States May Intervene In Honda Hybrid Settlement

Elliot Spagat, Associated Press

SAN DIEGO (AP) — A judge on Tuesday granted California and four other states more time to consider objecting to a class-action settlement between Honda Motor Co. and car owners over inflated fuel-efficiency claims about the automaker's hybrid vehicles.

The states' sudden interest in the proposed settlement came shortly after Honda owner Heather Peters won $9,867 in small claims court — much more than the couple hundred dollars cash that the settlement is offering.

Attorneys general in California, Iowa, Massachusetts, Texas and Washington asked last week — only two days before Saturday's deadline — for more time to consider the settlement with about 200,000 Honda Civic hybrid owners.

San Diego County Superior Court Judge Timothy Taylor granted the states an extension until Feb. 29, but only after questioning why they missed the deadline when dozens of opponents didn't. The states were notified of the settlement in October.

"They managed to get theirs in on time. I don't see why you can't," the judge said.

Albert Shelden, a California deputy attorney general, acknowledged to reporters that Peters' victory this month in a Los Angeles court caught the attention of authorities.

"From a number of different sources, other questions have been raised," he said. "Everything figures in."

California has not decided whether to enter the fray and, if it did, on what grounds it would object, Shelden said. The amount of the offer would be among the questions it considers.

"We're going to look at the whole settlement," he said.

American Honda Motor Co., the Japanese automaker's U.S. subsidiary, said Tuesday that it believed the settlement was a "very good resolution."

"We look forward to a discussion with the state attorneys general concerning the benefits that our customers will receive from the settlement," Honda's statement read.

Peters, who attended the hearing, told reporters the states' objections might carry

enormous weight.

"It resonates with the judges," she told reporters.

Alan Mansfield, an attorney for the class-action plaintiffs, said the significance was unclear.

"For me to presume what is important to a judge is not for me to say," he said.

Peters, who has been working full-time to challenge the settlement, was denied an opportunity to address the judge. She told Taylor that her license to practice law was recently reactivated, but the judge said he didn't have any evidence to support her claim.

Peters opted out of the class-action lawsuit so she could try to claim a larger damage award for the failure of her 2006 Honda Civic to deliver the 50 mpg that was promised.

The proposed class-action settlement would give aggrieved owners $100 to $200 each and a $1,000 credit toward the purchase of a new car. Legal fees in the class action would give trial lawyers $8 million.

Honda noted that the settlement includes rebates of up to $1,500 toward the purchase of a new car and a warranty extension on the battery. Some owners would be eligible to seek additional relief.

The judge granted the extension only after attorneys for Honda and the class-action plaintiffs said they had no problem with it. He gave less time than the states wanted and insisted on sticking to a March 16 hearing to decide whether to accept the settlement.

Geoff Greenwood, a spokesman for the Iowa Department of Justice, said California was taking the lead and declined to comment on his state's involvement.

Grant Woodman, a spokesman for the Massachusetts attorney general, also declined to comment. Spokesmen for attorneys general in Texas and Washington did not immediately respond to requests for comment.

Shelden said the states would likely file any objections jointly.

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