



U.S. Department
of Transportation
**National Highway
Traffic Safety
Administration**

OCT 12 2007

1200 New Jersey Avenue SE
Washington, DC 20590

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Karl Hueck
Chief Executive Officer
Sevas Wheels
12176 SW 128 Street
Miami, FL 33186

NVS-213swmc
PE07-048

Dear Mr. Hueck:

This letter is to inform you that the Office of Defects Investigation (ODI) of the National Highway Traffic Safety Administration (NHTSA) has opened a Preliminary Evaluation (PE07-048) to investigate allegations of Sevas S-10 wheel failures and to request information to assist our investigation.

This office has received one report alleging that failure of a Sevas S-10 wheel caused a loss of control incident and damage to vehicle sheet metal and other components. The complaint alleges that the inner rim flange of the S-10 wheel disintegrated and that debris from the wheel punctured the trunk area damaging the vehicle battery and also caused damage to a rear strut and the fuel system liquid-vapor separator. A copy of the report and photographs of the failed wheel are enclosed for your information.

Unless otherwise stated in the text, the following definitions apply to these information requests:

- **Subject component:** all S-10 wheels manufactured by, or for, Sevas Wheels for sale in the United States.
- **Sevas:** Sevas Wheels, its manufacturing facility or partners, its design facility or partners, all of their past and present officers and employees, whether assigned to their principal offices or any of their field or other locations, including all of their divisions, subsidiaries (whether or not incorporated) and affiliated enterprises and all of their headquarters, regional, zone and other offices and their employees, and all agents, contractors, consultants, attorneys and law firms and other persons engaged directly or indirectly (e.g., employee of a consultant) by or under the control of Sevas (including all business units and persons previously referred to), who are or, in or after January 1, 1997, were involved in any way with any of the following related to the alleged defect in the subject wheels:
 - a. Design, engineering, analysis, modification or production (e.g. quality control);

- b. Testing, assessment or evaluation;
- c. Consideration, or recognition of potential or actual defects, reporting, record-keeping and information management, (e.g., complaints, field reports, warranty information, part sales), analysis, claims, or lawsuits; or
- d. Communication to, from or intended for zone representatives, fleets, dealers, or other field locations, including but not limited to people who have the capacity to obtain information from dealers.

- **Alleged defect:** all complaints of wheel failure, including cracked or fractured rims.
- **Document:** "Document(s)" is used in the broadest sense of the word and shall mean all original written, printed, typed, recorded, or graphic matter whatsoever, however produced or reproduced, of every kind, nature, and description, and all non-identical copies of both sides thereof, including, but not limited to, papers, letters, memoranda, correspondence, communications, electronic mail (e-mail) messages (existing in hard copy and/or in electronic storage), faxes, mailgrams, telegrams, cables, telex messages, notes, annotations, working papers, drafts, minutes, records, audio and video recordings, data, databases, other information bases, summaries, charts, tables, graphics, other visual displays, photographs, statements, interviews, opinions, reports, newspaper articles, studies, analyses, evaluations, interpretations, contracts, agreements, jottings, agendas, bulletins, notices, announcements, instructions, blueprints, drawings, as-builts, changes, manuals, publications, work schedules, journals, statistical data, desk, portable and computer calendars, appointment books, diaries, travel reports, lists, tabulations, computer printouts, data processing program libraries, data processing inputs and outputs, microfilms, microfiches, statements for services, resolutions, financial statements, governmental records, business records, personnel records, work orders, pleadings, discovery in any form, affidavits, motions, responses to discovery, all transcripts, administrative filings and all mechanical, magnetic, photographic and electronic records or recordings of any kind, including any storage media associated with computers, including, but not limited to, information on hard drives, floppy disks, backup tapes, and zip drives, electronic communications, including but not limited to, the Internet and shall include any drafts or revisions pertaining to any of the foregoing, all other things similar to any of the foregoing, however denominated by Sevas, any other data compilations from which information can be obtained, translated if necessary, into a usable form and any other documents. For purposes of this request, any document which contains any note, comment, addition, deletion, insertion, annotation, or otherwise comprises a non-identical copy of another document shall be treated as a separate document subject to production. In all cases where original and any non-identical copies are not available, "document(s)" also means any identical copies of the original and all non-identical copies thereof. Any document, record, graph, chart, film or photograph originally produced in color must be provided in color. Furnish all documents whether verified by Sevas or not. If a document is not in the English language, provide both the original document and an English translation of the document.
- **Other Terms:** To the extent that they are used in these information requests, the terms "claim," "consumer complaint," "dealer field report," "field report," "fire," "fleet," "good

will," "make," "model," "model year," "notice," "property damage," "property damage claim," "rollover," "type," "warranty," "warranty adjustment," and "warranty claim," whether used in singular or in plural form, have the same meaning as found in 49 CFR 579.4.

In order for my staff to evaluate the alleged defect, certain information is required. Pursuant to 49 U.S.C. § 30166, please provide numbered responses to the following information requests. Insofar as Sevas has previously provided a document to ODI, Sevas may produce it again or identify the document, the document submission to ODI in which it was included and the precise location in that submission where the document is located. When documents are produced, the documents shall be produced in an identified, organized manner that corresponds with the organization of this information request letter (including all individual requests and subparts). When documents are produced and the documents would not, standing alone, be self-explanatory, the production of documents shall be supplemented and accompanied by explanation.

Please repeat the applicable request verbatim above each response. After Sevas' response to each request, identify the source of the information and indicate the last date the information was gathered.

1. State, by model and production year, the number of subject wheels Sevas has manufactured for sale in the United States. Separately, for each subject wheel manufactured to date by Sevas, state the following:
 - a. Wheel identification number;
 - b. Model;
 - c. Model Year;
 - d. Date of manufacture.

Provide the table in Microsoft Access 2000, or a compatible format, entitled "PRODUCTION DATA." See Enclosure 1, Data Collection Disc, for a pre-formatted table which provides further details regarding this submission.

2. State the number of each of the following, received by Sevas, or of which Sevas is otherwise aware, which relate to, or may relate to, the alleged defect in the subject wheels:
 - a. Consumer complaints, including those from fleet operators;
 - b. Field reports, including dealer field reports;
 - c. Reports involving a crash, injury, or fatality, based on claims against the manufacturer involving a death or injury, notices received by the manufacturer alleging or proving that a death or injury was caused by a possible defect in a subject vehicle, property damage claims, consumer complaints, or field reports;
 - d. Property damage claims;
 - e. Third-party arbitration proceedings where Sevas is or was a party to the arbitration; and
 - f. Lawsuits, both pending and closed, in which Sevas is or was a defendant or codefendant.

For subparts "a" through "f" state the total number of each item (e.g., consumer complaints, field reports, etc.) separately. Multiple incidents involving the same vehicle are to be

counted separately. Multiple reports of the same incident are also to be counted separately (i.e., a consumer complaint and a field report involving the same incident in which a crash occurred are to be counted as a crash report, a field report and a consumer complaint).

In addition, for items "c" through "f," provide a summary description of the alleged problem and causal and contributing factors and Sevas' assessment of the problem, with a summary of the significant underlying facts and evidence. For items "e" and "f," identify the parties to the action, as well as the caption, court, docket number, and date on which the complaint or other document initiating the action was filed.

3. Separately, for each item (complaint, report, claim, notice, or matter) within the scope of your response to Request No. 2, state the following information:
 - a. Sevas' file number or other identifier used;
 - b. The category of the item, as identified in Request No. 2 (i.e., consumer complaint, field report, etc.);
 - c. Sevas wheel owner or fleet name (and fleet contact person);
 - d. Sevas wheel owner address;
 - e. Sevas wheel owner telephone number;
 - f. Sevas' wheel identification number;
 - g. VIN of the vehicle involved in the item;
 - h. Vehicle's make, model and model year;
 - i. Vehicle's mileage at time of incident;
 - j. Length of time Sevas wheel had been installed on the vehicle;
 - k. Amount of mileage accrued on the Sevas wheel involved;
 - l. Incident date;
 - m. Report or claim date;
 - n. Whether a crash is alleged;
 - o. Whether property damage is alleged;
 - p. Number of alleged injuries, if any; and
 - q. Number of alleged fatalities, if any.

Provide this information in Microsoft Access 2000, or a compatible format, entitled "REQUEST NUMBER TWO DATA." See Enclosure 1, Data Collection Disc, for a pre-formatted table which provides further details regarding this submission.

4. Produce copies of all documents related to each item within the scope of Request No. 2. Organize the documents separately by category (i.e., consumer complaints, field reports, etc.) and describe the method Sevas used for organizing the documents.
5. State, by model and model year, a total count for all of the following categories of claims, collectively, that have been paid by Sevas to date that relate to, or may relate to, the alleged defect in the subject wheels: warranty claims; extended warranty claims; claims for good will services that were provided; field, zone, or similar adjustments and reimbursements; and warranty claims or repairs made in accordance with a procedure specified in a technical service bulletin or customer satisfaction campaign.

Separately, for each such claim, state the following information:

- a. Sevas' claim number;
- b. Sevas wheel owner or fleet name (and fleet contact person);
- c. Sevas wheel owner address;
- d. Sevas wheel owner telephone number;
- e. Wheel ID number;
- f. Make, model, model year of vehicle wheel installed on;
- g. Repair/replacement date;
- h. Accrued mileage at time of repair;
- i. Repairing/replacing dealer's or facility's name, telephone number, city and state or ZIP code;
- j. Problem description;
- k. Replacement part number(s) and description(s);
- l. Concern stated by customer; and
- m. Comment, if any, by dealer/technician relating to claim and/or repair/replacement.

Provide this information in Microsoft Access 2000, or a compatible format, entitled "WARRANTY DATA." See Enclosure 1, Data Collection Disc, for a pre-formatted table which provides further details regarding this submission.

6. Describe in detail the search criteria used by Sevas to identify the claims identified in response to Request No. 5, including the labor operations, problem codes, part numbers and any other pertinent parameters used. Provide a list of all labor operations, labor operation descriptions, problem codes, and problem code descriptions applicable to the alleged defect in the subject wheels. State the terms of the new wheel warranty coverage offered by Sevas on the subject wheels (i.e., the number of months and mileage for which coverage is provided and the vehicle systems that are covered). Describe any extended warranty coverage option(s) that Sevas offered for the subject wheels and state the number of wheels that are covered under each such extended warranty.
7. Produce copies of all service, warranty, and other documents that relate to, or may relate to, the alleged defect in the subject wheels, that Sevas has issued to any dealers, regional or zone offices, field offices, fleet purchasers, or other entities. This includes, but is not limited to, bulletins, advisories, informational documents, training documents, or other documents or communications, with the exception of standard shop manuals. Also include the latest draft copy of any communication that Sevas is planning to issue within the next 120 days.
8. Describe all assessments, analyses, tests, test results, studies, surveys, simulations, investigations, inquiries and/or evaluations (collectively, "actions") that relate to, or may relate to, the alleged defect in the subject wheels that have been conducted, are being conducted, are planned, or are being planned by, or for, Sevas, or by or for the manufacturing facility of the subject wheels. For each such action, provide the following information:
 - a. Action title or identifier;
 - b. The actual or planned start date;
 - c. The actual or expected end date;
 - d. Brief summary of the subject and objective of the action;

- f. A brief summary of the findings and/or conclusions resulting from the action.

For each action identified, provide copies of all documents related to the action, regardless of whether the documents are in interim, draft, or final form. Organize the documents chronologically by action. This should include all inspections, tests and other analyses conducted by, or for, Sevas on products in, or returned from, field service or from durability test programs.

9. Describe all modifications or changes made by, or on behalf of, Sevas, or its manufacturing facility, in the design, material composition, manufacture, quality control, supply, or installation of the subject component, from the start of production to date, which relate to, or may relate to, the alleged defect in the subject wheels. For each such modification or change, provide the following information:
- a. The date or approximate date on which the modification or change was incorporated into vehicle production;
 - b. A detailed description of the modification or change;
 - c. The reason(s) for the modification or change;
 - d. The part number(s) (service and engineering) of the original component;
 - e. The part number(s) (service and engineering) of the modified component;
 - f. Whether the original unmodified component was withdrawn from production and/or sale, and if so, when;
 - g. When the modified component was made available as a service component; and
 - h. Whether the modified component can be interchanged with earlier production components.

Also, provide the above information for any modification or change that Sevas is aware of which may be incorporated into vehicle production within the next 120 days.

10. Provide the following information related to the subject components:
- a. Detailed descriptions of the history and processes for designing, developing and testing the subject wheels;
 - b. Engineering drawings of each design version of the subject component;
 - c. Copies of all engineering standards and specifications;
 - d. Copies of all test reports related to 10.c or other product design verification testing;
 - e. Copies of all internal communications related to wheel durability;
 - f. Detailed descriptions of the manufacturing processes used to produce the subject wheels, including all quality control procedures;
 - g. Detailed descriptions of all identification marks that may be found on the subject wheels, including but not limited to model number, build dates, and manufacturing plant codes;
 - h. Detailed descriptions of the distribution network from Sevas to all authorized retail stores or other authorized sellers of the subject wheels, including a listing by name, address, and name and telephone number of a representative knowledgeable about Sevas wheel sales and service performance (e.g., complaints, warranty claims and other claims);
 - i. A detailed list of any and all vehicles sold or leased in the United States for which the subject wheels are sold or marketed;

- j. The name, address and contact information for the manufacturer of the subject wheels; and
 - k. Photographs of all subject component field returns exhibiting the subject failure mode.
11. Furnish Sevas' assessment of the alleged defect in the subject vehicle, including:
- a. The causal or contributory factor(s);
 - b. The failure mechanism(s);
 - c. The failure mode(s);
 - d. The risk to motor vehicle safety that it poses;
 - e. What warnings, if any, the operator and the other persons both inside and outside the vehicle would have that the alleged defect was occurring or subject component was malfunctioning; and
 - f. The reports included with this inquiry.

This letter is being sent to Sevas pursuant to 49 U.S.C. § 30166, which authorizes NHTSA to conduct any investigation that may be necessary to enforce Chapter 301 of Title 49 and to request reports and the production of things. It constitutes a new request for information. Sevas' failure to respond promptly and fully to this letter could subject Sevas to civil penalties pursuant to 49 U.S.C. § 30165 or lead to an action for injunctive relief pursuant to 49 U.S.C. § 30163. (Other remedies and sanctions are available as well.) Please note that maximum civil penalties under 49 U.S.C. § 30165 have increased as a result of the recent enactment of the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act, Public Law No. 106-414 (signed November 1, 2000). Section 5(a) of the TREAD Act, codified at 49 U.S.C. § 30165(b), provides for civil penalties of up to \$6,000 per day, with a maximum of \$16,375,000 for a related series of violations, for failing or refusing to perform an act required under 49 U.S.C. § 30166. *See* 49 CFR 578.6 (as amended by 71 Fed. Reg. 28279 (May 16, 2006)). This includes failing to respond to ODI information requests.

If Sevas cannot respond to any specific request or subpart(s) thereof, please state the reason why it is unable to do so. If on the basis of attorney-client, attorney work product, or other privilege, Sevas does not submit one or more requested documents or items of information in response to this information request, Sevas must provide a privilege log identifying each document or item withheld, and stating the date, subject or title, the name and position of the person(s) from, and the person(s) to whom it was sent, and the name and position of any other recipient (to include all carbon copies or blind carbon copies), the nature of that information or material, and the basis for the claim of privilege and why that privilege applies.

Sevas' response to this letter, in duplicate, together with a copy of any confidentiality request, must be submitted to this office by December 7, 2007. **All business confidential information must be submitted directly to the Office of Chief Counsel as described in the following paragraph and should not be sent to this office.** In addition, do not submit any business confidential information in the body of the letter submitted to this office. Please refer to PE07-048 in Sevas' response to this letter and in any confidentiality request submitted to the Office of Chief Counsel. If Sevas finds that it is unable to provide all of the information requested within the time allotted, Sevas must request an extension from me at (202) 366-5207 no later than five business days before the response due date. If Sevas is unable to provide all of the information

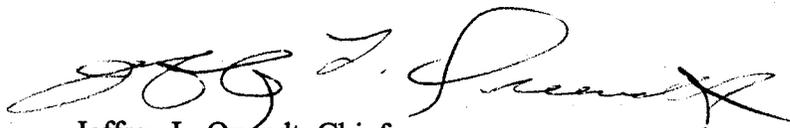
the time allotted, Sevas must request an extension from me at (202) 366-5207 no later than five business days before the response due date. If Sevas is unable to provide all of the information requested by the original deadline, it must submit a partial response by the original deadline with whatever information Sevas then has available, even if an extension has been granted.

If Sevas claims that any of the information or documents provided in response to this information request constitute confidential commercial material within the meaning of 5 U.S.C. § 552(b)(4), or are protected from disclosure pursuant to 18 U.S.C. § 1905, Sevas must submit supporting information together with the materials that are the subject of the confidentiality request, in accordance with 49 CFR Part 512, as amended (69 Fed. Reg. 21409 et seq; April 21, 2004), to the Office of Chief Counsel (NCC-111), National Highway Traffic Safety Administration, Room W41-227, 1200 New Jersey Avenue, S.E., Washington, D.C. 20590. Sevas is required to **submit two copies of the documents containing allegedly confidential information (except only one copy of blueprints) and one copy of the documents from which information claimed to be confidential has been deleted.** Please remember that the word "CONFIDENTIAL" must appear at the top of each page containing information claimed to be confidential, and the information must be clearly identified in accordance with 5 U.S.C. § 512.6.

Please send email notification to Stephen McHenry, stephen.mchenry@dot.gov, and to ODI-IRresponse@dot.gov when Sevas sends its response to this office and indicate whether there is confidential information as part of Sevas response.

If you have any technical questions concerning this matter, please call Stephen McHenry of my staff at (202) 366-4883.

Sincerely,



Jeffrey L. Quandt, Chief
Vehicle Control Division
Office of Defects Investigation

Enclosure 1, one CD ROM titled Data Collection Disc containing five files