



NHTSA
1200 New Jersey Ave, SE
Washington, DC 20590

May 14, 2009

Ref: Preliminary Evaluation (PE09-015)

Dear Mr. Quandt,

Our company specializes in tires to large distributors. We do not sell tires to the consumer level and very rarely do we have any contact with them through our distributors. Thus many of the items requested in your letter we do not have at our disposal. In addition we have never received any similar NHTSA evaluations thus we have tried our best to answer your questions. However should there be items which we might have overlooked please feel free to contact us and we will do everything in our power to accommodate your request.

Please note that we did not start importing Kona CLT tires into the United States until October 2006 and we discontinued importation and production of Kona CLT tires in October of 2008.

In regards to confidentiality all of our customer information is to be deemed as confidential and none of them should be contacted without written authorization from American Omni Trading Company.

Please find our answers below for your request starting on page 3 of your letter:

1. Production Data – attached on enclosed CD (01-Kona Production data.pdf)
2. Damage list – we have not received any damage claims, injury claims or lawsuits on these tires. Thus there have been no property damage, personal injury or death's related to these subject tires.
3. N/A – see # 2
4. Adjustment data – see attached CD (04 - subdirectories Kona CLT Adjustments 2007, 2008, 2009)
 - a. File # - included
 - b. Name, address & telephone # of customer – included
 - c. Date of adjustment – included
 - d. TIN – Manufacturers serial # - included
 - e. Load Range – included
 - f. Tire construction code – all tires are of radial construction as designed in the size, LT215/85R16/10
 - g. Vehicle make, model & VIN – not supplied by our customers
 - h. Vehicle mileage – not supplied by our customers

- i. Position of tire on the vehicle – not supplied by our customers
 - j. Incident state – not supplied by our customers
 - k. Tire adjustment code – listed under defects
- 5. AOT Adjustment policy and tire condition code manuals – included on CD
 - a. Defective tire claims (05 - AOT Tire Claims.pdf, 05 – AOT Adjustment Policy Procedure.pdf, 05 – Vehicle Damage Claim.pdf)
 - b. Tire and condition code manual (05 - Defective Tire Manual.pdf)
- 6. AOT tire warranty policy – included on CD (06 – AOT warranty Policy.pdf)
- 7. AOT does not have retail distribution, nor does many of our customers. We are large wholesalers who distribute to retail dealers. Our top customers who purchased Kona CLT tires from us are as follows:
 - a. Tire Dealers Warehouse (A division of Hercules Tire), 1300 Morrical Blvd, Findlay, OH 45840
 - b. AM-PAC (A division of American Tire Distributors), 51 Moreland Rd., Simi Valley, CA 93065
 - c. Dunlap & Kyle Tire Co, Eureka St, Batesville, Ms 38606
 - d. Boulevard Tire, 816 S. Woodland Blvd, Deland, FL 32720
 - e. Commercial Tire, P.O. Box 11760, Fresno, CA 95340
 - f. Jones Tire, 1909 Alabama Ave., Selma, AL 36701
 - g. White Wholesale Tire, 251 9th Street Lane SE, Hickory, NC 28601
- 8. Returned tires – we have none at this time. Please see #4 (Adjustment Data), please note all pictures for defective tires have been sent to the factory. Pictures are usually in the form of an actual photo thus we are not able to save them.
- 9. AOT system for handling property damage – see form included on CD (Vehicle damage claim.pdf)
 - a. Description of criteria – per our Product Liability Insurance policy we are liable for all claims up to \$200,000.00. However all claims for subject tires would be processed and sent to Shandong Yongtai Chemical Group Ltd for processing and approval. However as stated before we have had no damage personal or property for the subject tires.
 - b. All damage claims are reviewed by 4 persons before claims are passed to either the factory:
 - i. Claim is first signed in by receptionist and then tracked for progress.
 - ii. Salesperson – the responsible salesperson who handles the account will first make sure all information is properly supplied. If there are missing items said salesperson will be responsible to notify customer of shortages. Claim will not proceed until all information is supplied. All claims are reviewed every 30 days to make sure they are being processed efficiently.
 - iii. Sales Manager - Chris Brackin reviews all claims in case they need to be reviewed directly with our customers. He also checks to make sure the salesperson has submitted all the required documents.

- iv. Vice President Asia Purchasing – Andrew Xia, reviews all claims concerning defective tires or damage. It is his responsibility to process the final claim and send it to the factory, then follow up with the factory for approval.
- 10. Kona modifications or changes made by the factory – see factory certificate. (10 – Kona modification Certificate.pdf, 10 – Kona Design Concept)
- 11. Durability Reports – See Smithers Test Reports 2008.pdf and Yongtai Factory Test Reports.pdf on attached CD. The Kona tires were only in production from October 2006 until October 2008. Therefore we do not have 10 years of information to supply to you. In addition we discontinued the Kona CLT production in October of 2008. (11 – Smithers Test Reports 2008, 11- Yongtai Factory Test reports.pdf)
- 12. Kona adjustment documents – attached on CD (12- Kona Adjustments ALL.pdf)
- 13. AOT Kona assessment –
 - a. The actual # of Kona claims was less than .5% through March of 2008. When the claims reached 1% of the total production received we halted production of the tires and asked the factory to confirm that they had made no changes to the tires and to test sample tires to confirm where the problem might be. The factory's report stated they had made no changes, however due to the # of claims we received we decided to stop production at the Yongtai factory until we were able to receive an acceptable answer as to the nature of the defects. In addition we never received any damage claims related to the Kona CLT tires that we sold from October 2006 until – October 2008. Therefore we have no information to submit with regards to damage.
 - b. The factory never notified us of any modifications in the production therefore it is not possible for us to give you the principle failure mechanism.
 - c. No damage claims have been submitted on the Kona CLT tires.
 - d. VOQ's – none have been received from any of our distributor's customers.

We have contact all of our customers who we sold these tires to and combined they have less than 1,500 tires in stock for all sizes under the Kona CLT brand. Over all the failure rate of the tires was less than 1%, however this was above our acceptable ratio of .375% thus we decided to stop production on this line. We have made it clear to our customers that we are here to stand behind the products we sell and we will gladly handle any issue they might have with any adjustments or claims on these tires.

Please feel free to contact me directly should you have any other questions regarding our reply to your ODI – PE09-015.

Sincerely,
American Omni Trading Company



Tom Brackin
President

Cc: Andrew Xia – V.P. Asia Purchasing, American Omni Trading Company