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December 28, 2012

By E-Mail and Certified Mail

[RMD.ODI@DOT.GOV](mailto:RMD.ODI@DOT.GOV)

Associate Administrator for Enforcement  
National Highway Traffic Safety Administration  
ATTN: Recall Management Division  
1200 New Jersey Avenue, S.E.  
Washington, DC 20590

Re: NeoSCM Limited ("NeoSCM"): Part 573 Notification and Noncompliance Report

This report serves as notification to the US Department of Transportation, National Highway Traffic Safety Administration that a possible defect related to motor vehicle safety exists in certain replacement brake rotors having a part number of 5399 that were imported by NeoSCM and sold at AutoZone locations. NeoSCM decided that this possible defect existed in these rotors on December 21, 2012.

**I. CORPORATE NAME / BRAND NAME / MANUFACTURER NAME**

Corporate Name: NeoSCM Limited  
Unit 2602, 26/F, APEC Plaza,  
49 Hoi Yuen Road, Kwun Tong,  
Kowloon, Hong Kong

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Brand Name: These brake rotors were packaged and sold by NeoSCM to AutoZone under the DURALAST brand name.

NeoSCM purchased the subject brake rotors from: Laizhou Huiyuan Machinery Co., Ltd. (“HY”)  
Zhuqiao Town, Laizhou City  
Shandong Province, China 261419  
86-535-2391318

HY manufactured these brake rotors for NeoSCM from November 16, 2011 to June 28, 2012.

## II. BRAKE ROTORS INVOLVED IN THIS RECALL

These are replacement brake rotors sold for passenger cars.

Type of Equipment: Brake Rotors

Brand Name: DURALAST

Part Number: 5399

Manufacturing dates: November 2011 through June 2012

Product Date Codes (Stamped on Rotor Hat):

13512	14112	15212	15412	15912	73112	73812	12M12	13B12
13H12	13X12	14A12	14G12	14J12	14M12	15D12	15N12	23F12
23X12	2Z611	43H12	73F12	74G12	7ZN11	BZD11	BZE11	BZG11

In total, 10,626 pieces of this design were manufactured, packaged as DURALAST Brake rotors and sold to AutoZone. All 5399 Brake Rotors identified with these date codes are subject to this recall. The percentage of parts impacted is indeterminate. NeoSCM is only aware of two cases where the product fractured.

From November 2011 until June 2012, NeoSCM purchased 5399 product from HY that were of a design that might possibly lead to fracturing in the bridge of the rotor between the mounting surface and the braking surface at the upper end of the manufacturing tolerances of certain grinding processes.

The subject product has a narrower bridge between the mounting surface and the braking surface of the rotor than other items having the same part number that came from different manufacturers, or by the same manufacturer using a different design, which provide more thickness in the bridge.

## III. DESCRIPTION OF THE DEFECT

HY produced certain of these 5399 rotors from castings with narrow thickness in the bridge between the mounting surface and the braking surface. The narrow area of the casting can allow for fractures. This HY design allows the bridge to be approximately 2 mm thinner than the

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normal thickness when production tolerances are taken into account. In other words, some items may be of normal thickness, but due to normal production tolerances some items may be up to 2 mm thinner than the normal thickness.

If the casting fractures, the driver may notice a rattle or clunking noise coming from the front wheel area. In addition, there may be a decrease in braking performance, with more distance required to completely stop the vehicle. The potential decrease in braking performance is indeterminate but might contribute to the possibility of a crash. If the casting fractures while the vehicle is moving it could also result in secondary damage to surrounding vehicle components.

#### **IV. CHRONOLOGICAL SUMMARY OF THE PRINCIPAL EVENTS THAT WERE THE BASIS FOR THE DETERMINATION OF THE DEFECT**

On August 3, 2012, AutoZone submitted a warranty claim on the 5399 in which the customer alleged that the brake plate broke away from the rotor hat resulting in secondary damage to the vehicle. NeoSCM promptly contacted the store and had the part returned to the factory in China for analysis. NeoSCM viewed this incident as a warranty claim. On November 13<sup>th</sup>, NeoSCM was informed of a second warranty claim for the 5399 in which the brake plate had separated from the rotor hat. In this case, the customer drove the car back to the repair shop about a week after the repair complaining of a noise. There was no secondary damage to the vehicle. NeoSCM had this part returned to the factory for additional analysis. Neither of the incidents led to any accident or injury.

In light of the two incidents, on December 10, 2012, NeoSCM completed its internal analysis of the subject rotors and determined that it would be appropriate to subject the subject rotors to independent, third-party testing to assess whether there might be a risk of fracture because of a defect in the HY design when the manufacturing tolerances are taken into account. NeoSCM received the test results on December 21, 2012. The test results suggest that there is a risk that subject rotors might fracture because of the defect in the HY design under certain operating conditions. In light of these test results, NeoSCM decided on December 21, 2012 to implement the recall on the subject rotors.

#### **V. THE REMEDY PROGRAM AND ITS SCHEDULE**

All inventory remaining in the supply chain will be inspected. All 5399 product with the identified date codes will be withdrawn from the supply chain, scrapped and replaced with new inventory that does not have a narrow bridge design.

Because the item is an aftermarket replacement part, sold mainly to the do-it-yourself market, and is sold only through AutoZone, NeoSCM plans to notify purchasers using standard AutoZone practices, such as posting a recall notice on AutoZone's website and in prominent locations at all AutoZone retail locations. Purchasers of the item will be able to receive a replacement part or a refund at AutoZone locations. Purchasers who have incurred costs to remedy the defect before receiving NeoSCM's notification concerning that defect will be reimbursed for related incurred costs upon furnishing documentation identifying such costs.

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NeoSCM will provide written notification to AutoZone within 5 business days after the NHTSA approval of the draft notification letter, which NeoSCM expects to complete within ten days of this notification. NeoSCM is in the process of preparing customer notifications for AutoZone and will provide copies to NHTSA as soon as they are available, which also should be within ten days of this notification.

I look forward to NHTSA's acknowledgement of this submission. Please let me know if there are any questions about this submission.

Best regards,

A handwritten signature in black ink, appearing to read "William Moran", written in a cursive style.

William J. Moran