

03E-050 (1/9)

Oct. 9, 2003

Mr. Mike Cole
NHTSA
Office of Vehicle Safety Compliance
400 7th St. SW
Room 6111
Washington DC 20590

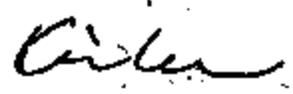
Ref: NVS-222MCo / CI-108-030717D

Dear Mr. Cole,

Enclosed please find a part 573 and a recall letter.
Please review the enclosed documents and advise me how to proceed next step.

I'm still in overseas now and I'll be back in my office from 10/20/2003.

Thank you.



Kevin Lee
MI Enterprise, Inc.
202 Newtown Rd.
Plainview, NY 11803
T. (516)420-5829
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① Total (9) pages including this page.

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OFFICE OF PRODUCTS
INVESTIGATION

**Safety Defect and Noncompliance Report Guide for Equipment
PART 573 Defect and Noncompliance Responsibility and Reports¹**

On August 13th, 2003, KMI Enterprise, Inc. decided that a noncompliance with Federal Motor Vehicle Safety Standard No. 108 exists in items of motor vehicle equipment listed below, and is furnishing notification to the National Highway Traffic Safety Administration in accordance with 49 CFR Part 573 Defect and Noncompliance Responsibility and Reports.

Date this report was prepared: October 8, 2003

Furnish the manufacturer's identification code for this recall (if applicable): N/A

1. Identify the full corporate name of the fabricating manufacturer/brand name/trademark owner of the recalled item of equipment. If the recalled item of equipment is imported, provide the name and mailing address of the designated agent as prescribed by 49 U.S.C. 303164

K2 (brand name with no trademark)

KMI Enterprise, Inc. (Importer) / 202 Newtown Rd., Plainville, NY 11803

Identify the corporate official, by name and title, whom the agency should contact with respect to this recall.

Kevin Lee / President

Telephone Number: 516-420-5629 Fax No.: 516-420-5606

Name and Title of Person who prepared this report.

Kevin Lee / President

Signed:



¹ Each manufacturer must furnish a report, to the Associate Administrator for Enforcement, for each defect or noncompliance condition which relates to motor vehicle safety.

This guide was developed from 49 CFR Part 573, "Defect and Noncompliance Responsibility and Reports" and also outlines information currently requested. Any questions, please consult the complete Part 573 or contact Mr. George Person at (202) 366-5210 or by FAX at (202) 366-7882.

I. Identify the Recalled Items of Equipment

2. Identify the Items of Equipment Involved in this Recall, for each make and model or applicable item of equipment product line (provide illustrations or photographs as necessary to describe the item of equipment), provide:

Generic name of the item:

Make: _____ **Model:**

Part Number: _____ **Size:**

Function:

Other information which characterizes/distinguishes the items of equipment to be recalled:

All K2 IID conversion kits of 9004, 9005, 9006, 9007, H7, H4, H3 & H1 in 8000K and 6000K.

Make: _____ **Model:**

Part Number: _____ **Size:**

Function:

Other information which characterizes/distinguishes the items of equipment to be recalled:

Make: _____ **Model:**

Part Number: _____ **Size:**

Function:

Model Years Involved:

Other information which characterizes/distinguishes the items of equipment to be recalled:

Make: _____ **Model:**

Part Number: _____ **Size:**

Function:

Other information which characterizes/distinguishes the items of equipment to be recalled:

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. For example, if the recall involved Widgets equipped with certain items of equipment from January 1, 1996, through April 1, 1997, then what was the percentage of the recalled Widgets of all Widgets manufactured during that time period.

II. Identifying the Recall Population

3. Furnish the total number of items of equipment recalled potentially containing the defect or noncompliance.

- (1) K2 8000K - 2,628 imported, / 2,512 sold in the US, / 55 exported, / 61 in stock
 - (2) K2 6000K - 4,955 imported, / 4,846 sold in the US, / 0 exported, / 109 in stock.
- ⇒ Total number of items recalled potentially containing noncompliance is 7,358

Total Number Potentially Affected by the Recall: 7,358

4. Furnish the approximate percentage of the total number of items of equipment estimated to actually contain the defect or noncompliance:

Identify and describe how the recall population was determined—in particular how the recalled models were selected and the basis for the beginning and final dates of manufacture of the recalled items of equipment:

The first day of importing HID conversion kits is Feb. 12th, 2001 and thus the beginning date. We received a letter (CI-108-030717D) stating that components of the kits may not comply with one or more requirements of NHTSA's regulations. We found this to be true of our HID conversion kits on Aug 13th, 2003 and immediately stopped selling or importing HID conversion kits and thus the final date.

III. Describe the Defect or Noncompliance

5. Describe the defect or noncompliance. The description should address the nature and physical location of the defect or noncompliance. Illustrations should be provided as appropriate.

K2 HID conversion kits do not conform to the dimensions and electrical specifications that are required for original equipment replaceable light sources pursuant to 49 CFR 564 in order to comply with FMVSS 108 and specifically pursuant to paragraph S7.7 subparagraphs (b), (c), (d), (e), and (g).

Describe the cause(s) of the defect or noncompliance condition.

We were ignorant of the interpretations of these standards when designing the above products.

Describe the consequence(s) of the defect or noncompliance condition.

There may be too much glare created by our lighting sources because of excessive luminous flux generated by our lighting sources.

Identify any warning which can (a) precede or (b) occur.

Our installation instructions give specific warnings about the dangers of excessive glare and give intensive instructions on the importance of correct headlight alignment and aiming.

If the defect or noncompliance is in a component or assembly purchased from a supplier, identify the supplier by corporate name and address.

Identify the name and title of the chief executive officer or knowledgeable representative of the supplier:

IV. Provide the Chronology in Determining the Defect/Noncompliance

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.

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.

7. On July 22nd, 2003 we received a letter from NHTSA and were notified that the components of our HID conversion kits may not comply with DOT regulations. The letter also explained that our HID conversion kits were under the QVSC's Compliance Investigation (ID no. CI-108-030717D).

KMI Enterprise, Inc. immediately informed the Manufacturers by sending a copy of the letter on the following day, July 23rd, 2003.

In the beginning of August, we began to be informed by manufacturers that had enough information for us to determine that the products were actually not compliant.

On August 13th 2003, we made a determination of a noncompliance and discontinued sales and all promotional efforts and imports of this product.

V. Identify the Remedy

8. A description of the manufacturer's program for remedying the defect or noncompliance. This program shall include a plan for reimbursing an owner or purchaser who incurred costs to obtain a remedy for the problem addressed by the recall within a reasonable time in advance of the manufacturer's notification of owners, purchasers and dealers, in accordance with §573.13 of this part. A manufacturer's plan may incorporate by reference a general reimbursement plan it previously submitted to NHTSA, together with information specific to the individual recall. Information required by §573.13 that is not in a general §573.13 that is not shall be submitted in the manufacturer's report to NHTSA under this section. If a manufacturer submits one or more general reimbursement plans, the manufacturer shall update each plan every two years, in accordance with §573.13. The manufacturer's remedy program and reimbursement plans will be available for inspection by the public at NHTSA headquarters.

We plan to reimburse an owner or purchaser their insured costs including shipping charges.

9. Furnish a description of the manufacturer's remedy for the defect or noncompliance. Clearly describe the differences between the recall condition and the remedy.

Manufacturer apparently can not provide any. Therefore a refund of total cost is all we can provide at this time.

Clearly describe the distinguishing characteristics of the remedy component/assembly versus the recalled component/assembly.

We will recall and remedy by way of refund any kits sold by us.

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.

All of K2 HID conversion kits will be discontinued immediately. No further importing or selling this product will be performed in US.

VI. Identify the Recall Schedule

10. 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.

The recall will begin as soon as NHTSA approves this document and gives us instruction to do so or within 30 days as required. We will send faxes, mails and phone calls to all buyers who has purchased our HID conversion kits from us.

I do not see any foreseeable problems with implementing the recall.

VII. Furnish Recall Communications

11. 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. A DRAFT copy of the notification documents should be submitted to this office by Fax (202-366-7882) for review prior to mailing.

Note: These documents are to be submitted separately from those provided in accordance with Part 572.5 requirements.

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< Recall Letter we plan to send out to all of our buyers >

Aug. 6th, 2003

Dear all dealers of K2 HID conversion kits,

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

KMI Enterprise, Inc. has decided that Non-Compliance exists in all K2 HID conversion kits of 9004, 9005, 9006, 9007, H7, H4, H3, & H1. The components of these kits and parts do not conform to the dimensions and electrical specifications that are required by FMVSS 108 specifically Paragraph S7.7 and may result in excess glare to oncoming traffic.

Since there is no possible repair or reasonable equivalent replacement equipment, we are offering a full refund including the shipping cost.

Please contact KMI Enterprise, Inc. as soon as possible to arrange for us to send a pre-paid call tag for the pick up of our products and a full refund sent to you.

If you speak to one of our representatives and find that a call tag was not sent out to pick up the kits within three days of your original call, please contact KMI Enterprise, Inc. again by calling 1-516-420-5629 and ask for Kevin Lee to either give you the UPS tracking number or make a second arrangement for pick up by way of pre-paid UPS call tag.

If you find it necessary to contact us the second time and for some reason you are still not able to have our products picked up by way of UPS call tag or given a UPS tracking number, you may wish to write the Administrator, National Highway Safety Administration, 400 Seventh Street, SW, Washington, DC 20590 or call 1-888-DASH-2-DOT (1-888-327-4236)

We are sorry to cause this inconvenience; however, we have taken this action in the interest of yours and others safety and continued satisfaction with our products.

Sincerely,



**Kevin Lee
President
KMI Enterprise, Inc.**