

Safety Defect and Noncompliance Report Guide for Equipment
PART 573 Defect and Noncompliance Report

On March 22, 2007, CARDONE Industries, Inc. decided that a defect which relates to motor vehicle safety exists in certain Master Cylinders for the applications stated below. These Master Cylinders were remanufactured, marketed and sold by CARDONE Industries, who is furnishing notification to the National Highway Traffic Safety Administration in accordance with 49 CFR Part 573, Defect and Noncompliance Reports.

The applications affected are shown below, along with a detailed part number listing.

Date this report was prepared: March 22, 2007

1. Identify the full corporate name of the fabricating manufacturer/brand name/trademark owner of the recalled item of equipment.

Brand Name/Trademark Owner and Fabricating Manufacturer (Remanufacturer):

CARDONE Industries, Inc.
5501 Whitaker Avenue
Philadelphia, PA 19124-1799

Identify the corporate official, by name and title, whom the agency should contact with respect to this recall.

Evan Curry

Sr. VP Corporate Quality/Compliance

Telephone Number: 215-912-3049 **Fax No.:** 215-912-3009

Name and Title of Person who prepared this report.

Thomas Mathew

Supervisor, Quality Systems

Signed:

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I. Identify the Recalled Items of Equipment

2. Identify the Items of Equipment Involved in this Recall.

Remanufactured Master Cylinders with below given part numbers and application are involved.

| Part # | Make | Model | Year | Application |
|---------|---------------|---------------------|---------|----------------------------------------------------------|
| 10-2925 | CHRYSLER | SEBRING CONVERTIBLE | 2006-05 | All w/4 Wheel Disc |
| 10-2925 | CHRYSLER | SEBRING CONVERTIBLE | 2004 | All w/2.7L Eng |
| 10-2925 | CHRYSLER | SEBRING CONVERTIBLE | 2003-01 | All |
| 10-2925 | CHRYSLER | SEBRING COUPE | 2002-01 | All 2.4L Eng. w/DOHC |
| 10-2925 | CHRYSLER | SEBRING SEDAN | 2006-05 | All w/4 Wheel Disc |
| 10-2925 | CHRYSLER | SEBRING SEDAN | 2004 | All w/2.7L Eng |
| 10-2925 | CHRYSLER | SEBRING SEDAN | 2003-01 | All |
| 10-2925 | DODGE | STRATUS | 2006 | All w/4 Wheel Disc |
| 10-2925 | DODGE | STRATUS | 2005-03 | Sedan w/4 Wheel Disc |
| 10-2925 | DODGE | STRATUS | 2002 | Sedan |
| 10-2925 | DODGE | STRATUS | 2001 | Sedan |
| 10-2987 | FORD TRUCKS | ESCAPE | 2004-01 | All |
| 10-2987 | MAZDA TRUCKS | TRIBUTE | 2004-01 | All |
| 10-3083 | CHRYSLER | SEBRING CONVERTIBLE | 2006-05 | All w/2 Wheel Disc |
| 10-3083 | CHRYSLER | SEBRING CONVERTIBLE | 2004 | All w/2.4L Eng |
| 10-3083 | CHRYSLER | SEBRING SEDAN | 2006-05 | All w/2 Wheel Disc |
| 10-3083 | CHRYSLER | SEBRING SEDAN | 2004 | All w/2.4L Eng |
| 10-3083 | DODGE | STRATUS | 2006 | All w/2 Wheel Disc |
| 10-3083 | DODGE | STRATUS | 2005-03 | Sedan w/2 Wheel Disc |
| 11-3015 | TOYOTA TRUCKS | SEQUOIA | 2007-04 | All |
| 11-3015 | TOYOTA TRUCKS | SEQUOIA | 2002 | All |
| 11-3015 | TOYOTA TRUCKS | SEQUOIA | 2001 | All w/ABS |
| 11-3015 | TOYOTA TRUCKS | TUNDRA | 2006 | All 4.7L Eng. w/Double Cab w/Stability Control |
| 11-3042 | AUDI | TT | 2002-01 | All w/Electronic Stability Package |
| 11-3042 | AUDI | TT QUATTRO | 2002-01 | All w/Electronic Stability Package |
| 11-3042 | VOLKSWAGEN | GOLF | 2001 | All w/Electronic Stability Package |
| 11-3044 | BMW | 325Ci | 2006-04 | All w/Dynamic Stability Control |
| 11-3044 | BMW | 325Ci | 2003-01 | Convertible |
| 11-3044 | BMW | 325Ci | 2003-01 | Coupe w/Dynamic Stability Control |
| 11-3044 | BMW | 325i | 2005-02 | All w/Dynamic Stability Control |
| 11-3044 | BMW | 325i | 2001 | Sport Wagon |
| 11-3044 | BMW | 330Ci | 2006-01 | All w/Dynamic Stability Control |
| 11-3044 | BMW | 330i | 2005-02 | All w/Dynamic Stability Control |
| 11-3044 | BMW | 330i | 2001 | All w/Dynamic Stability Control |
| 11-3045 | VOLKSWAGEN | BEEBLE | 2006 | All w/Electronic Stability Package |
| 11-3045 | VOLKSWAGEN | BEEBLE | 2005-03 | All w/Electronic Stability Package |
| 11-3045 | VOLKSWAGEN | GOLF | 2006-02 | All w/Electronic Stability Package |
| 11-3045 | VOLKSWAGEN | JETTA | 2005 | All w/Electronic Stability Package To VIN # 9M-5-149 999 |
| 11-3045 | VOLKSWAGEN | JETTA | 2004-02 | All w/Electronic Stability Package |

| | | | | |
|---------|--------------|-------------|---------|--------------------------------------------------------|
| 11-3045 | VOLKSWAGEN | R32 | 2005-04 | All |
| 11-3047 | VOLVO | S60 SERIES | 2001 | All w/Traction Control |
| 11-3047 | VOLVO | S80 SERIES | 2001 | All w/o Dynamic Stability Control To Chassis #174094 |
| 11-3047 | VOLVO | S80 SERIES | 2000-99 | All w/o Dynamic Stability Control |
| 11-3047 | VOLVO | V70 SERIES | 2001 | All w/Traction Control |
| 11-3064 | VOLVO | C70 SERIES | 2001-00 | All |
| 11-3064 | VOLVO | S70 SERIES | 2000 | All |
| 11-3064 | VOLVO | V70 SERIES | 2000 | All |
| 11-3156 | VOLVO | S60 SERIES | 2006-02 | All w/o Dynamic Stability Control |
| 11-3156 | VOLVO | S80 SERIES | 2006-02 | All w/o Dynamic Stability Control |
| 11-3156 | VOLVO | S80 SERIES | 2001 | All w/o Dynamic Stability Control From Chassis #174095 |
| 11-3156 | VOLVO | V70 SERIES | 2006-05 | All w/o Dynamic Stability Control |
| 11-3156 | VOLVO | V70 SERIES | 2004 | All w/o Traction Control |
| 11-3156 | VOLVO TRUCKS | XC70 SERIES | 2006-03 | All w/o Dynamic Stability Control |

Generic name of the item: Master Cylinder

Make: CARDONE

Model: MASTER CYLINDER

Part Number: see above

Size: N/A

Function: Master Cylinder converts brake pedal pressure into hydraulic pressure for brake system operation.

Identify the approximate percentage of the production of all the recalled models manufactured by your company between the inclusive dates of manufacture provided above, that the recalled model population represents.

The affected part numbers represents 0.55% of the total master cylinder production.

II. Identify the Recall Population

3. Furnish the total number of items of equipment recalled potentially containing the defect.

13,128 over last 3 years

4. Furnish the approximate percentage of the total number of items of equipment estimated to actually contain the defect:

Based upon analysis of customer returns data, we believe the approximate percentage containing the defect to be 12%

Identify and describe how the recall population was determined:

The recall population was determined by referencing the dates the defective units were remanufactured to the date the units were pulled and quarantined, and all products in CARDONE's inventory were removed.

III. Describe the Defect

5. Describe the defect.

External brake fluid leak from rear of Master Cylinder may occur during bench bleed, or brake fluid may leak on vehicle into Power Brake Booster.

Describe the cause of the defect condition.

P2 Seal assembly (Component Part#10-02788) on this family has a potential dimensional set problem on seal I.D.

Describe the consequence of the defect condition.

As a result, external brake fluid leak may occur during bench bleed, or brake fluid may leak on vehicle into PBB. A leak at bench bleeding is a nuisance to the consumer; a leak on the vehicle will reduce the braking performance.

Identify any warning which can (a) precede or (b) occur.

Indicator lights on the instrument panel to alert the driver when the brake fluid level is low and/or a low brake pedal condition. If the warning goes unnoticed, the braking performance of the vehicle will be affected in half of the vehicle's tandem system.

If the defect is in a component or assembly purchased from a supplier, identify the supplier by corporate name and address.

The seal assemblies were manufactured by:
Neff-Perkins Co.
16080 Industrial Parkway
Middlefield, OH-44062

IV. Provide the Chronology in Determining the Defect

If the recall is for a defect, complete item 6, otherwise item 7.

6. With respect to a defect, furnish a chronological summary (including dates) of all the principle events that were the basis for the determination

of the defect. The summary should include, but not be limited to, the number of reports, accidents, injuries, fatalities, and warranty claims.

Beginning on or about March 1, 2007, CARDONE commenced an investigation on master cylinder part#10-2987 after receiving several tech service calls and an increase in warranties. Based upon this investigation, CARDONE determined on March 22, 2007 to conduct this recall. There are no reported accidents, injuries or fatalities associated with this issue.

7. With respect to a noncompliance, identify and provide the test results or other data (in chronological order and including dates) on which the noncompliance was determined.

Data still pending investigation by seal manufacturer

V. Identify the Remedy

8. Furnish a description of the manufacturer's remedy for the defect. Clearly describe the differences between the recall condition and the remedy.

All unsold inventory will be repurchased, and CARDONE will implement a campaign to recover as many units from consumers as possible. CARDONE will provide a full refund to customers for units returned. The returned products will be reworked properly before being resold. All Stock was held and reworked on all affected part numbers. An alternative seal assembly was chosen and validated by Engineering to replace the subject seal assembly.

Clearly describe the distinguishing characteristics of the remedy component/assembly versus the recalled component/assembly.

Remedy products will have a manufacturing date code of 3/19/2007 or later.

Identify and describe how and when the recall condition was corrected in production. If the production remedy was identical to the recall remedy in the field, so state. If the product was discontinued, so state.

Alternate seal assembly used as described above.

VI. Identify the Recall Schedule

Furnish a schedule or agenda (with specific dates) for notification to other manufacturers, dealers/retailers, and purchasers. Please, identify any foreseeable problems with implementing the recall.

Within 1 week of NHTSA approval of this campaign, CARDONE will advise all affected customers. CARDONE expects this recall to be completed within two weeks after the affected customers receive the recall notice.

VII. Furnish Recall Communications

9. Furnish a final copy of all notices, bulletins, and other communications that relate directly to the defect or noncompliance and which are sent to more than one manufacturer, distributor, or purchaser. This includes all communications (including both original and follow-up) concerning this recall from the time your company determines the defect or noncompliance condition on, not just the initial notification.

No written communications have been sent. A copy of CARDONE's draft Customer Notification letter and a bulletin, pursuant to 49 C.F.R. § 577, are attached.

VIII. Reimbursement Program

10. Pursuant to 49 C.F.R. § 577.11(e), CARDONE requests that it be exempt from providing notification of a reimbursement plan. All of the affected units are covered by CARDONE's lifetime warranty. Accordingly, no person would be eligible for reimbursement pursuant to § 573.13.



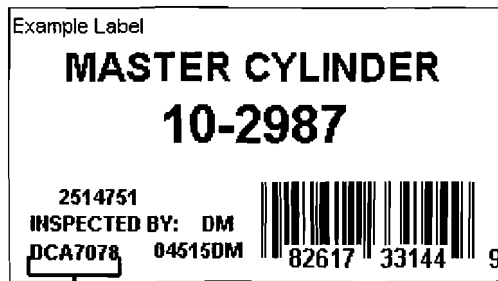
Product Recall Notice

March 22, 2007

Subject: - CARDONE Industries has decided that a potential defect may exist in the following Master Cylinder part numbers:

| | | | |
|-------------------|----------------|----------------|----------------|
| 10-2925 | 10-3083 | 11-3044 | 11-3064 |
| 10-2987 | 11-3015 | 11-3045 | 11-3156 |
| 10-2987MZA | 11-3042 | 11-3047 | |

Note: - See application details below



Only return units with date codes **lower than DCA7078** (located here)
 (Only return units where the 4 digit portion of date code is **lower than 7078**)

Summary

The subject Master Cylinders may contain a potential defect, which could cause an external brake fluid leak during bench bleed, or on the vehicle. As a result, the braking performance could be reduced in half of the vehicle's braking system. Master Cylinders affected were manufactured prior to March 19, 2007.

Consequence

If brake fluid leaks, braking ability could be reduced in half of the vehicle's braking system. Prior to reduced braking ability, the brake warning light will illuminate and a low brake pedal may be experienced.

Remedy

We will provide a full refund or credit for returned products upon their return to CARDONE. All inventories at CARDONE have been corrected and can be ordered to replace your inventory and customer returns. If you do not receive the replacement Master Cylinder in a reasonable time, contact CARDONE Industries at 1-800-777-4780.

NHTSA Campaign ID Number: 07E-023

| Part # | Make | Model | Year | Application |
|---------|----------|---------------------|---------|----------------------|
| 10-2925 | CHRYSLER | SEBRING CONVERTIBLE | 2006-05 | All w/4 Wheel Disc |
| 10-2925 | CHRYSLER | SEBRING CONVERTIBLE | 2004 | All w/2.7L Eng |
| 10-2925 | CHRYSLER | SEBRING CONVERTIBLE | 2003-01 | All |
| 10-2925 | CHRYSLER | SEBRING COUPE | 2002-01 | All 2.4L Eng. w/DOHC |
| 10-2925 | CHRYSLER | SEBRING SEDAN | 2006-05 | All w/4 Wheel Disc |

Contd...



Product Recall Notice

March 30, 2006

| Part # | Make | Model | Year | Application |
|---------|---------------|---------------------|---------|----------------------------------------------------------|
| 10-2925 | CHRYSLER | SEBRING SEDAN | 2004 | All w/2.7L Eng |
| 10-2925 | CHRYSLER | SEBRING SEDAN | 2003-01 | All |
| 10-2925 | DODGE | STRATUS | 2006 | All w/4 Wheel Disc |
| 10-2925 | DODGE | STRATUS | 2005-03 | Sedan w/4 Wheel Disc |
| 10-2925 | DODGE | STRATUS | 2002 | Sedan |
| 10-2925 | DODGE | STRATUS | 2001 | Sedan |
| 10-2987 | FORD TRUCKS | ESCAPE | 2004-01 | All |
| 10-2987 | MAZDA TRUCKS | TRIBUTE | 2004-01 | All |
| 10-3083 | CHRYSLER | SEBRING CONVERTIBLE | 2006-05 | All w/2 Wheel Disc |
| 10-3083 | CHRYSLER | SEBRING CONVERTIBLE | 2004 | All w/2.4L Eng |
| 10-3083 | CHRYSLER | SEBRING SEDAN | 2006-05 | All w/2 Wheel Disc |
| 10-3083 | CHRYSLER | SEBRING SEDAN | 2004 | All w/2.4L Eng |
| 10-3083 | DODGE | STRATUS | 2006 | All w/2 Wheel Disc |
| 10-3083 | DODGE | STRATUS | 2005-03 | Sedan w/2 Wheel Disc |
| 11-3015 | TOYOTA TRUCKS | SEQUOIA | 2007-04 | All |
| 11-3015 | TOYOTA TRUCKS | SEQUOIA | 2002 | All |
| 11-3015 | TOYOTA TRUCKS | SEQUOIA | 2001 | All w/ABS |
| 11-3015 | TOYOTA TRUCKS | TUNDRA | 2006 | All 4.7L Eng. w/Double Cab w/Stability Control |
| 11-3042 | AUDI | TT | 2002-01 | All w/Electronic Stability Package |
| 11-3042 | AUDI | TT QUATTRO | 2002-01 | All w/Electronic Stability Package |
| 11-3042 | VOLKSWAGEN | GOLF | 2001 | All w/Electronic Stability Package |
| 11-3044 | BMW | 325Ci | 2006-04 | All w/Dynamic Stability Control |
| 11-3044 | BMW | 325Ci | 2003-01 | Convertible |
| 11-3044 | BMW | 325Ci | 2003-01 | Coupe w/Dynamic Stability Control |
| 11-3044 | BMW | 325i | 2005-02 | All w/Dynamic Stability Control |
| 11-3044 | BMW | 325i | 2001 | Sport Wagon |
| 11-3044 | BMW | 330Ci | 2006-01 | All w/Dynamic Stability Control |
| 11-3044 | BMW | 330i | 2005-02 | All w/Dynamic Stability Control |
| 11-3044 | BMW | 330i | 2001 | All w/Dynamic Stability Control |
| 11-3045 | VOLKSWAGEN | BEEETLE | 2006 | All w/Electronic Stability Package |
| 11-3045 | VOLKSWAGEN | BEETLE | 2005-03 | All w/Electronic Stability Package |
| 11-3045 | VOLKSWAGEN | GOLF | 2006-02 | All w/Electronic Stability Package |
| 11-3045 | VOLKSWAGEN | JETTA | 2005 | All w/Electronic Stability Package To VIN # 9M-5-149 999 |
| 11-3045 | VOLKSWAGEN | JETTA | 2004-02 | All w/Electronic Stability Package |
| 11-3045 | VOLKSWAGEN | R32 | 2005-04 | All |
| 11-3047 | VOLVO | S60 SERIES | 2001 | All w/Traction Control |
| 11-3047 | VOLVO | S80 SERIES | 2001 | All w/o Dynamic Stability Control To Chassis #174094 |
| 11-3047 | VOLVO | S80 SERIES | 2000-99 | All w/o Dynamic Stability Control |
| 11-3047 | VOLVO | V70 SERIES | 2001 | All w/Traction Control |
| 11-3064 | VOLVO | C70 SERIES | 2001-00 | All |
| 11-3064 | VOLVO | S70 SERIES | 2000 | All |
| 11-3064 | VOLVO | V70 SERIES | 2000 | All |
| 11-3156 | VOLVO | S60 SERIES | 2006-02 | All w/o Dynamic Stability Control |
| 11-3156 | VOLVO | S80 SERIES | 2006-02 | All w/o Dynamic Stability Control |
| 11-3156 | VOLVO | S80 SERIES | 2001 | All w/o Dynamic Stability Control From Chassis #174095 |
| 11-3156 | VOLVO | V70 SERIES | 2006-05 | All w/o Dynamic Stability Control |
| 11-3156 | VOLVO | V70 SERIES | 2004 | All w/o Traction Control |
| 11-3156 | VOLVO TRUCKS | XC70 SERIES | 2006-03 | All w/o Dynamic Stability Control |