

March 30, 2007

To,

Associate Administrator for Safety Assurance2 (NSA-01) **Room # 5321**
National Highway Traffic Safety Administration
400 7th Street, SW
Washington, DC 20590

Subject: - *A1 CARDONE Remanufactured Master Cylinder Recall Notice*

Dear Sir/Madam,

An e-mail request for NHTSA approval to conduct a voluntary recall on master cylinders remanufactured under the CARDONE name brand was already scanned and e-mailed to Kelly Schuler at 'Kelly.Schuler@nhtsa.dot.gov' on March 27, 2007. Since then a revision has been made to these documents and was already submitted to Kelly Schuler.

This is a copy of our initially submitted documents to NHTSA, sent as per the requirements in Defect/Noncompliance Information Report Guide.

Enclosed are the following documents in order:

1. Part 573 – Defect and Noncompliance Report (5 pages)
2. Customer letter (2 pages)
3. Customer bulletin (1 page)
4. Mailing envelop (1 page)
5. Copy of e-mail to Kelly Schuler at 'Kelly.Schuler@nhtsa.dot.gov' on March 27, 2007

If you have any questions please call me at 215-912-3052.

Sincerely

Thomas Mathew
Corporate Quality



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:


3/22/07

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.

<u>Part Numbers</u>	<u>Application</u>
10-2925	CHRYSLER SEBRING, DODGE STRATUS 06-01
10-2987	FORD/MAZDA TRUCKS 04-01
10-2987MZA	FORD/MAZDA TRUCKS 04-01
10-3083	CHRYSLER/DODGE 06-03
11-3015	TOYOTA SEQUOIA/TUNDRA 07-01
11-3042	VOLKSWAGEN GOLF, AUDI TT W/ESP 02-01
11-3044	BMW 06-01
11-3045	VOLKSWAGEN 06-02
11-3047	VOLVO S80/V70 01-99
11-3064	VOLVO 70 SERIES 01-00 &
11-3156	VOLVO 06-01

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.

Date, 2007

RE: A1 CARDONE Remanufactured Master Cylinder Recall Notice

Dear Distributor:

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act.

CARDONE Industries, Inc. has determined that a defect, which relates to motor vehicle safety, exists in certain remanufactured master cylinders marketed and sold by CARDONE. The subject part numbers were manufactured prior to **March 19, 2007**. The affected part numbers and date codes are listed on the enclosed bulletin with their respective vehicle applications.

REASON FOR THIS RECALL

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 of the brake fluid leak, the braking performance could be reduced in half of the vehicle's braking system.

A failure of the master cylinder seal will usually be evidenced by visible brake fluid leakage, low fluid level, and/or a low brake pedal condition. In addition, the affected vehicles are equipped with indicator lights on the instrument panel to alert the driver when the brake fluid level is low.

WHAT WE WILL DO

CARDONE Industries requests your assistance in returning ALL affected units to CARDONE. **Please return only the date codes noted on the enclosed bulletin.** 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.

WHAT YOU SHOULD DO

The subject product should be immediately consolidated from distribution centers, warehouses and stores, and returned to CARDONE using the following return procedure:

1. Please have your personnel return all Master Cylinders for the part numbers listed on the bulletin.
2. Return these units to the distributor in the original box, marked "RETURN FOR INSPECTION".
3. **Only return units with date codes prior to March 19, 2007** (i.e. lower than DCA7078).
4. After checking and marking distributor and store inventories, the distributor should complete a Return Goods Memo marked "RETURN FOR INSPECTION".

CARDONE

5. Product should be returned to:
CARDONE Industries
5501 Whitaker Avenue, Dock#150
Philadelphia, PA 19124-1799
6. This merchandise may be returned with core or warranty returns, but must be packed separately.

CARDONE regrets the inconvenience this may cause you. We place great importance on superior product performance and customer service, and have taken steps to prevent this problem from occurring in the future.

If any vehicle owner believes that CARDONE has failed to remedy, without charge, the condition outlined above within a reasonable time, they have the right to submit a complaint to: National Highway Traffic Safety Administration
400 Seventh Street, SW
Washington, DC 20590
Or call the toll free auto safety hotline at 888-327-4236.

Thank you for your assistance.

Sincerely,

CARDONE Industries



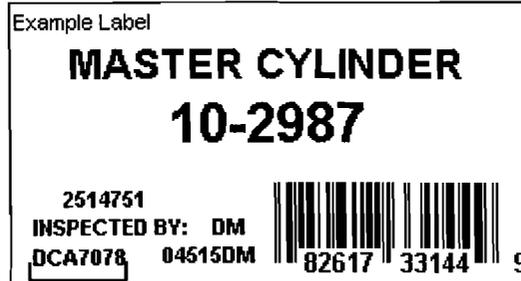
CARDONE[®]

Product Recall Notice

Date, 2007

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

Part #	Application	Years
10-2925	CHRYSLER SEBRING, DODGE STRATUS	06-01
10-2987	FORD/MAZDA TRUCKS	04-01
10-2987MZA	FORD/MAZDA TRUCKS	04-01
10-3083	CHRYSLER/DODGE	06-03
11-3015	TOYOTA SEQUOIA/TUNDRA	07-01
11-3042	VOLKSWAGEN GOLF, AUDI TT W/ESP	02-01
11-3044	BMW	06-01
11-3045	VOLKSWAGEN	06-02
11-3047	VOLVO S80/V70	01-99
11-3064	VOLVO 70 SERIES	01-00
11-3156	VOLVO	06-01



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: _____.

CARDONE Industries, Inc.

World Headquarters

5501 Whitaker Avenue

Philadelphia, PA 19124-1799

SAFETY RECALL NOTICE

A-1 SALES DEPARTMENT

ATT: BRAKES BUYER

5501 WHITAKER AVE

PHILADELPHIA PA 19124

