

newschannel update

TO: Mercedes-Benz Dealer Principals, General Managers, Service Managers, Warranty Administrators and Bookers	FROM: David Tait, Department Manager, Warranty Services, Engineering Services Thomas Brunner, Department Manager, Vehicle Compliance and Analysis, Engineering Services
RE: UPDATED - Warranty Coverage Extension: Balance Shaft and Idle Gear / Model Year 2005-2007 Vehicles Equipped with M272 or M273 Engines Bearing Serial Numbers Up to 2729..30 468993 or 2739 ..30 088611, Respectively	DATE: October 30, 2015

WARRANTY COVERAGE EXTENSION

(Updated NCU (original dated October 20, 2015) – Includes Damage Code Information on Page 2)

To enhance the satisfaction of our customers, avoid further costs of litigation and return focus to its core businesses, Mercedes-Benz USA, LLC (MBUSA) entered into a settlement regarding claims relating to the replacement of sintered steel balance shaft sprockets and idle gears in certain—but not all—2005-2007 model year vehicles with M272 & M273 engines. As part of the settlement, MBUSA offers sliding-scale extended warranty coverage for replacement of balance shafts and idle gears encompassed by LI03.30-P-050027, up to the lesser of 10 years or 125,000 miles.

Which Vehicles:

- Model Year 2005-2007 vehicles that are equipped with M272 or M273 engines bearing serial numbers up to 2729..30 468993 or 2739 ..30 088611, respectively – if these vehicles have not had a balance shaft sprocket or idle gear replaced after October 2006. Vehicles falling outside the qualifying serial number range and/or who received a replacement after October 2006 do not have a sintered steel part, and therefore are not covered by the extended warranty discussed.
- In model years 2005-2007, vehicles with M272 or M273 engines were sold under the following commercial nameplates: ML350, SLK280/300, SLK 350, C230, C280, C350, C350 4Matic, C280 Wagon 4Matic, CLK350, CLK350 Cabriolet, E350, E350 4Matic, E350 Wagon, R350, R350 4Matic, ML550 4Matic, GL450 4Matic, GL550 4Matic, CLK550, CLK550 (Cabriolet), E550, E550 4Matic, CL550, CLS550, S550, S550 4Matic, SL550. Please note, however, that not all vehicles of these types are within the Settlement Class. Rather, only vehicles with a qualifying engine serial number are provided with the extended warranty coverage discussed.

Which Parts are Covered: The extended warranty covers only the diagnosis and repairs outlined by LI03.30-P-050027, including replacement of a confirmed worn, sintered steel balance shaft sprocket or idle gear (collectively the “Covered Components”).

What are the Terms of the Extended Warranty: Warranty on the “Covered Components” will be extended on the following sliding-scale of coverage from the original 4 years / 50,000 miles (whichever occurs first) to 10 years/ 125,000 miles (whichever occurs first commencing from the In Service Date).

- For covered vehicles with sintered steel balance shaft sprockets or idle gears needing repairs outlined by LI03.30-P-050027—after diagnosis pursuant to the terms of that Local Information—and which

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repair date occurs up to and including the lesser of 8 years or 80,000 miles, MBUSA will cover up to 70% of the reasonable repair amount. **Note:** There is no double recovery under the settlement—so if the vehicle owner has other coverage for this repair (e.g., third party warranty coverage), MBUSA will provide warranty coverage only up to an amount ensuring that a total of 70% of the repair is covered. Generally speaking, this means that the other 30% of your charges must be collected from the customer;

- For covered vehicles with sintered steel balance shaft sprockets or idle gears needing repairs outlined by LI03.30-P-050027—after diagnosis pursuant to the terms of that Local Information—and which repair date occurs up to and including the lesser of 10 years or 125,000 miles, but greater than 8 years or 80,000 miles, MBUSA will cover up to 38% the reasonable repair amount. **Note:** There is no double recovery under the settlement—so if the vehicle owner has other coverage for this repair (e.g., third party warranty coverage), MBUSA will provide warranty coverage only up to an amount ensuring that a total of 38% of the repair is covered. Generally speaking, this means that the other 62% of your charges must be collected from the customer.

This warranty extension applies to covered vehicles regardless of ownership, as long as the repair is needed because of a warrantable condition that would have been covered had it occurred during the original warranty period.

The warranty extension does not cover any other components or labor to replace the components should additional repairs be recommended. Check to determine whether there is other warranty coverage for any additional repairs. Standard warranty terms and exclusions apply to all other components. Repairs are only to be made following the instructions in LI03.30-P-050027.

VMI will display information regarding this warranty extension in the “Service Packages” section for all affected vehicles and is detailed below. The effective date of this warranty extension is October 20, 2015.

Service Packages - Covered vehicles will show “EXT - BLNCE SHFT/IDLE GEAR” as indicated in the “Service Packages” in VMI. The “Balance Shaft” extended warranty coverage allows replacement of the balance shaft in applicable vehicles pursuant to LI03.30-P-050027. **The following Damage Code can be claimed for this repair: Damage Code 21601 ZZ.**

The “Idle Gear” extended warranty coverage allows replacement of the idle gear in applicable vehicles pursuant to LI03.30-P-050027. **The following Damage Code can be claimed for this repair: Damage Code 21602 ZZ.**

If a “Covered Component” is diagnosed as needing to be replaced during this extended warranty period, the necessary repairs will be covered under warranty according to the terms above. A claim should be submitted using the above mentioned damage codes.

While we regret any inconvenience this may cause, MBUSA is determined to maintain a high level of vehicle quality and customer satisfaction.

Should you have any questions or concerns, please contact the Warranty Services Group (WSG) at 877-974-6287.