

Bulletin # **0002**
Applies to: **Breeze AT**
Date: July 15, 2004
Importance: **Medium**

Breeze AT Quality Issues

On June 19th a conference call hosted by Mike Jackson announced a Quality Initiative designed to reduce overall product failures and improve product quality. This directive involved a 10-step inspection performed in a special quality control facility 1/2 mile from the EQ home office to verify functionality of each Fresh Air and Breeze AT. When the inspection is completed, the inspector places the check-sheet in the box and a green dot is applied to the outside of the box.

As Mr. Jackson's assistant, responsible for Manufacturing, Engineering and Quality, I have been very pleased with the results of the inspection process. We are very proud of the product arriving at your doorstep. We have been able to prevent problems that would otherwise have ended up in your hands, or the home of your customers. This process is only an interim step as we work at a marathon pace to implement stricter quality practices at all levels of our design and manufacturing. This includes expanding our existing Quality Assurance team, the hiring of a highly qualified QA Manager, and the recruiting of a new Manufacturing Engineering Manager. Over the next 6-months we will experience dramatic changes at EcoQuest which will translate into both better quality and better-engineered products. Looking into 2005, our continuous improvement program will insure we keep getting better and better.

In the interim we are addressing immediate issues. One of those issues is on the Breeze AT. Our return data indicates approximately 5% of Breeze AT's are damaged in shipment. Specifically, the chassis can come loose inside the cabinet and the transformer can break away from the chassis. The metal chassis inside the wood cabinet is secured with two screws from the cabinet bottom. These screws terminate into inserts in the chassis. During the shipping process, if the box experiences a significant jolt which happens if it is dropped, the inserts can tear away from the metal, making it appear that the screws were not tight. The same issue exists with the transformer. It is important to note that this can occur even if the unit has passed the 10-step inspection.

EcoQuest's manufacturing engineers have already designed and begun implementation of corrective action. Specially designed fasteners that are currently being fabricated are replacing the inserts. We will modify all Breeze AT's starting next week, even the ones in-stock which have already been through the QC inspection. Once the modification is complete and the unit is re-inspected, the Breeze AT box will be marked with two green dots.

If you order a Breeze AT today, you will receive a unit that has been through the Quality Control inspection but the unit will not have the new fasteners. This doesn't mean the unit is deficient in any way. The risk is only in the process of shipping to you, where the chassis and/or transformer may come loose if the box is miss-handled. If you are one of the few this happens to, just let customer service know and we will get a new Breeze AT to you right away. We want you to know we are 110% committed to supporting your continued success.

This is just one of the issues we are confronting to make sure you have the best quality product possible. While some challenges appear to be problems, upon closer analysis they can be seen as opportunities. We are working on some significant enhancements due to the great strides our scientists and engineers have made.

Sincerely,

Allen Johnston
Assistant to the President
Manufacturing, Engineering & Quality