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Kensington, CT

August 19, 2005

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Frank Witter
President, Volkswagen of America
3499 West Hamlin
Rochester Hills, Michigan 48309

Melody Fratt
Regional Manager
Volkswagen of America
3800 Hamlin Road
Auburn Hills, Michigan 48326

Re: 2003 Volkswagen Passat Vin #WVWPD63B73E [REDACTED]
Approval No. 2616007
Date of Lease: August 2, 2002
Request for Early Termination of Lease

Dear Sir/Madam:

On August 2, 2002, I entered into a four-year lease with Crowley Volkswagen, in Plainville, Connecticut, for the use of a 2003 Volkswagen Passat four door sedan. The lease is due to expire on August 2, 2006, or per the terms of your lease agreement, 90 days or less prior to maturity. To date, this Passat has been riddled with major mechanical problems, often resulting in breakdowns requiring the towing of the vehicle to Crowley Volkswagen's repair shop. Following the latest occurrence, I no longer feel safe driving this vehicle. Accordingly, I hereby request the termination of my lease effective immediately, and I further request that Volkswagen Credit waive the early termination fee of \$350.00, due to the chronically poor condition of the vehicle.

The following is a brief history of the major mechanical malfunctions I have encountered with this vehicle:

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ask
8/24/05

1. 8/26/03 Recall(s). Replaced right rear wheel housing and also replaced all four ignition coils. (Attached hereto as Tab 1).
2. 5/13/04-5/17/05 Vehicle was brought in to the dealer for replacement of the Purge Valve. The warning light continued to stay on and as it states in the 2003 Volkswagen Passat Handbook, this could be extremely damaging to the engine if this is not fixed right away. (Attached hereto as Tab 2).
3. 12/13/04 Vehicle was brought in for the replacement of the right front headlight. (Attached hereto as Tab 3).
4. 2/7/05-2/8/05 Vehicle was towed in from the Berlin Turnpike because the Temperature Gauge went to Hot, the engine was smoking and the car was shaking. At this time Crowley Volkswagen told me the vehicle had a faulty sensor, and that the part would be replaced. I received a telephone call later that afternoon from Ray Rouillard, of Crowley Volkswagen, stating that I should consider having a tune-up, which cost me \$399.41. Crowley Volkswagen also said they had taken my vehicle for a test drive and that everything seemed to be fixed. (Attached hereto as Tab 4).
5. 2/8/05-2/9/05 Vehicle broke down on the highway less than two miles away from Crowley Volkswagen after I had just left the dealership. It took an hour to get back to the dealer, and by that time, the engine was smoking again, the temperature gauge went to hot, and the car was shaking. Crowley Volkswagen, at this point, identified the problem as a defective water pump. (Attached hereto as Tab 5).
6. 5/18/05 Brake light would not shut off, and the right headlight was out *again* (for second time in five months). This was the second time that the brake light had stayed on, and I was told by Crowley Volkswagen to bring the car in immediately, or it would drain the battery (unable to locate paperwork regarding the first brake light incident). At this point, the brake light switch and front headlight were replaced. (Attached hereto as Tab 6).
7. 8/4/05 Drove with a friend and her 18 month old daughter in my Volkswagen Passat on Interstate I-91 South. I attempted to hit the brake to stop the cruise control, but the cruise would not disengage. I hit the brake again, and the vehicle *accelerated*. The only way to shut the cruise control off was to manually move the switch to the off position. It was at this point that I realized I no longer had brake lights as well.
8. 8/11/05 Vehicle towed to Crowley Volkswagen *again*. The car would not start the day before, but all of the lights were flashing on the dashboard. Crowley Volkswagen stated it could be the battery and to have someone jump start the vehicle, which was in my driveway at 211 Ellwood Road, Kensington, CT. Vehicle was jumped and a few minutes later, the engine started to smoke. I called Crowley Volkswagen and was told to have the car towed to the dealership. I contacted Volkswagen Road Side Assistance at 6:00 p.m. requesting that the vehicle be towed to Crowley Volkswagen. Volkswagen Road Side Assistance called me at 8:30

p.m. on 8/10/05 telling me that they could not locate anyone to tow me that evening (after I had waited 2 ½ hours), but that I should call back the next morning at 7:00 a.m. to be towed to the dealership by 8:00 a.m. The tow truck did not show up at my residence until 9:40 a.m., which made me extremely late for work. In the meantime, Volkswagen Road Side Assistance called me twice to confirm if service had been completed, which at that time, it had *not*. I met the tow truck at Crowley Volkswagen and told Scott Folia, Assistant Service Manager, everything that was going wrong with the vehicle - no brake lights, smoking engine, cruise control problems, etc.

9. 8/12/05 Scott Folia called and asked if he could take the Volkswagen Passat for the weekend to make sure the mechanics did not miss anything. I told him I did not feel safe in the vehicle and if he wanted to take it, that was acceptable.

10. 8/13/05 Scott Folia called this day to let me know that less than two miles away from Crowley Volkswagen, my vehicle broke down as he was trying to take it home that evening. He stated that all the lights on the dashboard went on, and he was unable to get the vehicle to go above 45 mph without the vehicle shaking. He told me that he would keep the vehicle for further testing.

11. 8/18/05 It is now seven days later, and my Volkswagen Passat is still at the dealership. At this point I would not feel safe taking the vehicle back, considering Crowley Volkswagen is still unable to locate and fix what seems to be the latest, and most severe, reoccurring problem.

As you can see from the details above, and the attachments I have provided, this car should not be on the road. The safety of myself and others is my main concern, and I will not feel comfortable, even if Crowley Volkswagen states that this vehicle is 100%, to get back on the road with this vehicle. Additionally, I cannot afford to miss any more time from work, attending to the repairs of this vehicle.¹ I am kindly requesting your help with this matter and hope that you can understand why I feel I should be released from my lease agreement with Volkswagen of America.

I have, to date, met my obligations under the lease - I have always made timely payments. However, the vehicle is not what I bargained for. It is totally unreliable and presents a major safety risk for me and everyone else on the road. This vehicle is only three years old, and this should not be happening. I will no longer drive this vehicle.

¹ Luckily, I have other means of transportation and have not had to rent a car.

Based upon what is set forth above, you would want to be driving this vehicle? Would you want one of your loved ones to be driving this vehicle?

I will await your prompt response. Thank you for your attention.

Very truly yours,



cc: U.S. Department of Transportation, National Highway Traffic Safety Administration -
Office of Defects Investigation (w/enclosures).

Enclosures

Volkswagen of America, Inc.



3000 Hann Road
Auburn Hills, MI 48329

August 2004

**Subject: Warranty Extension for 1998 - 2004 Model Year Volkswagen Passat Sedan or Wagon
 Equipped with 1.8L Turbo Engine**

Dear Volkswagen Owner,

We are writing to inform you that Volkswagen is providing a warranty extension covering certain "oil sludge" related repairs on 1998 - 2004 model year Volkswagen Passat equipped with 1.8L Turbo engines. Our records show that you are the owner of one of these vehicles.

What is the Issue?

Some Volkswagen owners have reported engine component problems resulting from a condition known as "oil sludge." Engine oil sludge occurs when old, dirty engine oil thickens and cannot continue to provide adequate engine lubrication. This condition occurs primarily when the engine is operated at oil change intervals beyond those prescribed in your owner's manual, or when oil with lower quality than Volkswagen recommended standard is used.

A vehicle with engine oil sludge may exhibit a constantly or occasionally illuminated Red Engine Oil Pressure Warning light.

Please note that other conditions may also cause this symptom and that the presence of this symptom does not necessarily mean oil sludge exists in your engine.

What Will Volkswagen Do?

After listening to you, our valued customers, Volkswagen is implementing an extended warranty for oil sludge related repairs for 1998 - 2004 model year Volkswagen Passat equipped with the 1.8L Turbo engines to **8 years from the vehicle's original in-service date without a mileage limitation.** This extended warranty is fully transferable to any subsequent owner. This extended warranty does not affect - and is in addition to - any other applicable warranty covering your vehicle.

Volkswagen will cover necessary engine repairs if oil "sludge" causes a malfunction in your engine and you can provide documentation of oil changes according to the maintenance schedule for your vehicle.

The vehicle's original in-service date is defined as the date the vehicle was delivered to either the original purchaser or the original lessee; or, if the vehicle was first placed in service as a "demonstrator" or "company" car, on the date such vehicle was first placed in service.

This warranty extension does not cover normal wear and tear or engine damage due to improper maintenance.

What We Would Like You To Do

If your engine is running normally Volkswagen strongly recommends that you maintain your vehicle as prescribed in the enclosed Owner's Manual insert. No other action is required.

If you are not following the prescribed oil change interval (5,000 miles or 6 months), this extended warranty may not apply. Please follow the maintenance schedule as prescribed in the enclosed owner's manual insert.

A list of oils that (as of printing date) conform to the Volkswagen recommended standard is enclosed.

If your vehicle has symptoms of engine oil sludge malfunctions as described in this letter, please contact your authorized Volkswagen dealer and arrange for an appointment so that your vehicle can be serviced without delay.

Please keep this letter with your Warranty Booklet and deliver it to any new owner, along with the Owners Manual.

Reimbursement of Expenses

If you have previously paid for a repair as a result of an engine oil sludge related concern that is described in this letter, and you can provide documentation of maintenance completed by an authorized Volkswagen dealer or professional licensed repair facility according to the maintenance schedule for your vehicle, you may be entitled to reimbursement. We would be pleased to review your reimbursement request. The enclosed form explains how to request reimbursement.

We regret any inconvenience this matter has caused or may cause in the future. We wish you many more years of driving pleasure with your vehicle. Thank you for driving a Volkswagen!

Sincerely,



Kip Krigel
Director of Technical Service

THE ATTACHMENTS TO THIS
DOCUMENT HAVE BEEN REMOVED
TO PROTECT UNWARRANTED
INVASION OF PERSONAL PRIVACY
PURSUANT TO EXEMPTION 6 OF
THE FREEDOM OF INFORMATION
ACT (FOIA), 5 U.S.C. 552(b)(6).