

IN THE MATTER OF
AMERICAN HONDA MOTOR COMPANY, INC.

CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATION OF
SEC. 5 OF THE FEDERAL TRADE COMMISSION ACT

Docket C-3082. Complaint, Jan. 22, 1982—Decision, Jan. 22, 1982

This consent order requires, among other things, a Gardena, Calif. motor vehicle dealer to cease failing to mail to each owner of a Honda automobile which was purchased as new, or is currently registered in certain states, a "notice package" containing information regarding the company's redress program for premature fender rusting. The company must timely remove and replace, at no cost to the owner, the front fenders of any Honda automobile experiencing premature rusting within 36 months-in-service, and reimburse eligible owners of affected vehicles for monies spent in trying to correct the premature rusting problem. Respondent is also required to inform its dealers of the firm's obligations under the provisions of the order, and provide them with adequate supplies or reimbursements for replacing rusted fenders. Additionally, the order requires respondent to maintain documents demonstrating compliance with the order for a period of not less than three years.

Appearances

For the Commission: *Joel Winston and Jeffrey Karp.*

For the respondent: *Henry P. Sailer, Covington & Burling, Washington, D.C., and James J. Short, Lyon & Lyon, Los Angeles, Calif.*

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that American Honda Motor Co., Inc., a corporation, hereinafter sometimes referred to as respondent, has violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent American Honda Motor Co., Inc. is a California corporation, with its principal office and place of business at 100 West Alondra Boulevard, Gardena, California.

PAR. 2. Respondent is now, and has been, engaged in the advertising, offering for sale, sale and distribution of Honda automobiles to members of the public.

PAR. 3. In the course and conduct of its aforesaid business,

respondent causes and has caused automobiles to be shipped to purchasers in various States, and therefore maintains, and at all times mentioned herein has maintained, a substantial course of trade in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act.

PAR. 4. For the purpose of this complaint, "premature fender rusting" shall mean hole(s), blister(s) or bubble(s) in the exterior paint or metal of the front fenders, which is caused by rusting of the metal and is not attributable to normal deterioration of the metal as a result of age.

PAR. 5. In the course and conduct of its aforesaid business, respondent offered for sale, sold and distributed 1975-1978 model year Honda automobiles which were subject, in a significant number of instances, to premature fender rusting.

PAR. 6. In the course and conduct of its business, respondent has failed to disclose facts concerning the existence, nature, extent, prevention or proper repair of premature fender rusting affecting certain Honda automobiles manufactured between the period from 1975 to 1978, notwithstanding that it knew or should have known of such facts.

PAR. 7. The facts referred to in Paragraph Six would have been material to many prospective purchasers, because, if known, they would have been likely to affect those persons' decisions concerning the purchase of such automobiles. Respondent has therefore failed to disclose material facts to prospective purchasers of Honda automobiles.

PAR. 8. The facts referred to in Paragraph Six are material to many owners, because, if known, they would be likely to affect those persons' decisions concerning the maintenance, repair, use or care of such automobiles. Respondent has therefore failed, and is failing, to disclose material facts to owners of Honda automobiles.

PAR. 9. Respondent's acts and practices in failing to disclose material facts, as alleged in Paragraphs Six through Eight above, have had, and now have, the capacity and tendency to mislead members of the public, including prospective purchasers and owners of Honda automobiles. Such acts and practices also cause and have caused substantial economic harm to members of the public, including prospective purchasers and owners of Honda automobiles, who make payments for goods or services which they might otherwise not make; or fail to take measures which they might otherwise take to prevent damage to their automobiles.

PAR. 10. Respondent's acts and practices, as alleged herein, were and are all to the prejudice and injury of the public and constituted,

and now constitute, unfair or deceptive acts or practices in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft of complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Federal Trade Commission Act; and

The respondent, its attorneys, and counsel for the Commission having thereafter executed an agreement containing all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having considered the matter and having determined that it had reason to believe that the respondent has violated the said Act, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of sixty (60) days, and having duly considered the comments filed thereafter by interested persons pursuant to Section 2.34 of its Rules, now in further conformity with the procedure prescribed in Section 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent American Honda Motor Co., Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of California, with its office and principal place of business located at 100 West Alondra Boulevard, in the City of Gardena, State of California.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

For the purposes of this Order, the following definitions shall apply:

1. *Honda automobile(s)* shall mean all 1975, 1976, 1977 and 1978 model year Civics and all 1976, 1977 and 1978 model year Accords sold or distributed by respondent in the United States.

2. *Premature rusting* shall mean the presence of hole(s), blister(s) or bubble(s) in the exterior paint or metal of the front fender, (a) which is caused by rusting of the metal from the underside of the fender, (b) any part of which is within two feet of the rear edge and one foot of the top edge of the fender, and (c) that appeared within the automobile's first thirty-six (36) months-in-service.

3. *Remove and replace* shall mean removal of the fender and replacement with a new fender which has been treated with a zinc coating process similar to Zincrometal with a nominal thickness of 0.5 mils or greater; *provided*, that if said new fender is not reasonably available due to circumstances beyond respondent's control, respondent may use a fender which has been one-side galvanized with a nominal weight of 60 grams per square meter (gm/m²) or greater and which has been primed using a cathodic electrodeposition process. This term shall also include all parts and labor necessary to (a) install and paint the replacement fender in as close to a matching color as possible, (b) re-affix all pre-existing trim and accessory items and replace any such items damaged during removal and replacement with identical items, if reasonably available, or similar items, if identical items are not reasonably available, (c) make all adjustments to the automobile necessitated by the removal and replacement of the fender, and (d) repair or replace, as is appropriate, any rusted structural or support component for the fender to the extent necessary to permit proper and sound installation of the fender.

4. *Dealers(s)* shall mean all persons, partnerships, firms or corporations which, pursuant to a Honda Automobile Dealer's sales and service agreement with respondent, receive on consignment or purchase new Honda automobiles from respondent for resale or lease to the public, including any person(s), partnerships(s), firm(s) or corporation(s) owned or operated by respondent.

5. *Owner(s)* shall mean any person, partnership, firm or corporation having custody and/or possession of a Honda automobile, including those automobiles held for resale. This term shall include, but not be limited to, any registered owner or lessee, or person acting on their behalf. This term shall not include insurers, warrantors or

automobile repair facilities which are not registered owners or lessees of the automobile, whether or not acting on behalf of an owner.

6. *Past or current owner(s)* shall mean any person, partnership, firm or corporation having custody and/or possession of a Honda automobile, or which had at any time in the past custody and/or possession of a Honda automobile, including those automobiles held for resale. This term shall include, but not be limited to, any registered owner or lessee, or person acting or who acted on their behalf. This term shall not include insurers, warrantors or automobile repair facilities which are not, and were not, registered owners or lessees of the automobile, whether or not acting on behalf of a past or current owner.

7. *Months-in-service* shall be calculated as beginning on the date on which respondent began warranty coverage on the automobile. If that date cannot be established by respondent, the months-in-service shall be calculated as beginning not earlier than:

1975	Civic 1200, Civic CVCC & Civic Wagon	November 26, 1975
1976	Civic 1200, Civic CVCC & Accord	December 6, 1976
	Civic Wagon	December 8, 1976
1977	Civic 1200	December 14, 1977
	Civic CVCC	December 20, 1977
	Civic Wagon & Accord	December 5, 1977
1978	Civic 1200	October 12, 1978
	Civic CVCC & Civic Wagon	October 26, 1978
	Accord	October 17, 1978

I

It is ordered, That respondent American Honda Motor Co., Inc., a corporation, its successors and assigns, and its officers, agents, representatives and employees, directly or indirectly or through any corporation, subsidiary, division or other device, in connection with the advertising, offering for sale, sale or distribution of any motor vehicle in or affecting commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

A. Failing to send by first-class mail, within sixty (60) days after the date of service of this Order, a notice package consisting of (i) a copy of the letter attached to this Order as Attachment A, incorporated herein by reference, (ii) a copy of the form attached to this Order as Attachment B, incorporated herein by reference, and (iii) a self-addressed, postage-paid envelope. Respondent shall com-

plete all insertions in Attachment A and the top portion of Attachment B for each such notice package. The notice package shall be sent in one envelope, similar in all material respects to Attachment C of this Order, incorporated herein by reference. The notice package shall be mailed to each current registered owner of a Honda automobile which was purchased as new, or is currently registered, in any of the following states. Such owners shall be determined by current state motor vehicle records of a commercial locator service and by respondent's warranty registration records.

Connecticut	Missouri
Delaware	Nebraska
District of Columbia	New Hampshire
Illinois	New Jersey
Indiana	New York
Iowa	Ohio
Kansas	Pennsylvania
Kentucky	Rhode Island
Maine	Vermont
Maryland	Virginia
Massachusetts	West Virginia
Michigan	Wisconsin
Minnesota	

Respondent shall also send or cause to be sent a notice package, with all insertions provided for in Attachment A and the top portion of Attachment B completed, to the extent that information provided by the inquiring past or current owner permits, within thirty (30) days of the inquiry, or sixty (60) days after the date of service of this Order, whichever date is later, to each past or current owner of a Honda automobile who inquires before July 1, 1982* to respondent or a dealer about respondent's redress program for premature fender rusting, and who:

- i. Was sent a notice package but has not received it by the seventieth (70th) day after the date of service of this Order;
 - ii. Was not sent, and is not scheduled to be sent, a notice package;
- or
- iii. Received a notice package but subsequently lost it.

B. Failing to remove and replace, at no cost to the owner, within 180 days after the owner presents the automobile to a dealer for an inspection with his or her pre-printed Attachment B form, the front

* Modified by direction of the Commission dated March 4, 1982.

fender(s) of any Honda automobile experiencing premature rusting. Said inspections shall be available at all times during the dealer's normal service hours and shall be performed within a reasonable period of time. At the inspection, respondent shall cause to be returned to each owner three copies of Attachment B with all appropriate insertions completed. Except as otherwise provided by this Order, no owner shall be required to submit an automobile for any purpose or at any time, to a dealer or respondent, in order to receive any benefits under this Order, other than on one occasion for an inspection, and one occasion, at a time mutually agreed upon between the owner and the dealer, for removal and replacement. Each removal and replacement shall be completed within a reasonable period of time after the owner presents the automobile to a dealer for the removal and replacement at a time mutually agreed upon between the owner and the dealer.

Provided further, That in each instance where a dealer rejects a request for removal and replacement, respondent shall cause to be provided to each such owner a written report, completed and signed by the dealer, describing in detail the reasons why the request was rejected and containing instructions on how the owner can seek a review of the rejection by respondent. In each case where the rejection is based upon a determination that the front fender(s) are not experiencing premature rusting, as defined by this Order, said written report shall describe in detail the condition of the fender(s) and all tests performed to determine the cause or source of any rusting. Respondent shall review each rejected request within a reasonable time after an owner requests a review from respondent's zone office. In each case where the rejection was based solely upon the dealer's determination that the hole(s), blister(s) or bubble(s) in the exterior paint or metal of the fender were not caused by rusting of the metal from the underside, and unless said rejection is reversed, said review shall include, if requested by the owner, an inspection of the fender(s) by an employee of respondent. Respondent shall provide to each such owner a second written report describing in detail the findings of this inspection.

Provided further, That in each instance where the fender(s) on a Honda automobile have not been replaced within 180 days after the owner presented the automobile with the pre-printed Attachment B form to a dealer for an inspection, respondent shall offer the owner the option of receiving either a cash settlement of \$150 per rusted fender, or replacement of the fender within a reasonable period of time set by the dealer. Within sixty (60) days after respondent receives from the owner a completed and signed copy of Attachment

B requesting the cash settlement, respondent shall mail to each such owner a check for \$150 for each front fender experiencing premature rusting. Respondent's obligation under this proviso to offer the cash settlement shall not extend to any owner who fails to present his or her Honda automobile for removal and replacement, within said 180 day period, at the time(s) mutually agreed upon between the owner and the dealer or reasonably scheduled by the dealer if the owner will not agree to a reasonable time.

Provided further, That respondent may require any owner whose automobile exceeds thirty-six (36) months-in-service to sign the statement, contained in Attachment B, certifying that the automobile experienced premature rusting, and that the individual was an owner of the automobile, within its first thirty-six (36) months-in-service and is currently an owner.

Provided further, That respondent shall not offer any form of compensation for premature rusting to any such owner other than the compensation specifically provided for by this Order.

C. Failing to reimburse any past or current owner of a Honda automobile for all expenses incurred for repairs or replacements which were intended to eliminate premature rusting, whether or not they eliminated the premature rusting. Such reimbursement shall consist of all monies expended by the past or current owner, if the services were performed by a dealer or subcontractor of the dealer; or all monies expended by the past or current owner, or the usual and customary charges in the past or current owner's trade area for the work performed, whichever is lower, if the services were performed by a person, partnership, firm or corporation other than a dealer or subcontractor of the dealer.

Such reimbursement shall be made within sixty (60) days after respondent receives from the past or current owner (i) a completed and signed copy of Attachment B, certifying that the automobile experienced premature rusting, and that the individual was a past or current owner of the automobile, within its first thirty-six (36) months-in-service, and (ii) reasonable evidence of repair or replacement expenses.

Provided, That respondent's obligations under this Paragraph shall apply only if such repairs or replacements were made prior to the past or current owner's receipt of a notice package from respondent as provided for by Paragraph A of Section I of this Order.

Provided further, That respondent may require any owner to submit his or her Honda automobile to a dealer for an inspection as a condition of reimbursement under this Paragraph.

D. Failing to provide all dealers with adequate supplies of, or in

the alternative to reimburse all dealers to the extent of respondent's normal warranty reimbursement policy and procedures for obtaining, new front fenders and all other items necessary to effectuate the reasonably foreseeable removal and replacement of the fenders.

E. Failing to provide all dealers with adequate supplies of Attachment B, with pre-printed portions blank.

F. Failing to notify all dealers in writing within ten (10) days after the date of service of this Order of the existence of premature rusting, of the terms and conditions of respondent's obligations under this Order, and of the necessity for dealers to avoid any practices which might hinder, delay, restrict or frustrate the proper administration of this Order.

II

It is further ordered, That respondent's obligations under this Order shall not extend to the following:

A. Under Paragraph B of Section I of this Order, (i) to those owners who initially present their automobile to a dealer for an inspection after their automobiles have reached forty-two (42) months-in-service, or after six (6) months after the date of service of this Order, whichever date is later; (ii) to those owners who fail, before May 1, 1983, to present their automobiles for removal and replacement at a time mutually agreed upon between the owner and a dealer, or to mail to respondent a completed and signed copy of Attachment B requesting a cash settlement; or (iii) to more than one owner for each Honda automobile.

B. Under Paragraph C of Section I of this Order, to those past or current owners who mail Attachment B to respondent after their automobiles have reached forty-two (42) months-in-service, or after six (6) months after the date of service of this Order, whichever date is later.

III

It is further ordered, That respondent shall provide to each dealer, within thirty (30) days after date of service of this Order, a display poster, no smaller than 30 inches by 40 inches, in the form of Attachment D to this Order, incorporated herein by reference. Respondent shall advise dealers to place the poster in a conspicuous and accessible location in the service writer's area of the dealership, and to keep the poster posted until July 15, 1982.

IV

It is further ordered, That respondent maintain documents demonstrating compliance with this Order for a period not less than three (3) years. Such documents shall be made available to the Commission or its staff for inspection and copying upon reasonable request, and shall include, but are not necessarily limited to, those revealing:

A. The name and last known address of each owner who was sent the notice package required by Paragraph A of Section I of this Order.

B. The name and last known address of each owner whose notice package was returned by the U.S. Postal Service undelivered.

C. The name and last known address of each owner who requested removal and replacement.

D. The name and last known address of each owner whose fender(s) were removed and replaced, pursuant to Paragraph B of Section I of this Order, within 180 days after the owner presented the automobile to a dealer for an inspection with his or her Attachment B form.

E. The name and last known address of each owner whose fender(s) were removed and replaced more than 180 days after the owner presented the automobile to a dealer for an inspection with his or her Attachment B form, and the number of days in excess of 180 that the fender(s) of each such owner were replaced.

F. The name and last known address of each owner who received a cash settlement due to a dealer's inability to remove and replace the fender(s) within said 180 day period.

G. The name and last known address of each past or current owner who requested reimbursement for prior repairs or replacement of front fender(s) with premature rusting.

H. The name and last known address of each past or current owner who was reimbursed for prior repairs or replacement of premature rusted fender(s), pursuant to Paragraph C of Section I of this Order.

I. All communications between respondent and any zone representative, dealer or past or current owner concerning removal and replacements or reimbursements for repairs or replacements made to Honda automobiles affected by premature rusting. Such documents shall include, but not be limited to (a) all written communications; and (b) all oral communications which are reduced to writing and maintained in the ordinary course of business.

J. Each instance arising under Paragraph C of Section I of this Order where respondent reimbursed a past or current owner of a

Honda automobile for less than one hundred percent (100%) of the actual charges for parts and labor, and those documents revealing the underlying basis for determining the usual and customary charges in each such instance.

K. Each instance arising under Paragraphs B or C of Section I of this Order involving a dispute over months-in-service or ownership within the first thirty-six (36) months, unless respondent determined to remove and replace front fenders, make a cash settlement or reimburse an owner in accordance with said paragraphs, notwithstanding said dispute.

L. Each instance arising under Paragraph B of Section I of this Order where respondent failed to remove and replace the front fenders of any Honda automobile, and the underlying basis for each such failure. Such documents shall include all written reports required by Paragraph B of Section I of this Order.

M. Each instance arising under Paragraph C of Section I of this Order where respondent failed to reimburse any past or current owner, and the underlying basis for each such failure.

N. The number of one-side galvanized fenders used by respondent for replacements and the underlying basis for the unavailability of fenders treated with a zinc coating process similar to zincrometal.

V

It is further ordered, That respondent shall notify the Commission at least thirty (30) days prior to any proposed change in its structure, such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries, or any other change in the corporation, which may affect compliance obligations arising out of this Order.

VI

It is further ordered, That respondent shall, within sixty (60) days after the date of service of this Order, and at one year intervals thereafter through 1983, file with the Commission a report, in writing, signed by respondent, setting forth in detail the manner and form in which it has complied and will comply with this Order.

AMS 3061 8107

HONDA

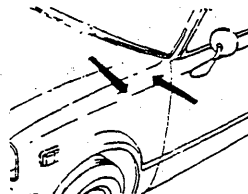
AMERICAN HONDA MOTOR CO., INC.
100 WEST ALONORA BOULEVARD, GARDENA, CALIFORNIA 90247
AUTOMOBILE SERVICE DEPARTMENT, P.O. BOX 80 - GARDENA, CALIF.
CABLE ADDRESS - AMEHON, GARDENA, CALIFORNIA (213) 327-8280

IMPORTANT: FREE FENDER REPLACEMENT OFFER

Dear Honda Owner:

We have become aware of a condition in some Honda cars which you should know about. This condition may result in the front fenders of some 1975-1978 cars rusting prematurely. By agreement with the Federal Trade Commission, American Honda will correct this problem free, if you qualify. If we cannot replace the fenders within six months of when you apply (see paragraph 3), we will offer you the option of receiving a cash settlement (see paragraph 4). Also, if you paid for repair or replacement of rusted fenders in the past, American Honda will repay you, if you qualify. We are doing this because we want to satisfy our customers and keep them satisfied.

Please read this letter carefully and follow the steps listed to make sure you get the new fender(s) or refund. We are sorry this letter is so long, but we want to make sure you have all the information you need.



HONDA'S PROGRAM FOR FRONT FENDER RUST

1. How to Tell If Your Car Has The Front Fender Rust Condition

This program covers rust on the top part of the front fender, within about two feet of the windshield. The rust first appears in the form of bubbles or blisters in the paint. Soon after, holes in the metal develop. The drawing above shows the problem area.

Only rust which began on the underside of the fender is covered by this program. Conditions *not* covered are:

- rust on any other part of your car;
- surface rust;
- rust due to unrepaired (or poorly repaired) stone chips or collision damage.

2. How to Determine If You Qualify For The Replacement Program

We will replace the rusted fender(s) free, if you meet *all* of these conditions:

- Your car is a 1975, 1976, 1977 or 1978 Honda, any model;
- The rust began on the underside of the fender and is in the top, rear part of the front fender (see the drawing);
- The first signs of rust (usually paint bubbling) appeared within your car's first three years of service. See the dates at the top of the enclosed Application Form. If you first noticed the problem before the "ended" date, you qualify; and
- You now own (or lease) the car, and owned (or leased) it at some time during its first three years.

3. What You Should Do If You Meet These Qualifications — How to Apply

- a. Visit any Honda new car dealer any time during normal service hours to get your car's fenders inspected. *You must* bring the Application Form with you. (If you lost it, contact your local Honda zone office listed at the end of this letter.) Although the inspection should only take a few minutes, you may want to call the dealer before coming, to avoid possible delays. If the dealer agrees after inspecting your car that you qualify, an appointment will be set for your fender replacement.
- b. At the inspection, the dealer will ask you to sign the statement in the "Replacement" section of the Application Form. This certifies that the rust appeared within your car's first three years, and that you owned it at some point during those three years. The dealer will fill in the inspection and appointment dates on your Form. He will also fill in a date exactly six months from the inspection. If the dealer cannot install your new fender(s) by this six-months date, you have the right to a cash settlement (see paragraph 4 below). *Be sure* to keep your copies of the Form. Mark the date on your calendar so that you know when the six months have passed.
- c. If the dealer says that you do not qualify, ask him for a copy of his inspection report. If you still think you qualify, you have the right to get a review of your case by a Honda zone representative. Contact your local Honda zone office. If the dealer's report says you do not qualify because the rust did not begin on the underside of the fender, you can ask the zone office to do another inspection.
- d. Bring your Application Form with your car to the dealer on your appointment date. The fender(s) will be replaced at no charge to you. Because of the time needed for the paint to dry, it will usually take three or four working days to replace the fender(s). In some cases, it may take even longer. Ask your dealer. Also, you should know that it is not always possible to match exactly the fender paint or accent items. If you cannot make your appointment, call your dealer well in advance to reschedule it.

4. If The Dealer Can't Replace The Fender(s) Within Six Months

If we receive many requests for new fenders under this Program, your dealer may not be able to install your new fender(s) within six months of the inspection date. If your fenders have not been installed by the six-months date on the Application Form, you will have a choice. You can either wait to have the fender(s) replaced when the dealer can schedule the work, or you can receive a check from us for \$150 for each rusted fender.

It is *very important* that you keep your copies of the Application Form and mark the six-months date on your calendar. Then, on that date, or as soon as possible after that, make your choice. If you want to wait to get your fender(s) replaced, call your dealer to set an appointment. If you choose instead to take the money, fill out and sign the "Cash Settlement" section of the Application Form, and mail the white copy to us in the enclosed envelope. We will then mail you a check within 60 days. Only one cash settlement per automobile is permitted.

Remember, you don't have to accept the \$150 per fender. If you prefer, you can choose to wait and have your fender(s) replaced. You *cannot* get both new fenders and the money. The \$150 will only be offered if the dealer can't replace the fender(s) within six months. If you miss an appointment and do not reschedule it within the six months you become ineligible for the cash settlement. You should also know that a body shop would probably charge you more than \$150 to replace your fender. If you lose your Application Form call the dealer who did your inspection.

5. What You Should Do If You Already Paid For Repairs or Replacement — Before You Got This Letter.

We will repay you for reasonable repair or replacement bills which you paid in trying to fix the rusted fender(s). But, we will repay you only if you had the repairs or replacement *before* you got this letter.

To get repaid, you must:

- a. Meet all the conditions in paragraph 2, except you are still eligible even if you don't own the car anymore.
- b. Carefully read the statement in the "Repayment" section of the Application Form and sign it. Also, fill in the amount you spent for the repairs or replacement.
- c. Send the pink copy of the Form to us in the enclosed envelope, along with a copy of your repair or replacement bill. If you don't have your bill, try to get a copy from the repair shop. If you can't get a copy of the bill, send us a copy of your cancelled check or charge receipt, and a statement from the repair shop describing the repair or replacement and the cost, if you can get one. If you can't, send us the name and address of the repair shop and the date of repair, so we can check the information.
- d. We will then repay you within 60 days. If you still own the car, we may ask to inspect it before we repay you. This offer cannot be transferred to anyone else.

6. IMPORTANT REMINDERS

Act promptly. After you find that your car has front fender rust, contact a Honda dealer right away. This program will end May 1, 1983. BUT YOU MUST APPLY BEFORE (six months after Order served), OR YOUR CAR IS 3 1/2 YEARS OLD, WHICHEVER DATE IS LATER, TO BE ELIGIBLE.

Although there is no guarantee, the new fender(s) which we will give you should not develop this type of rust for at least three years, whether or not you have them "rustproofed." The fenders have been factory-treated to resist rust. However, the metal may rust eventually. The effectiveness of rustproofing will depend on many factors. Before purchasing rustproofing, you should consider the age and general condition of your car and how much longer you plan to keep it. Also, keep in mind that you will be charged the rustproofing's regular price if you decide to purchase it. In this instance, we would not generally recommend it.

If you have any questions or problems with our program, call or write your local Honda zone office listed on the next page. We deeply regret any inconvenience this rust condition or our program may cause you.

Sincerely,

AMERICAN HONDA MOTOR CO., INC.

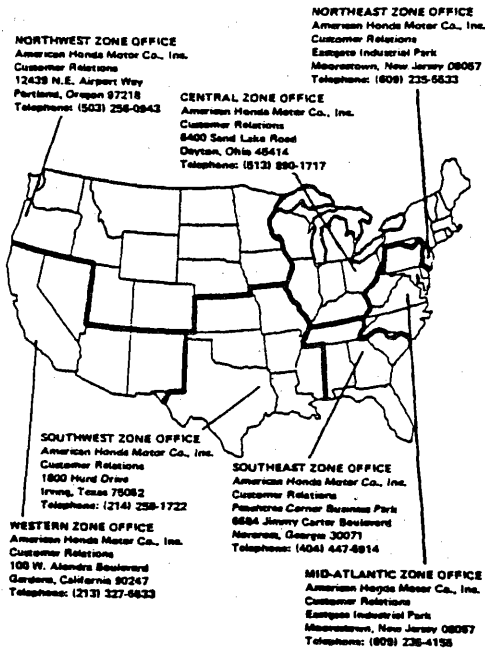
If you are dissatisfied with the service you received at an authorized Honda dealership, you should review the matter with that dealership's Service Manager. This will normally resolve your problem. If it does not, you should appeal the decision with the owner of the dealership.

After following these steps, if you wish to obtain assistance from American Honda you should contact the appropriate Zone Office. The Zone Office to contact is the one covering the area where you are now located. Each Zone's address and area of responsibility is shown on the map.

Please include the following information when you contact the Zone Office:

1. Vehicle Identification Number (VIN)
2. Date of Purchase
3. Servicing Dealer Name and Address
4. Your Name and Address

The Zone Office is staffed to assist Honda owners.



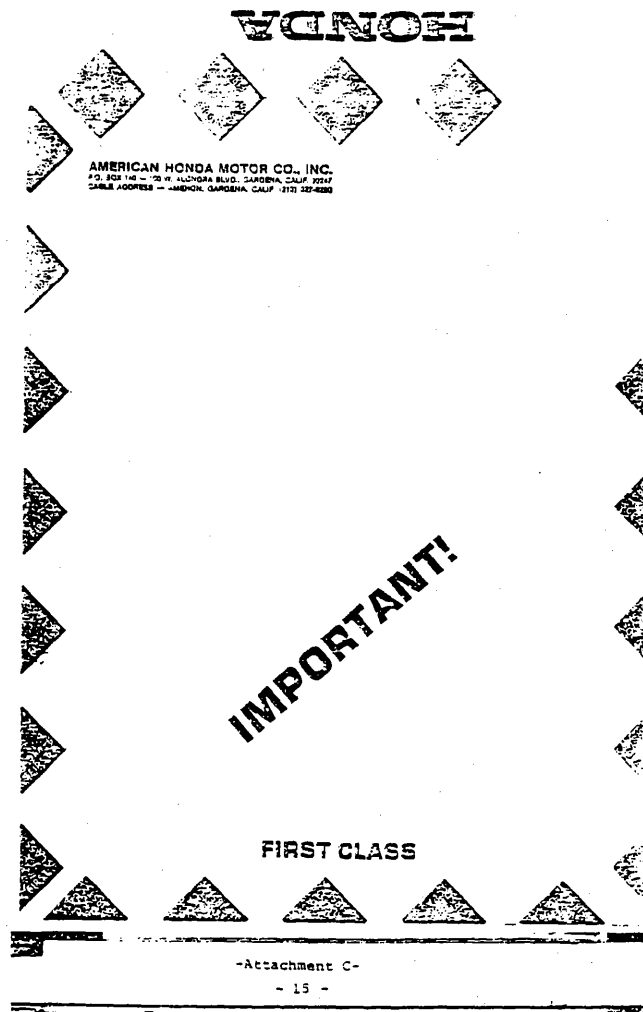
HONDA - Attachment B -
1975-78 FENDER RUST APPLICATION FORM
 You must bring all copies of this form to your dealer when you have the car inspected. AMS 2418-3458 31

Write Name/Address Corrections here:

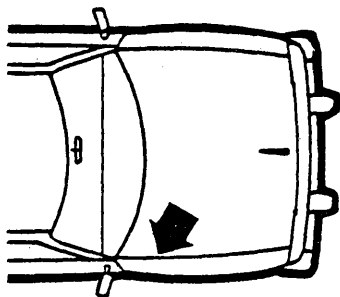
PRE-PRINTED

3 years-in-service begin: PRE-PRINTED ; ended: PRE-PRINTED

Complete and sign the applicable sections:		This column for AHM/Dealer Use Only:																													
I. REQUEST REPLACEMENT I request that one ☐ or both ☐ front fenders be replaced. I certify that fender rust or bubbling appeared within my car's first three years-in-service and that I owned or leased the car during that period, and still own or lease it. (Owner's Signature) _____ (date) _____ Date car inspected: _____ (date) _____ Six months from that date is: _____ (date) _____ Repair appointment: _____ (time) _____ (date) _____ Dealer Name/Number: _____ (Dealer's Verification Signature) _____ (date) _____		CLAIM NO. _____ DEALER NO. _____ REPAIR CODE _____ MODEL V.I.N. _____ DEALER R.O. NO. _____ DEALER R.O. DATE _____ DATE WORK COMPLETED _____ AIR CONDITIONER MANUFACTURER _____ SERIAL NO. _____ Which fender replaced? LEFT BOTH RIGHT <table border="1"> <thead> <tr> <th>HONDA/C</th> <th>QTY.</th> <th>PARTS DESCRIPTION</th> <th>DLR. NET</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table> (A) DEALER NET PARTS TOTAL DOES NOT INCLUDE HANDLING (B) PARTS HANDLING (C) SUBLET SUB TOTAL Lines A & C (D) LABOR TOTAL P.A.T. \$ _____ (E) CLAIM TOTAL SUBLET WORK EXPLANATION _____ SUBLET INVOICE NO. _____		HONDA/C	QTY.	PARTS DESCRIPTION	DLR. NET																								
HONDA/C	QTY.	PARTS DESCRIPTION	DLR. NET																												
II. REQUEST CASH SETTLEMENT My fenders could not be replaced by _____ (8 months date) Therefore, I request a cash settlement of: ☐ \$150 (one rusted fender) or ☐ \$300 (two rusted fenders) (Owner's Signature) _____ (date) _____ Mail white copy to American Honda.		DEALER CERTIFICATION DEALER HEREBY CERTIFIES THAT ALL PARTS AND/OR LABOR DESCRIBED HERE WERE FURNISHED AT NO CHARGE TO THE CUSTOMER PURSUANT TO AMERICAN HONDA MOTOR COMPANY INC. WARRANTY POLICIES. ALL CREDITED ITEMS SUBJECT TO AUDIT AND PARTS RETURN. SERVICE MANAGER SIGNATURE _____ FACTORY COMMENTS _____ AHM SIGNATURE _____ AUTHORIZATION SIGNATURE _____ DATE _____ CODES: A B C D E																													
III. REQUEST REPAYMENT I paid \$_____ to have my rusted front fender(s) repaired before I received the letter from American Honda. Therefore, I request repayment for that amount. I certify that the rust began on the underside of the fender, and appeared within my car's first three years-in-service and that I owned or leased the car during that period. (Owner's Signature) _____ (date) _____ NOTE: To request repayment, you must enclose a copy of the paid repair bill or other proof of repair and mail it with the pink copy of the form to American Honda.		OWNER SENDS TO HONDA FOR REPAYMENT DEALER INSPECTION GOLD COPY OWNER YELLOW COPY																													

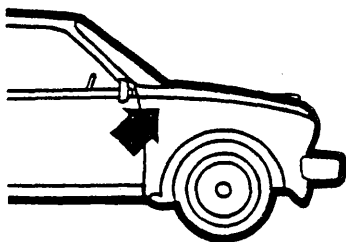


ATTACHMENT D



Fender Rust Covered Free

If your 1975—78 Honda car
front fender rusted in this area in its
first three years of operation,



you may be eligible for a
free replacement fender
(or a refund for your costs,
if you've already had it repaired).

Ask your Honda dealer for more information.

HONDA

IN THE MATTER OF

ABC VENDING CORPORATION, ET AL.

MODIFYING ORDER IN REGARD TO ALLEGED VIOLATION OF SEC. 5
OF THE FEDERAL TRADE COMMISSION ACT

Docket 7652. Order, Oct. 22, 1964—Modifying Order, Jan. 28, 1982

This order reopens the proceeding and modifies the Commission's order issued on October 22, 1964, 66 F.T.C. 1019, by deleting Paragraph VIII from the order, which limited the amount of time respondents could contract for exclusive concessionary rights at movie theaters.

ORDER MODIFYING CEASE AND DESIST ORDER
ISSUED OCTOBER 22, 1964

The Federal Trade Commission having considered the September 22, 1981 petition of Ogden Food Service Corporation (successor to ABC Vending Corporation) to reopen this matter and to set aside or, in the alternative, modify the consent order to cease and desist issued by the Commission on October 22, 1964, and having determined that changed conditions of fact warrant reopening and modification of the order,

It is ordered, That this matter be, and it hereby is reopened and that Paragraph VIII of the Commission's order be and it is hereby deleted.