



U.S. Department
of Transportation

1200 New Jersey Ave, SE
Washington, DC 20590

**National Highway
Traffic Safety
Administration**

November 8, 2007

**VIA FACSIMILE AND
CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

Mr. Bill Vaughn
Warranty Manager
Saleen, Inc.
76 Fairbanks
Irvine, CA 92618

NVS-215kjs

Dear Mr. Vaughn:

We recently reviewed the quarterly status reports for the second quarter of 2007. During our review, we noticed a disturbing pattern in that Saleen, Inc. (Saleen) has regularly failed to provide one or more of the quarterly status reports for the safety recalls it is conducting. Specifically, Saleen failed to file quarterly status reports on the following recalls, in the described quarters: 07V-188 (no reports filed), 07V-008 (no reports filed), 06V-146, 05V-413, and 05V-049 (no reports filed).

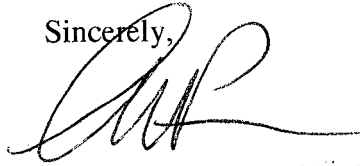
A manufacturer conducting a safety recall is required under Federal law to provide six consecutive quarterly reports detailing in a specific manner the number of vehicles or items of motor vehicle equipment that have been remedied pursuant to its remedy campaign (49 CFR § 573.7). NHTSA had reminded Saleen of this obligation in each of its letters of acknowledgement issued with regard to those safety recalls. Therefore, Saleen has been advised of this requirement on at least five separate occasions.

Each of Saleen's failures to file a required quarterly report constitutes a separate violation of 49 CFR § 573.7 and 49 U.S.C. § 30166. This letter serves to notify Saleen that its dereliction of duties renders it subject to civil penalties and/or an enforcement action pursuant to 49 U.S.C. § 30165. That section authorizes penalties of up to \$6,000 per day for each violation, with a separate violation occurring for each failure to provide a required report..

Saleen must provide all the missing reports for the above mentioned recalls no later than 10 business days from the date of this letter.

Mrs. Kelly Schuler at (202) 366-7882, or Kelly.schuler@dot.gov. If you have any questions concerning this matter, please contact Mrs. Schuler at (202) 366-5227.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Person', written over the word 'Sincerely,'.

George H. Person, Chief
Recall Management Division
Office of Defects Investigation
Enforcement

cc: Paul Wilbur
President and CEO
Saleen, Inc.
76 Fairbanks
Irvine, CA 92618