

TRANSCRIPT

(Image Source: Autoblog)

BY LAUREN ZIMA AND KARIM HOWARD ANCHOR LAUREN ZIMA

Fisker Automotive is facing what media are calling an "embarrassing" situation after its \$100,000 electric hybrid, the Karma, broke down during a Consumer Reports test. <u>Consumer Reports says</u> this is the first time it's ever had a car be undrivable before the check-in process was complete. Here's the video.

"Broken. Right here in the middle of our driveway. The car doesn't go in gear. It doesn't move. The dealer has to come with a flatbed and take it away."

The car is a luxury electric hybrid. <u>An accompanying Consumer Reports blog</u> explains what happened in the video.

"While doing speedometer calibration runs on our test track ... the dashboard flashed a message and sounded a 'bing' showing a major fault ... at that point, the transmission went into Neutral and wouldn't engage any gear through its electronic shifter except Park and Neutral."

Fisker previously had problems with the Karma's batteries and had to recall some vehicles. <u>A writer for Forbes says ...</u>

"Fisker Automotive's troubles have gone from bad to worse. ... [The Consumer Reports incident is] the worst possible black eye..."

And on top of all this, Fisker is running out of funds. The Department of Energy gave the company a loan of more than \$500 million. Forbes reports Fisker has gotten only a third of that money because the DOE stopped the money flow, citing missed

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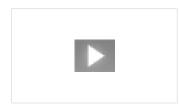
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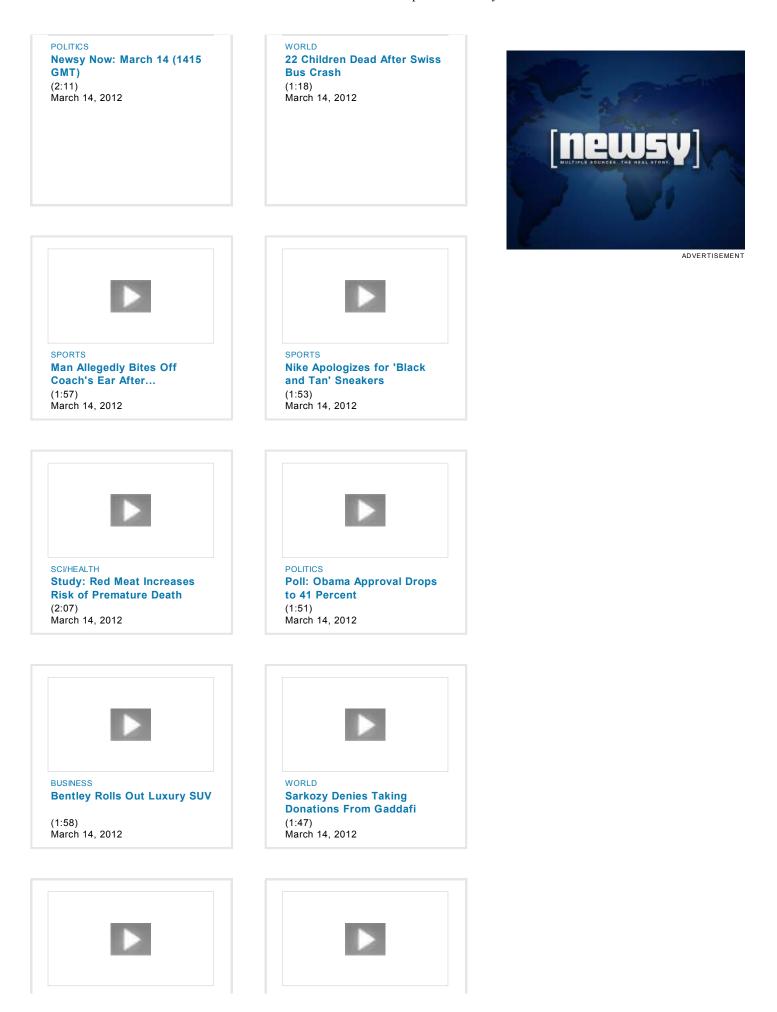
production and sales milestones. And, Design News reports ... SORT VIDEOS BY "Fisker took a hit late last year when it revealed that it was building its luxury plug-in hybrid in Finland, after being awarded a \$528.7 million Advanced Technology Vehicle Manufacturing loan from the US Department of Energy." Little money has meant Fisker had to lay off some employees, and last month, Henrik Fisker stepped down as CEO. USA Today reports the company is trying to raise funds privately, and that now, celebrity star power is one of Fisker's stronger points. "Fisker has snagged star points. Teen heart-throb Justin Bieber was surprised with a Karma for his 18th birthday on Ellen DeGeneres' daytime talk show last month. Aston Kutcher and Leonardo DiCaprio also have Fiskers." And AutoNews says ... "Fisker did make it a point that there are nearly 500 Karmas already rolling around the nation and acted quickly to pick up the dead car and are currently inspecting the vehicle." But, SlashGear points out the Karma has experienced "poor sales." But, the company still says its more family-oriented Surf car will be ready for sales in 2013. M Live reports: "According to the National Highway Traffic Safety Administration, Fisker recalled 239 of four-door sedans -- the majority still at dealerships -- because a misaligned battery part could cause coolant to leak and result in a fire." (GFX) "Henrik Fisker was an auto designer for top makes...but never ran a car company. Fisker received authorization for more than \$500 million in federal loans, but was cut off when it failed to meet certain undisclosed performance standards." http://content.usatoday.com/communities/driveon/post/2012/02/henrik-fisker-stepsdown-as-ceo-of-electric-car-maker-/1 Fisker Automotive, hoping to become the next Detroit, was started by a talented Danish designer, Henrik Fisker[,] who received a \$500,000 loan from the U.S. Department of Energy under a program intended to spur development of advancedtechnology vehicles in the U.S. The company borrowed about one-third of the money. But the DOE has blocked access to the rest of the loan, citing missed milestones with the Karma." (Forbes)







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