent with its available resources, to make offers in a prompt and expeditious manner; and (2) AHFC shall not schedule the offers with the intent of minimizing the value of the offers made to the class.

AHFC will not have any obligation to issue Refinance Offers until after the Effective Date, but will have the discretion to voluntarily issue Refinance Offers before that time. Refinance Offers

issued before the Effective Date shall count towards satisfying AHFC's settlement obligations in this section.

In computing the value of offers to be credited toward the total \$1 billion in refinancing, current outstanding loan balances - *i.e.*, the loan balances at the time the offers are submitted by AHFC - shall be used.

Refinance Offers shall be valid for sixty (60) days from the date of mailing by AHFC.

Offers returned by the postal service as undeliverable shall not be credited toward the \$1 billion of refinancing.

AHFC shall make a good faith attempt to make offers of refinancing in proportions similar to the proportions of African-American and Hispanic borrowers in its loan portfolio.

AHFC shall provide Litigation Class Counsel with fifteen (15) days' advance notice before first making any offers of refinance; subsequent phases of refinancing offers may be made without prior notice; however, AHFC shall provide Class Counsel with notice of all offers made, within a reasonable time of such offers being made.

Within sixty (60) days after the final approval by the District Court of the Settlement of the *Willis* Action, Class Counsel may provide AHFC with a list of identified borrowers and, provided that such identified borrowers have Qualified Loans, AHFC shall extend offers of refinancing to all such identified borrowers after the Effective Date and within the time provided in this section, and such offers shall be credited towards satisfying AHFC's obligations in this section. Up to two hundred (200) such loans shall be included in the first wave of offers made by AHFC (not inclusive

of any initial sampling/test of Refinance Offers that may be done by AHFC).

The Refinance Offers will be made in both English and Spanish in a form to be agreed upon by the parties.

As a condition of accepting refinancing under a Refinance Offer, AHFC will require each borrower to sign a release of claims which shall be in the form attached as Exhibit B. Borrowers will not be required to release claims that AHFC failed to perform the refinance as required under this settlement or claims related to AHFC's servicing or collection efforts in connection with the refinanced loans. The release must be signed along with the loan documents necessary to complete the refinancing.

#### **9.9 Agreement Regarding ECOA Compliance**

Class Counsel and the Class Representatives, on behalf of themselves and the Settlement Class, agree that the Preapproval No-Dealer Participation APR Programs and the Refinance Program do not violate the ECOA, California Business & Professions Code § 17200 et seq., the Unruh Civil Rights Act, or any other state or federal statute, regulation or common law. Class Representatives, on behalf of themselves and the Settlement Class, further agree that they are estopped from contending in this or any other litigation that the Preapproval No-Dealer Participation APR Programs or the Refinance Program violates the ECOA, California Business & Professions Code § 17200 et seq., the Unruh Civil Rights Act, or any other state or federal statute, regulation or common law.

#### **10. Annual Certification**

On or before December 31 of each year that the Settlement Agreement is in effect, AHFC will provide a certification to Class Counsel specifying that AHFC has fully complied with all the terms of this agreement for that year. The certification shall be sworn to by an officer of AHFC,

shall set forth each action that AHFC was required to take during that year, and shall contain a specific description of each action taken by AHFC in compliance therewith. For each action requiring the use of any document(s), AHFC shall attach an example of the document(s) utilized to comply with the terms of the Settlement Agreement.

All parties agree that they will not challenge the jurisdiction of the Court to enforce the terms of this Settlement Agreement.

11. **Class Representatives Settlement Relief**

AHFC agrees to (1) make a one time payment of a total of one hundred fifty thousand dollars (\$150,000.00) to Terry Willis, Charles Scott, Marcelino "Marc" Cherry, Tonya R. Howell, Laronya Whitfield, Andre Bunnitt, Carolyn Bunnitt, Gregory Francis, Charmaine Francis, Bruce Reid, Larry Dunn, Herbert Manigault, Franklin King, Teresa Jackson, Barbara Rodgers, Jeannine Fishback, and Albert Ayotte, to be divided among these *Willis* Action Class Representatives equally, per contract (i.e., in the case of class representatives who are husband and wife and parties to only one contract with AHFC, that couple would be entitled to only one share of the \$150,000.00, not two shares); and (2) make a one time payment of a total of twenty thousand dollars (\$20,000.00) to Debra Pakeman and Noe Pulido, to be divided among these two *Pakeman* Action Class Representatives equally.

AHFC's agreement to make this payment shall in no way be construed as an admission by AHFC that the Class Representatives suffered any monetary damages. In accepting this payment, all Class Representatives agree that they have forever released, waived, and discharged any and all claims for monetary, equitable, declaratory or other relief that they may have against AHFC, its officers, directors, employees, parent(s), subsidiaries, affiliates, agents, successors, and assigns, including all claims for actual damages and punitive damages, that relate in any way to allegations of discrimination or disparate impact on the basis of race or ethnic status under federal or state statute or common law theory.

**12. Attorneys' Fees and Costs**

**12.1 Attorney Fees**

*Willis* and *Pakeman* Class Counsel intend to request approval of attorney fees in an amount not to exceed six million sixty-three thousand dollars (\$6,063,000.00). AHFC (a) will not oppose any request that does not exceed \$6,063,000.00, (b) will pay, within ten (10) days of the Effective Date, any fees approved by the Court in an amount that does not exceed \$6,063,000.00, and (c) will not appeal any approval of fees that does not exceed \$6,063,000.00.

**12.2 Costs**

*Willis* and *Pakeman* Class counsel will request approval from the Court of litigation expenses and litigation-related reimbursements in an amount not to exceed six hundred eighty thousand dollars (\$680,000.00). AHFC will not oppose any such request and hereby agrees to pay any litigation and litigation-related reimbursements approved by the Court in amount that does not exceed \$680,000.00 within ten (10) days after the Effective Date. AHFC will also not appeal any approval of litigation expenses and litigation-related reimbursements that does not exceed \$680,000.00.

**13. Dismissal of Litigation**

Promptly upon execution of this Settlement Agreement, the parties hereto will request preliminary approval of the Settlement Agreement from the *Willis* Court. In connection with that request, AHFC, the Class Representatives, and the Settlement Class will stipulate to entry of the following orders:

**13.1 Amendment of *Willis* Complaint**

An Order allowing an amendment of the *Willis* Action pleadings to include Plaintiffs' Last Amended Complaint, which is amended to reflect the following changes: (1) the named class representatives will include all *Willis* Action Class Representatives as defined above; and (2) the

definition of the class will be identical to the definition of Settlement Class as provided at Section 2.23 above (a copy of which Last Amended Complaint is attached as Exhibit C hereto).

**13.2 Certifying the Class for Settlement Purposes**

An Order certifying the Settlement Class for settlement purposes only and conforming to the definition of Settlement Class as set forth above.

**13.3 Dismissal of the Last Amended *Willis* Complaint with Prejudice**

An Order dismissing the Last Amended Complaint in the *Willis Action* and all claims brought in that complaint with prejudice.

**13.4 Preliminary Approval of Settlement**

An Order granting preliminary approval of the Settlement Agreement and setting a fairness hearing for final approval, which draft order is attached as Exhibit D hereto.

**13.5 Final Approval of Settlement**

An Order granting final approval of the Settlement Agreement without modification, which draft order is attached as Exhibit E hereto.

**13.6 Dismissal of the *Pakeman* Action with Prejudice**

*Pakeman* Class Counsel, Debra Pakeman and Noe Pulido will execute and file any and all documents necessary to accomplish the dismissal with prejudice of the *Pakeman* Action, which dismissal with prejudice is a necessary term of this Settlement Agreement, within five (5) court days of the first date on which all of the following have occurred: (1) 31 days after entry of an order by the *Willis* Court giving final approval of the Settlement Agreement, without modification, and dismissing the claims of the Settlement Class and Class Representatives in the *Willis* Action with prejudice; and (2) final resolution, including appeals, of all challenges to the Settlement Agreement by any class member or by any intervening or objecting or other party.

**13.7 Order Requiring Issuance of Notice to Class Members**



If AHFC requests or if the *Willis* or *Pakeman* Courts direct the issuance of notice of certification of a settlement class and of settlement to the Settlement Class, the parties agree to work in good faith to reach agreement on the form of notice and manner of publication of notice, the cost of which will be borne by AHFC. Any disagreement as to the form of notice or manner of publication shall be submitted to the *Willis* Court for resolution.

**14. Exception for Compliance with Legislative or Regulatory Action**

To the extent that any state or federal legislative or regulatory body or agency adopts legislation, regulations, or rules that govern the disclosure components of the credit transactions that are included within the terms of this Settlement Agreement, compliance by AHFC with any such legislation, regulations, or rules shall be deemed to constitute satisfaction of the terms of the Settlement Agreement, except for the provisions set forth in 9.1, 9.3, 9.4, 9.5, 9.6, 9.7, and 9.8 above.

**15. Joint Agreement**

This Agreement has been drafted jointly and is not to be construed against any party. Neither this Agreement nor the negotiations nor the proceeding leading up to this Agreement, nor any document prepared with respect to the negotiations, nor the receipt of any consideration pursuant to this Agreement, shall be taken to be an admission of any kind by any party.

**16. Joint Press Release Concerning Settlement**

AHFC, Class Counsel, Class Representatives, and all counsel of record in this Litigation (including the National Consumer Law Center) agree that the only press release that they will issue in this matter will be the Joint Press Release, attached as Exhibit F hereto, which may be issued upon Preliminary Approval of this Settlement. The parties agree that AHFC, AHFC Counsel, Class Counsel, the Class Representatives, and all counsel of record in this Litigation will not make any public comment or statements regarding this Settlement Agreement or the Litigation until entry of

an order granting preliminary approval of the Settlement Agreement by the District Court and issuance of the Joint Press Release.

**17. Notices**

Any communication, verifications, or notices sent by Class Counsel or a party in connection with this Settlement Agreement shall be effected by facsimile and overnight courier as follows:

To AHFC:

Christa M. Anderson, Esq.  
Keker & Van Nest, LLP  
710 Sansome Street  
San Francisco, CA 94111-1704  
Facsimile: (415) 397-7188

To Plaintiffs:

National Consumer Law Center  
Attn: Stuart Rossman  
77 Summer Street, 10<sup>th</sup> Floor  
Boston, MA 02110-1006  
Fax: (617) 542-8028

Catherine McEvilly, Esq.  
Honda North America, Inc.  
700 Van Ness Ave.  
Torrance, CA 90501-1486  
Fax: (310) 781-4970

Michael Sobol, Esq.  
Lieff Cabraser Heimann & Bernstein  
275 Battery St., 30<sup>th</sup> Floor  
San Francisco, CA 94111  
Fax: (415) 956-1008

**18. Entire Agreement**

This Settlement Agreement contains the entire agreement between the parties and supersedes all prior understandings, agreements, or writings regarding the subject matter of this Settlement Agreement.

**19. Signatures**

The parties and their counsel may sign separate copies of the Settlement Agreement, which together will constitute one agreement.

**20. Representations and Warranties**

20.1 Class Counsel and Class Representatives represent and warrant that the term "Class Counsel" as defined above is an exhaustive list of all persons (natural or legal) who have any interest in any award of attorneys' fees and costs in connection with either of the Actions.

20.2 AHFC and Class Representatives represent and warrant that he/she/it is fully authorized to enter into this Settlement Agreement and to carry out the obligations provided for herein. Each person executing this Settlement Agreement on behalf of a party hereto covenants, warrants and represents that he or she has been fully authorized to do so by such party. Each party hereto further represents and warrants that he/she/it intends to be bound fully by the terms of this Settlement Agreement.

20.3 All parties to this Settlement Agreement and their counsel represent and warrant that they have not made, nor will they make, any attempt to void this Settlement Agreement in any way, nor to solicit, encourage or assist in any fashion any effort by any person (natural or legal) to object to the settlement under this Settlement Agreement.

20.4 This Settlement Agreement shall be binding on and inure to the benefit of the respective heirs, successors, and assigns of the parties to the Settlement Agreement.

Approved as of January 21, 2005:

Signatures of Parties:

Class Representatives:

AHFC:

\_\_\_\_\_  
Terry Willis

\_\_\_\_\_  
By: Stephen E. Smith  
Its: Senior Vice President

\_\_\_\_\_  
Charles Scott

\_\_\_\_\_  
Marcelino "Marc" Cherry

\_\_\_\_\_  
Tonya R. Howell

\_\_\_\_\_  
Laronya Whitfield

\_\_\_\_\_  
Andre Bunnitt

\_\_\_\_\_  
Carolyn Bunnitt

\_\_\_\_\_  
Gregory Francis

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Charmaine Francis

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Bruce Reid

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Larry Dunn

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Herbert Manigault

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Franklin King

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Teresa Jackson

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Barbara Rodgers

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Jeannine Fishback

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Albert Ayotte

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Debra Pakeman

---

Noe Pulido

Signatures of Counsel:

On Behalf of Plaintiffs

---

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One of Their Attorneys

---

Wyman O. Gilmore, Jr.  
One of Their Attorneys

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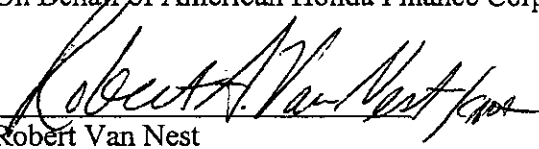
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One of Their Attorneys

Bill Lann Lee  
Michael W. Sobol  
Lori E. Andrus  
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Embarcadero Center West

On Behalf of American Honda Finance Corp.



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One of Its Attorneys

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Jeannine Fishback

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Albert Ayotte

*Debra Pakeman*  
\_\_\_\_\_  
Debra Pakeman

\_\_\_\_\_  
Noe Pulido

Signatures of Counsel:  
On Behalf of Plaintiffs

On Behalf of American Honda Finance Corp.



Bruce Reid

Larry Dunn

Herbert Manigault

Franklin King

Teresa Jackson

Barbara Rodgers

Jeannine Fishback

Albert Ayotte

Debra Pakeman

*Noe Pulido*  
Noe Pulido

Signatures of Counsel:  
On Behalf of Plaintiffs

On Behalf of American Honda Finance Corp.

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One of Their Attorneys

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