



10148708

STATE OF NEW YORK 2006 JAN 19 AM 11:35  
OFFICE OF THE ATTORNEY GENERAL

120 Broadway, New York, NY 10271

ELIOT SPITZER  
Attorney General

THOMAS G. CONWAY  
Assistant Attorney General In Charge  
Consumer Frauds and Protection Bureau

212-416-8294

January 9, 2006

[Redacted]

New York, NY [Redacted]

Our File Number: 2005-526835  
Company: Manhattan Mazda

Dear [Redacted]

On behalf of Attorney General Eliot Spitzer, I am writing to notify you that we have received your correspondence.

We appreciate your alerting us to this matter. We believe the organization shown below may be able to assist you and we are forwarding your correspondence there.

If you do not receive a response in the near future, please follow up directly with that organization. I suggest you attach a copy of this letter or, if appropriate, mention that you are adding new information.

Thank you for contacting us.

Very truly yours,

*Philip Gamma/cl*

Philip Gamma  
Bureau of Consumer Frauds  
And Protection

cc: National Highway Traffic and Safety Administration  
400 7th Street SW  
Washington, DC 20590

*Ammani  
1/29/06*



ATTORNEY GENERAL ELIOT SPITZER  
 STATE OF NEW YORK  
 OFFICE OF THE ATTORNEY GENERAL  
 BUREAU OF CONSUMER FRAUDS AND PROTECTION  
 163 West 125<sup>th</sup> Street  
 New York, NY 10027-8201  
 Tel. (212) 961-4475 Fax (212) 961-4003

**COMPLAINT FORM**  
 Consumer Hotline For Hearing Impair  
 1 (800) 771-7755 TDD (800) 788-98  
 http://www.osg.state.ny.us

RECEIVED BY  
 CONSUMER FRAUDS DIVISION  
 JAN 05 2006  
 THE ATTORNEY GENERAL'S OFFICE  
 NEW YORK CITY OFFICE

PLEASE BE SURE TO COMPLAIN TO THE COMPANY OR INDIVIDUAL BEFORE FILING.  
 PLEASE TYPE OR PRINT CLEARLY IN DARK INK.  
 YOU MUST COMPLETE THE ENTIRE FORM. INCOMPLETE OR UNCLEAR FORMS WILL BE RETURNED TO YOU.  
 MAKE SURE YOU ENCLOSE COPIES OF IMPORTANT PAPERS CONCERNING YOUR TRANSACTION.

**CONSUMER**

YOUR NAME: [REDACTED] HOME TELEPHONE NUMBER: [REDACTED]  
 STREET ADDRESS: [REDACTED] BUSINESS TELEPHONE NUMBER: [REDACTED]  
 CITY/TOWN: NEW YORK COUNTY: NY STATE: NY ZIP: [REDACTED]

**COMPLAINT**

NAME OF SELLER OR PROVIDER OF SERVICES MANHATTAN MAZDA / MAZDA, NA		NAME OF OTHER SELLER OR PROVIDER OF SERVICES MAZDA NORTH AMERICA OPERATIONS	
STREET ADDRESS 787 11 <sup>th</sup> AVENUE		STREET ADDRESS	
CITY/TOWN NEW YORK	STATE NY	ZIP 10019	CITY/TOWN
TELEPHONE NUMBER 800-945-7239	TELEPHONE NUMBER		
DATE OF TRANSACTION APRIL 1998	COST OF PRODUCT OR SERVICE \$ 25,000	HOW PAID (Check those which apply) <input type="checkbox"/> Cash <input type="checkbox"/> Check <input type="checkbox"/> Credit Card <input checked="" type="checkbox"/> Other CASH & CREDIT	
DID YOU SIGN A CONTRACT? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	WHERE DID YOU SIGN THE CONTRACT? AT DEALERSHIP IN NYC		DATE SIGNED APRIL 1998
IS PRODUCT OR SERVICE ADVERTISED? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	WHERE WAS IT ADVERTISED?		DATE ADVERTISED

TYPE OF COMPLAINT (e.g. car, mail order, etc. Use the reverse side of this form to provide details)  
 CAR

DID YOU COMPLAIN TO THE COMPANY OR INDIVIDUAL?  
 By Mail  By Telephone  In Person

PERSON CONTACTED: PRES. JOE + CUSTOMER SERVICE + Local dealership  
 JOB TITLE: CEO MAZDA SERVICE REP  
 DATE OF RESPONSE: IN NYC

NATURE OF RESPONSE: NO ACKNOWLEDGEMENT OF LIABILITY, STATED WARRANTY EXPIRED

HAS MATTER BEEN SUBMITTED TO ANOTHER AGENCY OR ATTORNEY? (If "Yes," give name and address)  
 Yes  No

COURT ACTION PENDING? (Please describe as necessary)  
 Yes  No

**ADDITIONAL INFORMATION**

MANUFACTURER OF PRODUCT: MAZDA NORTH AMERICA OPERATIONS  
 PRODUCT MODEL OR SERIAL NUMBER: MAZDA 626-1995  
 WARRANTY EXPIRATION DATE: 2001

BUSINESS ARRANGE FINANCING? (If "Yes," give name and address of bank or finance company)  
 No FORD CREDIT

PLEASE DESCRIBE COMPLAINT ON REVERSE SIDE  
 \*\*\* PLEASE SEE ATTACHED \*\*\*

[REDACTED]  
New York, NY [REDACTED]

DECEMBER 6, 2005

Attorney General Elliott Spitzer  
State of New York  
Office of the Attorney General  
Bureau of Consumer Fraud and Protection  
163 W. 125<sup>th</sup> Street, 13<sup>th</sup> Floor  
New York, NY 10027-8201

RE: MAZDA NORTH AMERICA OPERATIONS & MANHATTAN MAZDA  
787 11<sup>TH</sup> AVE.  
NEW YORK, NY 10019

Dear Mr. Spitzer:

I am writing to you to make you aware of a problem that I and many other consumers have experienced across with country with Mazda, NA. My situation is common in that I purchased a 1995 Mazda 626 from Manhattan Ford Lincoln Mercury Mazda Jaguar in 1998. At the time I purchased the vehicle it had 32,000 miles on the vehicle. I have owned the car since that time and the vehicle currently has 42,000 miles on it. I took the car into the dealer to have it checked because a dashboard light kept blinking and the car began to seriously hesitate. The dealer advised me that I would need a new transmission at the cost of \$4,000. I inquired why a car with only 42,000 miles on it would need a new transmission. Of course, I received no response. I wrote to Mazda headquarters in California, directly to the CEO and advised him of my situation and that many others across the country were experiencing problems with early transmission burnout on their Mazdas. I further asked that Mazda pick up the cost for the new transmission. I paid over \$18,000 for a car that I only got 10,000 miles on it before incurring this major repair bill which I, nor the average consumer, can afford to pay.

Upon conducting further research on the Internet (pages which I have attached) it seems that the problem is staggering. It is not only one particular make/model of Mazda, but the problem seems to span many models, makes and years. At the heart of the problems seems to be the fact that Ford transmissions were installed in many Mazdas that is obviously incompatible with these cars, resulting in premature transmission burnout.

My car has been at the dealer since July 2005. I cannot remove the car because it cannot be driven safely without a new transmission. I cannot pay \$4,000 for a new transmission but yet I continue to pay \$110 in insurance for a car that cannot be driven and that is not in my possession. This vehicle was used exclusively for weekend driving and transporting my elderly mother to doctor's appointments and banking activities all within Manhattan, the borough in which I, and my mother reside, thus the present low mileage on this car of 42,000. I think it is outrageous that a company can continue to do business not only in New York but across the country with total disregard for the financial and emotional hardship they have caused by placing these incompatible Ford transmissions in Mazda vehicles. They have not been brought to task and refuse to accept any responsibility for this massive, nationwide automotive debacle. The company's official response and position is that I am no longer under the extended warranty and they therefore, cannot assist me. However, even their warranty covers vehicles for three years or 50,000 miles, whichever comes first. I think this indicates that even they would expect the vehicle to get at least 50,000 miles on it (which is why this is the cut off point for the warranty) before the troubles begin. My vehicle has only 42,000 miles on it. I, personally, have only logged 10,000 miles on this vehicle since owning it.

So, no, my case does not fall under the Lemon Law in the strictest terms because the problem is much more far reaching than that. Mazda knows these transmissions will last through the brief warranty period but in many

Attorney General Elliott Spitzer  
December 5, 2005  
Page two

cases, not much beyond that, at which point the Lemon Law is no longer applicable, however, the vehicle is, by all standards, a lemon. What consumer would purchase a vehicle that was only capable of getting 40,000 miles or less...and at the cost of almost \$20,000? No one! I inquired on previous visits to the dealer for other regular check-ups, why the temperature gauge was always in the 'high' zone and the dealer advised that 'Mazdas tends to run a little hotter than other vehicles.' Of course, the transmission was burning out during the time the temperature gauge remained in this constantly high temperature zone. Through additional Internet research I have discovered that many customers have purchased an additional cooling unit to try and deflect the transmission burnout problem. Mazda, however, has neither recommended this nor even offered to install these additional cooling units to attempt to address the problem, nor have they even alerted consumers to this disaster waiting to befall them.

This situation has placed an undue burden on the situation with my mother whom I am now unable to transport anywhere. I now have to grocery shop by foot for both her and I. She suffers from extreme arthritis and I have a gait problem and cannot walk for long distances.

So, Mr. Spitzer, I respectfully ask that you look into this situation and offer any assistance and/or guidance that you can regarding this unconscionable situation regarding these Mazda vehicles being sold everyday in New York State and throughout the country. I cannot believe they have gotten away with this for such a long period of time, involving so many of their vehicles over several years and involving several makes/models.

Thank you Mr. Spitzer for your time and attention to this matter.

Sincerely,

[Redacted signature]

Phone: [Redacted]

email: [Redacted]

P.S. The consumer is still unprotected and victim to corporations that refuse to acknowledge liability and responsibility for products that they manufacture that they knowingly will fail prematurely and nothing is done to prevent this from happening and the consumer is left holding a very expensive bag. Justice is all that I am seeking. I think Mazda should replace the transmission in my car at their expense or, buy back this lemon from me at a reasonable cost to include the insurance cost that I have paid over these past 5 months for a vehicle that I cannot access. Additionally, the car continues to age from misuse due to the extended period of time that the vehicle remains at this dealership. As I am also unemployed at this time, and have been since August 2005, I cannot afford to take any legal action against this corporation so this is my only recourse. The alternative that I'm faced with is having to scrap an otherwise perfectly maintained vehicle, with good body and interior, and working components, with only 42,000 miles on it that I paid nearly \$20,000 for and yet obtained only 10,000 miles in usage. Something is very wrong with this picture.

I have a Mazda 626 DX, 1995 model. After 65,000 miles, my transmission is gone bad. It is costing about \$2500 to have it replaced. I called Mazda and the answer is that was my fault?? I drove the car about 10 miles a day, very gently, how was that my fault? There were many folks on the net that complain about the same issue, Mazda should have a recall on its transmissions!

██████ of Wilmington NC (2/11/03):

I've tried contacting Mazda about this and have had no help or advice. I have a 1995 GREEN Mazda mx6. The paint on my car as well as other GREEN 1995 Mazdas is fading terribly. When I called Mazda they told me because of the age of the car, there is nothing they can do.

I feel that there should be a recall on that year's paint. There is not. I'm pretty sure that if all the other 1995 green Mazda owners put 2 and 2 together, they would notice the problem as well. At first, I thought that it was just my car that was doing this. The more time went by, and more of the paint starting fading, I found that all of the other 1995 green Mazdas were doing this as well. No other colors or year. I think that Mazda should, without a doubt, recall or offer to repaint these cars. I know it has age on it, but if I'd known when I bought the car that only the green ones were going to do this, I would've gotten another color.

██████ of Hartland WI (8/12/02):

I purchased a new 2002 Mazda Protege 5 for my son the day after Christmas 2001. The vehicle transmission locked up while he was shifting from 4th to 5th gear while going through an intersection at 45 mph. Mazda alleges it is abuse because of premature tire wear. I have had the subject components: trans., clutch, and pressure plate examined by mechanics with as much as 42 years experience and they cannot believe Mazda didn't cover the repairs.

They say they would have reused the clutch. I have had an attorney review the case. While he believes I have a case - a transmission should not fail in under 7000 miles for any reason - I would have to front the expense for expert witnesses, so I have taken the approach to make other consumers aware of how Mazda has treated me as a customer.

Economic damage to repair = \$4000. My 17-year-old son has suffered great anger. He doesn't understand how a dealer and manufacturer can get away with what they have. I paid for the repairs; it took over 30 days to get parts.

My coworker, who is also a mechanic, examined the parts after disassembly 10 days after the vehicle was taken in. He agrees that

the failure is not due to abuse. The clutch and pressure plate did not exhibit signs of abuse; he subsequently sold his Mazda as he does not want to be associated with a company that treats consumers the way I was treated.

█ of Dandridge TN (8/5/02):

I have read with interest a complaint by █ of VA about his transmission. We purchased a 1995 Mazda in 1995; at about 40,000 miles the transmission went out and was replaced by a Mazda dealer. We took the car in for a 90,000 mile service which included a transmission fluid and filter replacement, and the day we picked it up, with about 70 miles on it, a dashboard light began blinking. We took it back and the dealer informed us that the transmission assembly needs to be replaced at a cost of \$2400. The 90,000 mile service itself was over \$400.

I feel that the transmission in this car is/was/has been defective, this would be the third transmission in 103,000 miles. The lack of their acceptance of any responsibility and the exorbitant cost to me is appalling.

█ of Birmingham AL (5/18/02):

I bought my 1997 Mazda 626 new and at 87,000 miles the transmission has gone out. Fortunately, I am under the extended warranty. However, after researching these transmissions, I was upset to find that it is a Ford transmission, and there are plenty of people having the same problem with these transmissions. Apparently the car was not designed to adequately keep the transmissions cool enough and they are basically burning themselves up. I will have a transmission cooler kit installed after finding out about this to hopefully keep the rebuilt one cooler.

I am angry that Mazda is not taking any responsibility for these faulty transmissions. They need to know that putting these Ford transmissions in their cars has hurt their reputation tremendously! I will not buy another Mazda, nor will a lot of others out there. I am having to pay for the rental car, however, the warranty company will reimburse me. I feel very sorry for all of the others out there that are out of warranty and stuck with a car that I feel was designed improperly!

█ of Orange NJ (1/25/02):

Purchased 2000 Mazda Protege in November of 2000. Transmission failed on December 31, 2000, replaced with brand new transmission by Mazon Service in January of 2001. Brakes had to be replaced on two separate occasions within the same year. As of January 24, 2002 fluid is leaking from the transmission, and there is a chance that the axle is broken.

The car was purchased brand new, it was not a floor model. I have made numerous attempts to rectify this situation, I have made no progress thus far. I called Maxon Mazda Service, spoke to Wayne he said there is nothing he can do until Monday (Jan. 28, 2002), when I called again and asked for the number for Consumer Affairs they completely changed their tune and said "bring in the car immediately, it is unsafe to drive".

The consequences are that they keep telling me they are going to repair the vehicle, but apparently they never fix it. I have two small children to transport each day, their safety is in jeopardy. I am constantly without transportation, because I have to keep putting the car in for service. This vehicle is causing a great deal of stress because I have to pay for a car that is not reliable and does not function properly. I am afraid to drive this car.

██████ of Graham WA (11/28/01):

After 70,000 miles the transmission went on our 1997 Mazda Protege. We took it to a certified transmission company and he in turn told us the parts in the transmission were faulty with metal particles found in the transmission fluid. (Faulty transaxle) The result was the cost of a new transmission for \$2,877.83 and \$43.34 for the fluid change.

██████ of Wheatley Heights NY (11/15/01):

In 1995 I purchased a brand new Mazda 626 LX, I have had my transmission replaced 2 times and it has seized again. I understand that there is a manufacturing defect. I have parked my car and have not been able to afford another \$2,000.00 repair. The first 2 defective transmissions were replaced at the Mazda dealership. Now I have no car. \$17,000.00 to drive a car for 5 years?

██████ of Stockton CA (8/7/01):

I just purchased my car this year in January from an auction. Now I'm experiencing problems that I having been dreading, associated with the transmission type that was installed from Ford. I don't have the amount of maney it takes to rebuild or repair the transmission. I called the dealer and they told me that there are no recalls regarding the transmission so I have to pay for the cost, which is \$650 for labor and \$1991 for the transmission.

I viewed a lot of the same problems from people who filed a complaint with the NHTSA website and found that there are over 500 people complaining about the same thing but, they just won't issue a recall on the CD4E transmission that are installed in the Mazda from 1994-1997. They only issued serveral technical service bullentins. For my car alone there are 45 TBS.

I feel that someone with the power to enforce the recall on the automobiles should investigate the matters a little more carefully to help the consumers. Mazda dealers are getting away with first installing the defective transmission that will last for so many miles then you have to get it replaced. Then for so many miles again it will go out then it needs to be replaced again and so forth. I have researched the findings of how many times a year someone needs their transmission repaired a year which is 3-4 times a year. That is ridiculous.

██████████ of Wilmington DE (3/31/00):

The transmission on my 1996 Mazda 626 went bad after only 65,000 miles. Although it was after the warranty, I felt that this was entirely too soon for the transmission to go bad. I have written several letters to the company, but they are adamant about not reimbursing. Since then, I have found out through an internet site that this is not uncommon. There are numerous complaints about Mazda's transmissions. It appears that the company is in denial about the problems, and they are not supportive of their customers. ✓

I paid \$2,650 to have my transmission rebuilt. Additionally, I have over a year's worth of car payments to make to Mazda Credit. It's salt in the wound.

██████████ of Virginia Beach, VA, writes:

Bought new 1989 Mazda 323. At around 30,000 miles the transmission began to give us problems. We brought it to the dealer on several occasions. Finally the factory representative came out and authorized the dealer to replace the entire transmission with a new one. ✓

Again at approximately 60,000 miles the transmission began to give us the same problems once again. Mazda reluctantly replaced the transmission again with a rebuilt one. They agreed to pay for the transmission even though the warranty had expired. At that time we paid for transmission fluids and a rental vehicle.

In February of 1998 we began to have problems with the transmission for a third time. The car had 82,170 miles on it. The technicians could not find any problems at first and recommended a full transmission service which we had completed. The transmission still was not running properly. We brought it back to the dealer and the problem was diagnosed as a faulty valve body, which was going to cost \$1300 to have fixed.

We called the Mazda factory representative and they refused to pay for the problem because the car was no longer under warranty, even though the transmission only had approximately

22,000 miles on it. We then brought the car to a private mechanic and he discovered the governor was faulty. He replaced the governor and fluid. This cost us \$125.

The transmission ran fine until we started having problems again until Christmas 1999. On that day the transmission seal blew leaving us stranded on the highway. We got the problem fixed and again it cost us \$412.50 out of our own pockets.

Earlier this year we started having more problems. We brought the car back to our mechanic who took the transmission apart and discovered pieces of metal in the oil pan. He recommended we replace the transmission with a rebuilt one. We took his advice. This ordeal cost us \$832. We feel that Mazda made a faulty transmission and should reimburse us for all of out of pocket expenses we have incurred.

This was a very big inconvenience having to pack up my little ones and visiting the dealership frequently. I have gone without a vehicle several times because of this problem. The closest dealership was in the next city. I finally had to rent a car so that I would be able to have transportation. What if I had an emergency??

My husband is in the Navy and deploys frequently. If I were to get stuck on the road with my kids I would be stranded as they are not old enough to help out. This problem is ongoing. I do not feel Mazda has fixed the transmission as it always has to be replaced.

CAS has received complaints about transmission problems ranging from slipping and vibration to unintended shifting resulting in expensive repairs and premature replacement. Mazda has issued numerous Technical Service Bulletins on transmission defects including a rebuild program for Electronically Controlled Automatic Transmissions (EC-AT) on 1982-80 models.

You'll find more information on these and other Mazda problems below and what you can do about them plus a complaint box. Your information will help us build a strong case against Mazda on the defects we know about and help us spot new ones.

We need you to support the Center for Auto Safety in our fight for consumer rights and against poorly designed and unsafe cars. Your contribution is tax-deductible and entitles you to our quarterly newsletter, Lemon Times. Please submit the membership form along with your contribution and complaint. If you contribute \$35 or more, we will send you the current edition of The Ultimate Car Book, by Jack Gillis.

Sincerely,

Clarence M. Ditlow  
Executive Director

**MAZDA 323, 626, 929, MX-3, MX-6, Miata, Millenia, Protégé, RX-7 FACT SHEET**

Mazda 626 Chronos 2.5L 6 cyl.

✓  
Transmission needed complete overhaul twice (\$3000), Complete Engine Rebuild from Mazda (\$2600), Power Steering Pump & Rack (\$1700), Oxygen Sensors, needs a new Catalytic converter, and so on... plus so many others... what a money pit. Never, never again will I purchase a Mazda. It has been in the shop every three months for major repairs. No help from Mazda or their dealerships, also no feedback on their website. After many, many complaints about the 626 transmissions absolutely nothing done by Mazda and no recalls... funny how this sorta thing slips by?

(COVER →)

*If there are so many of these failing, shouldn't Mazda be picking up the tab?*

Apparently there have not been enough complaints to Mazda North American Operations to induce them to initiate any other service programs, or to the National Highway Traffic Safety Administration to warrant a government recall. At this point, I would recommend that anyone facing a major transmission-repair bill on an out-of-warranty 626 file the appropriate complaints, just to help the process along.

While threading your way through the MazdaUSA.com Web site can be torturous, it is still possible to reach actual persons at MNAO. The first step should be the standard Customer Service line at 800-222-5500, if only because it's necessary to document the entire experience. The NHTSA's toll-free hotline is 888-327-4236, and they maintain an online complaint form.