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7 **STATE OF WASHINGTON**  
8 **KING COUNTY SUPERIOR COURT**

9 STATE OF WASHINGTON,

10 Plaintiff,

11 v.

12 AMERICAN HONDA MOTOR CO.,  
13 INC. and HONDA OF AMERICA MFG.,  
14 INC.,

Defendants.

NO.

COMPLAINT FOR INJUNCTIVE AND  
OTHER RELIEF

15 The Plaintiff, State of Washington, by and through its attorneys Robert W. Ferguson,  
16 Attorney General, and Marc Worthy, Assistant Attorney General, complains of American  
17 Honda Motor Co., Inc. and Honda of America Mfg., Inc. (hereafter referred to collectively as  
18 “Honda” or “Defendants”), and for cause of action states as follows:

19 **I. PARTIES**

20 1.1 Plaintiff, Attorney General, brings this action through the Consumer Protection  
21 Division of the Office of the Attorney General, in the name of the State of Washington, under  
22 the authority granted by Washington Unfair Business Practices and Consumer Protection Act  
23 (hereafter referred to as “CPA”), upon the grounds that Defendants have engaged in unfair, false,  
24 misleading, and/or deceptive acts and practices in the course of trade and commerce. Pursuant  
25 to RCW19.86.080 of the CPA, the Attorney General is authorized to seek injunctive relief,  
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1 penalties, and consumer redress for conduct declared unlawful under RCW 19.86.020 of the  
2 CPA.

3 1.2 Defendant American Honda Motor Co., Inc., is a corporation located at 1919  
4 Torrance Boulevard, Torrance, California 90501.

5 1.3 Defendant Honda of America Mfg., Inc., is a corporation located at 24000 Honda  
6 Parkway, Marysville, Ohio 43040.

## 7 **II. JURISDICTION AND VENUE**

8 2.1 This Court has jurisdiction over the subject matter of this action and over  
9 Defendants, pursuant to Consumer Protection Act (CPA), RCW 19.86.

10 2.2 Venue of this suit lies in King County, Washington for the following reasons:

11 a. Pursuant to RCW 4.12.020 and RCW 4.12.025 venue is proper because  
12 Honda has done business in King County, Washington, by advertising, marketing, distributing,  
13 selling, delivering, leasing, warranting, and/or financing motor vehicles manufactured by Honda.

14 b. At all relevant times, Defendants have purposefully availed themselves of this  
15 forum.

## 16 **III. PUBLIC INTEREST**

17 3.1 Plaintiff, the State of Washington, has reason to believe that Defendants are  
18 engaging in, have engaged in, or are about to engage in acts or practices declared to be unlawful  
19 under RCW 19.86.020; therefore, the Consumer Protection Division of the Office of the  
20 Attorney General of the State of Washington asserts that these proceedings are in the public  
21 interest.

## 22 **IV. TRADE AND COMMERCE**

23 4.1 Honda, at all times described below, is a person engaged in conduct which  
24 constitutes "trade" and "commerce" as those terms are defined by RCW 19.86.010.

## 25 **V. ACTS OF AGENTS**

26 5.1 Whenever in this Complaint it is alleged that Honda did any act, it is meant that:

1 a. Honda performed or participated in the act, or

2 b. Honda's officers, agents, employees, affiliates, or subsidiaries performed or  
3 participated in the act on behalf of and under the authority of Honda.

4 **VI. BACKGROUND**

5 6.1 Since December 2015, an Attorneys General Multistate Working Group has been  
6 engaged in an investigation of Honda's use and installation of frontal Takata Airbags in the  
7 passenger compartment of its motor vehicles. Attorney General of Washington on behalf of  
8 Plaintiff, the State of Washington, is a member of the Multistate Working Group.<sup>1</sup>

9 6.2 Contemporaneously filed with this Complaint is a Consent Judgment that the  
10 Parties hereto respectfully request that this Court sign and enter as the final resolution of this  
11 action. Plaintiff and Defendants, by their respective counsel, have agreed to resolve the issues  
12 raised in the investigation without trial or adjudication of any issue of fact or law and without  
13 admission of any wrongdoing or admission of any violations of the RCW 19.86.020 or any other  
14 law as alleged by Plaintiff. Upon the entry of Consent Judgment by this Court, no Answer is  
15 required and no additional discovery will be conducted.

16 6.3 Judgments taken by Multistate Working Group members against the Defendants  
17 will be filed in the respective courts of each state.

18 **VII. ALLEGATIONS**

19 7.1 At all times relevant to the allegations made in this Complaint, Honda has been  
20 in the business of manufacturing private passenger vehicles, among other motor vehicles, for  
21 sale and lease in the United States. Honda effectuates the sale and lease of these vehicles through

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22 <sup>1</sup> "Multistate Working Group" shall mean the Attorneys General of Alabama, Alaska, Arkansas,  
23 Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Guam, Idaho, Illinois, Indiana, Iowa,  
24 Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri,  
25 Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Northern  
26 Mariana Islands, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas,  
Utah, Vermont, Virginia, West Virginia, Washington, Wisconsin and Wyoming. With regard to Maryland, any  
references to the Attorney General or Attorneys General shall mean the Consumer Protection Division, Office of  
the Attorney General of Maryland.

1 an extensive network of dealerships. As part of its business, Honda engages in nationwide  
2 advertising and marketing efforts in order to promote the sale or lease of its products to  
3 consumers.

4         7.2 Honda private passenger vehicles include critical safety features, such as seatbelts  
5 and airbags. Airbags are strategically installed in locations throughout the passenger  
6 compartment of the vehicle to maximize their safety effectiveness. Each airbag's design depends  
7 on its location within the passenger compartment. Frontal airbags can be the most critical airbag  
8 in circumstances that result in deployment.

9         7.3 Honda has advertised, promoted, and represented, in the media and in  
10 communications to consumers, the performance of its airbags, the safety benefits of its airbags,  
11 and the overall safety of its vehicles. For example, Honda created a video commercial featuring  
12 a demonstration involving a watermelon. In that advertisement, airbags are set up in a way that  
13 objects could be dropped on them from overhead while the airbags simultaneously deployed. In  
14 the first segment of the video, a watermelon is dropped on a Honda airbag, and it deployed in  
15 such a way that the watermelon was cushioned and did not shatter. In the second segment, when  
16 a watermelon is dropped on a non-Honda airbag, the watermelon shattered when the airbag did  
17 not deploy properly.

18         7.4 At all times relevant hereto, Honda purchased frontal airbag assemblies from  
19 Takata Corporation ("Takata"), a Tokyo, Japan-based corporation, for installation by Honda in  
20 various Honda and Acura model vehicles. During the time that Honda was purchasing airbags  
21 from Takata, Honda was a fractional owner of Takata.

22         7.5 At some point in 2000, Takata began manufacturing the airbags utilizing  
23 ammonium nitrate, a highly volatile and unstable substance, as the propellant. At the time that  
24 Takata began using ammonium nitrate, there was little to no industry experience with using it as  
25 a propellant in airbags, although it was widely understood that ammonium nitrate was unstable  
26 and could degrade because of environmental conditions, such as heat and humidity. As

1 evidenced by later airbag ruptures, degraded ammonium nitrate ignited more quickly and  
2 forcefully than non-degraded ammonium nitrate, creating so much excess pressure that the  
3 airbags ruptured, sending metal fragments into a vehicle's passenger compartment.

4       7.6 Even before Takata began manufacturing airbags utilizing ammonium nitrate,  
5 Takata had revealed its then-new ammonium nitrate-based propellant formula to Honda on  
6 September 7, 1999. Honda was Takata's first customer of the Airbags, installing them in model  
7 year 2001 vehicles. (The term "Airbags" shall hereafter refer to frontal airbag assemblies which  
8 utilized ammonium nitrate as a propellant and that Honda purchased from Takata).

9       7.7 From the outset, Honda was aware of information indicating that the Airbags  
10 were problematic and posed an unreasonable safety risk as demonstrated by explosive failures  
11 during testing in October 1999 and January 2000, one of which was powerful enough that the  
12 force of the blast injured an observer from Honda. Honda had other indications of problems, as  
13 well, including but not limited a rupture in May 2004 involving an Airbag installed in a Honda  
14 Accord.

15       7.8 In 2007, Honda became aware of at least three other field ruptures but failed to  
16 timely report these ruptures to the National Highway Traffic Safety Administration ("NHTSA").

17       Concerned that the Airbags were incurring a larger number of field ruptures than other  
18 types of airbags, that same year, Honda and Takata formed a joint committee to identify the root  
19 cause(s) of the ruptures. This committee ultimately determined that Honda should initiate a recall  
20 for the Airbags.

21       7.9 In 2008, Honda initiated a recall of only a small set of Airbags that were  
22 manufactured during a narrow time period.

23       7.10 In 2009, Honda reported the 2007 field ruptures to NHTSA. Following a larger  
24 recall that same year, a Honda engineer identified serious concerns with the Airbags: In July  
25 2009, he informed his colleagues and superiors that the Airbags' inflator modules contained  
26 serious safety deficiencies. In response to the engineer's concerns, Honda and Takata redesigned

1 the Airbags' inflator modules and began installing the redesigned Airbags in MY2010 Honda  
2 vehicles. Honda did not, however, inform regulators, including NHTSA, of the change, nor did  
3 it warn owners of vehicles with the original, deficiently designed Airbags of these safety  
4 concerns.

5 7.11 From 2009 on, the original Airbags continued to rupture in the field, and  
6 passengers continued to be killed or seriously injured by the shrapnel thrown off by the shattered  
7 inflator modules.

8 7.12 The mounting and recurrent rupture incidents culminated in the repeated, separate  
9 recalls of Honda vehicles in discrete sets over the course of seven years until, eventually, in  
10 2015, widespread recalls of the Airbags were initiated.

11 7.13 In the United States, over 12.9 million vehicles containing the Airbags, including  
12 306,758 in the State of Washington, have been recalled. Repairs performed pursuant to these  
13 recalls are still being performed today.

14 7.14 Ultimately, on January 13, 2017, Takata pled guilty to wire fraud in a federal  
15 court case brought by the United States Department of Justice in relation to it falsifying test data.

16 7.15 Despite the early and continuing indications that the Airbags posed an  
17 unreasonable safety risk, including such indications as the concerns of Honda's own engineers,  
18 the ever-increasing number of recalled Airbags, and the mounting human cost, Honda did not  
19 break with Takata and failed to adequately warn its consumers of the dangers posed by the  
20 Airbags until it learned of the misconduct that formed the basis of the criminal allegations against  
21 Takata.

## 22 **VIII. VIOLATIONS OF CONSUMER LAW**

23 8.1 The State of Washington re-alleges the facts above and incorporates them herein  
24 by reference.

25 8.2 Honda has violated RCW 19.86.020 by:

26 a. advertising, promoting, communicating or otherwise representing in a way

1 that is unfair, false, misleading, and/or deceptive (a) its Airbags, (b) the safety of its Airbags, (c)  
2 the safety of any components of its Airbags, including, but not limited to, ammonium nitrate,  
3 and (d) the overall safety of its vehicles, in trade or commerce, in violation of RCW 19.86.020;

4 b. representing that its Airbags or any components of its Airbags, including, but  
5 not limited to, ammonium nitrate, have uses, benefits and characteristics which they do not have,  
6 in violation of RCW 19.86.020;

7 c. representing that its Airbags or any components of its Airbags, including, but  
8 not limited to, ammonium nitrate, are of a particular standard, quality, or grade, when they are  
9 of another, in violation of RCW 19.86.020; and,

10 d. failing to disclose information concerning its Airbags or any components of  
11 its Airbags, including, but not limited to, ammonium nitrate, which was known at the time of the  
12 offer and sale of its vehicles, when the failure was intended to induce the consumer into the  
13 transaction into which the consumer would not have entered had the information been disclosed,  
14 in violation of RCW 19.86.020.

#### 15 **IX. PRAYER FOR RELIEF**

16 **WHEREFORE, PREMISES CONSIDERED,**

17 9.1 Plaintiff, the State of Washington, prays upon final hearing that this Court will  
18 enter a Permanent Injunction and Final Judgment, as follows:

19 a. finding that this matter is in the public interest;

20 b. finding that Defendants have engaged in trade or commerce within the  
21 meaning of RCW 19.86.010;

22 c. finding that nothing in this Complaint shall be construed as a claim that  
23 relieves Defendants of their obligations to comply with all state, local, and federal laws,  
24 regulations or rules, or as granting permission to engage in any acts or practices prohibited by  
25 such law, regulation or rule.

26 d. finding that Defendants committed a separate and independent violation of

1 the RCW 19.86.020 through each and every unfair, deceptive, false, or misleading  
2 representation, or omission of material information.

3 e. permanently enjoining Defendants and their subsidiaries and affiliates, and in  
4 their official capacities, all present and former officers, directors, agents, employees, and  
5 representatives of such entities, from advertising, promoting, or otherwise representing in any  
6 way that is false, deceptive, or misleading (a) their airbags, (b) the safety of their airbags, (c) the  
7 safety of any components of their airbags, including, but not limited to, ammonium nitrate, or  
8 (d) the overall safety of their vehicles, in violation RCW 19.86.020;

9 f. permanently enjoining Defendants and their subsidiaries and affiliates, and in  
10 their official capacities, all present and former officers, directors, agents, employees, and  
11 representatives of such entities, from engaging in acts or practices which constitute violations of  
12 RCW 19.86.020 in connection with: (1) the offer or sale of Honda vehicles equipped with  
13 airbags, to the extent Honda provides any guidance, directive, notice or other communication to  
14 dealers or consumers concerning the offer or sale of such vehicles, or (2) the design, testing,  
15 purchase or installation of airbags in Honda vehicles; and

16 g. Permanently enjoining Defendants and their subsidiaries and affiliates, and in  
17 their official capacities, all present and former officers, directors, agents, employees, and  
18 representatives of such entities from failing to timely disclose to consumers including in  
19 advertising, or any other communication, matters that implicate the safety of their airbags, or  
20 components of such airbags;

21 h. Requiring Defendants to pay civil penalties of up to \$2,000 per violation for  
22 each and every violation of RCW 19.86.020; and

23 i. Requiring Defendants to pay all costs of Court, costs of investigations, and  
24 reasonable attorneys' fees pursuant to RCW 19.86.080.

25 9.2 Plaintiff further prays for post-judgment interest.  
26



9.3 Plaintiff further prays that this Court grant any other and further relief to which Plaintiff may be justly entitled.

DATED this 25th day of August, 2020.

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Attorney General

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