**UNITED STATES DEPARTMENT OF TRANSPORTATION**
**NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION**
1200 New Jersey Avenue, SE
West Building, W41-326
Washington, DC 20590

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| **In re:** | ) |
| | ) |
| AQ17-005 (Recall Nos. 17E-015, 16E-062, 14E-069, 13E-047, and 12E-051) | ) |
| | ) |
| Tegol, Inc. | ) |

**SPECIAL ORDER DIRECTED TO TEGOL, INC.**

To:

Aaron Golshani
Tegol, Inc.
P.O. Box 1264
Brea, California 92821

This Special Order is issued by the Secretary of Transportation pursuant to 49 U.S.C. § 30166(g)(1)(A) and 49 C.F.R. §§ 510.7 and 510.8, and pursuant to a delegation of authority to the Chief Counsel of the National Highway Traffic Safety Administration ("NHTSA"), an Operating Administration of the United States Department of Transportation, 49 C.F.R. §§ 1.95, 501.8(d).

On September 1, 2017, NHTSA's Office of Defects Investigation ("ODI") opened an Audit Query (AQ17-005) to address concerns regarding Tegol's compliance with safety recall requirements, including filing quarterly reports in NHTSA Recall Nos. 16E-062 and 17E-015. Additionally, ODI opened AQ17-005 to investigate delays in the execution of recall campaigns. In recent months, NHTSA has received an increased number of complaints from owners of Tegol motorcycle helmets. Owners complained about difficulty in contacting Tegol and

obtaining the remedy for several recalls, including NHTSA Recall Nos. 12E-051, 13E-047, 14E-069, and 17E-015. Further, NHTSA's Office of Vehicle Safety Compliance ("OVSC") has concerns about Tegol's compliance with the Federal Motor Vehicle Safety Standards ("FMVSS") applicable to motorcycle helmets.

To further the AQ17-005 investigation and to understand Tegol's administration and execution of safety recalls, this Special Order demands certain information from Tegol. Tegol's response to this Special Order must be provided by **December 11, 2017.** Tegol's response must be signed under oath, i.e., accompanied by an affidavit, signed by a responsible officer of Tegol, stating that he/she has undertaken and directed an inquiry reasonably calculated to assure that the answers and production of documents are complete and correct, that he/she has caused the documents of Tegol to be searched diligently for information and documents responsive to this Special Order and produced them to NHTSA, and that the answers to the inquiries provided to NHTSA respond completely and correctly to this Special Order. 49 U.S.C. § 30166(g)(1)(A); 49 C.F.R. § 510.7.

Failure to respond fully or truthfully to this Special Order may result in a referral to the United States Department of Justice for a civil action to compel responses, and may subject Tegol to civil penalties of up to $21,000 per day, up to a maximum penalty of $105,000,000 for a related series of daily violations. 49 U.S.C. §§ 30163(a)(1), 30165(a)(3); 49 C.F.R. § 578.6(a)(3). Falsifying or withholding information in response to this Special Order may also lead to criminal penalties of a fine or imprisonment of up to 15 years, or both. 49 U.S.C. § 30170(a)(1).

## DEFINITIONS

To the extent used in this Special Order, the following definitions apply:

1. **"Affiliates"** means a corporation that is related to another corporation (such as a subsidiary, parent, or sibling corporation) by shareholdings or other means of control.

2. **"Agent"** means an individual, such as a representative, who is authorized to act for or in place of another.

3. **"Document(s)"** is used in the broadest sense of the word under Rule 34 of the Federal Rules of Civil Procedure, and includes 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, electronic communications (existing in hard copy and/or in electronic storage), invoices, contracts, agreements, manuals, publications, photographs of all types, and all mechanical, magnetic, and electronic records or recordings of any kind. Any document, record, graph, chart, film or photograph originally produced in color must be provided in color. Furnish all documents whether verified by the manufacturer or not. If a document is not in the English language, provide both the original document and an English translation of the document.

4. **"Employee"** means a person who works in the service of another person (the employer) under an express or implied contract of hire, under which the employer has the right to control the details of work performance.

5. **"First calendar quarterly report"** means the quarterly report under 49 C.F.R. § 573.7 for the period January 1 through March 31.

6. **"Fourth calendar quarterly report"** means the quarterly report under 49 C.F.R. § 573.7 for the period October 1 through December 31.

7. **"Identify," "Identity," or "Identification"** with respect to a person, includes that person's name, title or position, employer, and last known business address and telephone number. With respect to a document, such terms include the date (or time period covered if not dated), nature of document, author, and recipient(s). With respect to a business, such terms include the corporate address, name of its principals, telephone number, and name and address of the agent for service. With respect to a website, such terms include the url of the site, the name and address of the owner of the site, and the name and address of the administrator of the website.

8. **"Noncompliance"** means the noncompliance with FMVSS No. 218, "Motorcycle Helmets," involved in Tegol's Recall Nos. 16E-062 and 17E-015.

9. **"Officer"** means a person who holds an office of trust, authority, or command, such as a person elected or appointed by the board of directors to manage the daily operations of a corporation, such as a CEO, president, secretary, or treasurer.

10. **"Recalls"** means NHTSA Recall Nos. 12E-051, 13E-047, 14E-069, 16E-062, and 17E-015.

11. "**Second calendar quarterly report**" means the quarterly report under 49 C.F.R. § 573.7 for the period April 1 through June 30.

12. **"Subject motorcycle helmets"** means the Outlaw AX-30010 Series, Outlaw AX-30020 Series, and Outlaw AX-30030 Series motorcycle helmets included in Recall No. 12E-051; the Outlaw AX-3 Series, Outlaw AX-4 Series, and Outlaw TG-5 Series motorcycle helmets included in Recall No. 13E-047; the Hawk GLD-900 Series motorcycle helmets included in Recall No. 14E-069; the Outlaw Slim-G Series motorcycle helmets manufactured from March

30, 2013, to June 5, 2013 included in recall No. 16E-062; and the Outlaw V5 motorcycle helmets manufactured from January 9, 2014 to March 27, 2015 included in Recall No. 17E-015.

13. **"Tegol"** means Tegol, Inc. and all of its past and present officers and employees, whether assigned to its principal offices or any of their field or other locations, including all of its 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 Tegol, Inc. (including all business units and persons previously referred to).

14. **"Third calendar quarterly report"** means the quarterly report under 49 C.F.R. § 573.7 for the period July 1 through September 30.

15. **"You"** or **"Your"** means Tegol or Tegol's.

## INSTRUCTIONS

1. Your response to the Special Order shall be sent to Office of the Chief Counsel (NCC-111), National Highway Traffic Safety Administration, West Building, W41-326, 1200 New Jersey Avenue, SE, Washington, DC 20590. Additionally, submit a copy of your response by email to Jordan Hennig of my staff at jordan.hennig@dot.gov.

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

3. 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 also be reminded that where a document responsive to a request is not in the

English language, both the original document and an English translation of the document must be produced.

4. You are required to respond to every request listed in this Special Order. If you cannot respond to any specific request or subpart(s) thereof, please state the reason why you are unable to do so. If you are unable to respond because you do not have all or any of the precise information needed to respond, provide an estimate. If, on the basis of attorney-client, attorney work product, or other privilege, you do not submit one or more requested documents or items of information in response to this Special Order, you must provide a privilege log identifying each document or item withheld, and stating the date, subject or title, 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.

5. If you claim that any of the information or documents provided in response to this Special Order constitutes confidential commercial material within the meaning of 5 U.S.C. § 552(b)(4), or is protected from disclosure pursuant to 18 U.S.C. § 1905, you must submit supporting information together with the materials that are the subject of the confidentiality request, in accordance with 49 C.F.R. Part 512, to the Office of Chief Counsel (NCC-111), National Highway Traffic Safety Administration, West Building, W41-326, 1200 New Jersey Avenue, SE, Washington, DC 20590. You are required to submit two copies of the documents containing allegedly confidential information and one copy of the documents from which information claimed to be confidential has been deleted. Failure to adhere to the requirements of 49 C.F.R. Part 512 will result in a rejection of your request for confidential treatment.

6. All documents shall be produced electronically, as described below, in a common format (e.g., Word or PDF).

a. Hard copy documents shall be imaged in PDF format. They shall be provided as multi-page PDFs with document level optical character recognition (OCR).

b. Electronically Stored Information (ESI) shall be converted to multi-page PDFs and produced along with document level OCR/extracted text.

c. You shall produce an index that lists the title of each document produced and the request to which it corresponds.

7. The singular includes the plural; the plural includes the singular. The masculine gender includes the feminine and neuter genders; and the neuter gender includes the masculine and feminine genders. "And" as well as "or" shall be construed either disjunctively or conjunctively, to bring within the scope of this Special Order all responses that might otherwise be construed to be outside its scope. "Each" shall be construed to include "every" and "every" shall be construed to include "each." "Any" shall be construed to include "all" and "all" shall be construed to include "any." The use of a verb in any tense shall be construed as the use of the verb in a past or present tense, whenever necessary to bring within the scope of the document requests all responses which might otherwise be construed to be outside its scope.

8. Tegol's response to this Special Order must be under oath, i.e., accompanied by an affidavit, signed by a responsible officer of Tegol, stating that he/she has undertaken and directed an inquiry reasonably calculated to assure that the answers and production of documents are complete and correct, that he/she has caused the documents of Tegol to be searched diligently for information and documents responsive to this Special Order and produced them to NHTSA,

and that the answers to the inquiries provided to NHTSA respond completely and correctly to this Special Order.

## REQUESTS

1. State whether you have submitted the information required by 49 C.F.R. Part 566 prior to the date of this Special Order.

   a. If you have submitted the information required by 49 C.F.R. Part 566, provide a copy of the information that was submitted and the date(s) that information was submitted. State whether the information submitted is current, accurate, and complete.

   b. If you have not submitted the information required under 49 C.F.R. Part 566 prior to the date of this Special Order, provide your explanation for your failure to do so. In addition, provide the current, accurate, and complete information and the date on which you intend to submit the information.

2. Provide a corporate organizational chart(s) identifying the employees who are responsible for collecting and reporting information to NHTSA pursuant to 49 C.F.R. Part 573. Include the name, title, business address, business email, and business telephone number for each person(s).

3. Describe Tegol's policy or procedure for tracking and submitting quarterly reports for the past 10 years, including the steps Tegol undertakes to comply with the submission deadlines in 49 C.F.R. § 573.7. Your answer should explain any changes in that policy or procedure and include a copy of all documents describing the policy or procedure.

4. Admit that you were sent the following official NHTSA correspondence regarding missing quarterly reports for Recall Nos. 16E-062 and 17E-015.

a. Email from Jennifer Timian to Mr. Aaron Golshani dated 02/21/2017, attached hereto as Exhibit 1;

b. Email from Jennifer Timian to Mr. Aaron Golshani dated 02/28/2017 with the subject: Failure to File Required Recall Quarterly Report, attached hereto as Exhibit 2;

c. Email from Jennifer Timian to Mr. Aaron Golshani dated 05/16/2017, attached hereto as Exhibit 3, and;

d. Email from Jennifer Timian to Mr. Aaron Golshani dated 05/16/2017, attached hereto as Exhibit 4.

5. Provide a list of all quarterly report submissions for Recall Nos. 16E-062 and 17E-015 that you submitted, or should have submitted, to NHTSA in accordance with 49 C.F.R. § 573.7. Your response should be in the following format:

| | Q1 | | Q2 | | Q3 | | Q4 | | Q5 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Date Due | Date Submitted | Date Due | Date Submitted | Date Due | Date Submitted | Date Due | Date Submitted | Date Due | Date Submitted |
| 16E-062 | 10/30/16 | | 1/30/17 | | 4/30/17 | | 7/30/17 | | 10/30/17 | |
| 17E-015 | 4/30/17 | | 7/30/17 | | 10/30/17 | | 1/30/18 | n/a | 4/30/18 | n/a |

6. With respect to Tegol's fourth quarterly report for Recall No. 16E-062, for the second quarter of 2017, which was due on or before July 30, 2017:

a. State the date on which you provided this quarterly report to NHTSA.

b. If you contend that the date on which you first provided the report to NHTSA was on or before July 30, 2017, produce all documents to support your contention.

c. If you have not previously provided this quarterly report to NHTSA, provide the report in your response to this Special Order.

7. With respect to Tegol's fifth quarterly report for Recall No. 16E-062, for the third quarter of 2017, which was due on or before October 30, 2017:

a. State the date on which you provided this quarterly report to NHTSA.

b. If you contend that the date on which you first provided the report to NHTSA was on or before October, 2017, produce all documents to support your contention.

c. If you have not previously provided this quarterly report to NHTSA, provide the report in your response to this Special Order.

8. With respect to Tegol's first quarterly report for Recall No. 17E-015, for the first quarter of 2017, which was due on or before April 30, 2017:

a. State the date on which you provided this quarterly report to NHTSA.

b. If you contend that the date on which you first provided the report to NHTSA was on or before April 30, 2017, produce all documents to support your contention.

c. If you have not previously provided this quarterly report to NHTSA, provide the report in your response to this Special Order.

9. With respect to Tegol's second quarterly report for Recall No. 17E-015, for the second quarter of 2017, which was due on or before July 30, 2017:

a. State the date on which you provided this quarterly report to NHTSA.

b. If you contend that the date on which you first provided the report to NHTSA was on or before July 30, 2017, produce all documents to support your contention.

c. If you have not previously provided this quarterly report to NHTSA, provide the report in your response to this Special Order.

10. With respect to Tegol's third quarterly report for Recall No. 17E-015, for the third quarter of 2017, which was due on or before October 30, 2017:

a. State the date on which you provided this quarterly report to NHTSA.

b. If you contend that the date on which you first provided the report to NHTSA was on or before October 30, 2017, produce all documents to support your contention.

c. If you have not previously provided this quarterly report to NHTSA, provide the report in your response to this Special Order.

11. For each quarterly reporting period, as established in 49 C.F.R. Part 573, from September 1, 2012 through the present date, provide copies of all quarterly reports required under 49 C.F.R. § 573.7 and not previously provided to NHTSA.

12. Describe in detail any measures Tegol may be planning or has executed to achieve a maximum possible completion rate for NHTSA Recall Nos. 12E-051, 13E-047, 14E-069, 16E-062, and 17E-015. Produce copies of any documents that evidence Tegol's customer outreach plans or that reflect the measures it has taken, or intends to take, above and beyond the required owner and dealer notifications.

13. Describe in detail the challenges, if any, Tegol faces in achieving a maximum possible completion rate for each recall.

14. Describe how Tegol determines that subject motorcycle helmet owners are unreachable for recall purposes, including any processes or steps taken before making that determination.

15. Describe in detail the training, if any, that employees involved in recall administration receive regarding 49 C.F.R. Part 573 and/or Part 577. Provide a copy of any written training or guidance materials regarding 49 C.F.R. Part 573 and/or Part 577 used by employees involved in recall administration.

16. Describe in detail any and all requirements, practices, processes, or other methods Tegol uses for customer service, including inquiries regarding recalls and recall remedies. In addition, provide the internal process by which Tegol records and documents adherence to these practices.

17. Provide a detailed explanation of how Tegol addresses calls to its hotline (1-714-496-9988) from consumers regarding Recall No. 16E-062. Include in your answer:

a. How the hotline is monitored;

b. Who answers the hotline;

c. If Tegol employees answer the hotline, state their name, division, and title;

d. What, if any, protocol Tegol follows when answering calls;

e. What, if any, protocol Tegol follows to address voicemails left on the hotline;

f. How long Tegol takes to follow-up with consumers who call or leave voicemails;

g. How many total calls have been received by this hotline as of the date of this Special Order;

h. How many calls this hotline has received that relate to Recall No. 16E-062 as of the date of this Special Order;

i. The dates on which calls identified in subsection (h) were received; and

j. The disposition of each call related to Recall No. 16E-062 (i.e., a mailing label was sent, a refund was sent, or there was no follow-up).

18. Provide a detailed explanation of how Tegol addresses calls to its hotline (1-866-371-0281) from consumers regarding Recall Nos. 12E-051, 13E-047, 14E-069, 16E-062, and 17E-015. Include in your answer:

a. How the hotline is monitored;

b. Who answers the hotline;

c. If Tegol employees answer the hotline, state their name, division, and title;

d. What, if any, protocol Tegol follows when answering calls;

e. What, if any, protocol Tegol follows to address voicemails left on the hotline;

f. How long Tegol takes to follow-up with consumers who call or leave voicemails;

g. How many total calls have been received by this hotline as of the date of this Special Order;

h. How many calls this hotline has received for each Recall specified in Request No. 18 as of the date of this Special Order;

i. The dates on which the calls identified in subsection (h) were received; and

j. The disposition of each call related to a recall specified in Request No. 18 (i.e., a mailing label was sent, a refund was sent, or there was no follow-up).

19. Provide a detailed explanation of how Tegol handles emails to its address (tegolinc@gmail.com) from consumers regarding Recalls. Include in your answer:

a. How the email account is monitored;

b. Who answers the emails;

c. If Tegol employees answer the emails, state their name, division, and title;

d. What, if any, protocol Tegol follows when responding to emails;

e. How long Tegol takes to follow-up with consumers who send emails; and

f. How many total emails have been received by this address as of the date of this Special Order;

g. How many emails this address has received for each Recall as of the date of this Special Order;

h. The dates the emails identified in subsection (g) were received;

i. The disposition of each email identified in subjection (g) (i.e., a mailing label was sent, a refund was sent, or there was no follow-up); and

j. Provide copies of all emails received from consumers at this email address regarding Recalls and all responses sent by Tegol to those consumers.

20. Provide a detailed explanation of how Tegol handles emails to its address (tegolrecall@gmail.com) from consumers regarding Recalls. Include in your answer:

a. How the email account is monitored;

b. Who answers the emails;

c. If Tegol employees answer the emails, state their name, division, and title;

d. What, if any, protocol Tegol follows when responding to emails;

e. How long Tegol takes to follow-up with consumers who send emails;

f. How many total emails have been received by this address as of the date of this Special Order;

g. How many emails this address has received for each Recall as of the date of this Special Order;

h. The dates the emails identified in subsection (g) were received;

i. The disposition of each email identified in subjection (g) (i.e., a mailing label was sent, a refund was sent, or there was no follow-up); and

j. Provide copies of all emails received from consumers at this email address regarding each Recall and all responses sent by Tegol to those consumers.

21. Identify all other telephone numbers, email addresses, websites, fax numbers, or mailing addresses that Tegol uses to communicate with consumers about recalls. For each,

provide the same information sought in subsections (a)-(j) of Request Nos. 17 and 18 for telephone numbers and subsections (a)-(j) of Request Nos. 19 and 20 for email addresses, websites, fax numbers, and mailing addresses.

22. Fully describe all current and past business relationships (i.e. ownership, subsidiary, supplier, distributor, shipping and return policies, etc.) between Tegol and the following:

a. Outlaw brand helmets;

b. Hawk brand helmets;

c. Rodia brand helmets;

d. Shanghai Hehui Safety Products Manufacture Co., Ltd.;

e. Shanghai Hehui Safety Products Manufacture USA Co., Ltd.;

f. VCAN International Group;

g. VCAN Sports;

h. Huizhou City Golden Helmets Co., Ltd.;

i. Sunright International of America, Inc.;

j. Beijing Ajhx Helmet Technology & Trading Co Ltd;

k. Rodia USA;

l. Beijing Rodia;

m. BRF;

n. LeatherUp.com;

o. MotorcycleCenter.com;

p. MyLeather.com;

q. Nanal, Inc.;

r. Nox, Inc.;

s. Ashdon, Inc.;

t. Etor, Inc.;

u. Helmet Venture, Inc.;

v. Tong Ho Hsing Industrial Co.;

w. Trans National Trading, Inc.;

x. Nikko Helmet USA;

y. Nikko Helmets;

z. Nikko Motoracing Inc.;

aa. Dong Nikkei Industrial Co., Ltd.;

bb. Aral Trading Co. Inc.;

cc. Biker's Barn;

dd. Grand Saz Global Inc.;

ee. Biker Venture, Inc.;

ff. Dorsaz, Inc.;

gg. Vintage Venture Group, Inc.;

hh. Aaron Golshani;

ii. Arash Golshani;

jj. Albert Bootesaz;

kk. Nahid Botehsaz;

ll. Nahid Bootesaz;

mm. Doris Bootesaz;

nn. Mojgan Shabanian; and

oo. Kasra Shahrokhshahi.

23. Provide contact information, including a name, address, phone number, for each person or entity included in your response to Request No. 22.

24. Separately for each of the subject motorcycle helmets, state the name and contact information of the fabricating manufacturer(s).

25. For each manufacturer listed in your response to Request No. 24, state:

a. Whether the manufacturer has submitted identifying information and a description of the items it produces in accordance with 49 C.F.R. Part 566.

b. If the manufacturer has submitted the Part 566 information, state the full individual name, partnership, or corporate name used in the most recent submission.

c. If the manufacturer has not submitted the Part 566 information, state so and explain why a Part 566 submission was not made.

26. For each manufacturer listed in your response to Request No. 24, state:

a. Whether the manufacturer is a U.S. entity.

b. If it is not a U.S. entity, state whether it has designated an agent in accordance with 49 C.F.R. Part 551.

c. If the manufacturer has designated an agent in accordance with 49 C.F.R. Part 551, state the full legal name of its agent.

Dated: November 9, 2017

Stephen P. Wood
Acting Chief Counsel

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*Sent To* Mr. Aaron Golshani
Tegol, Inc.
P.O. Box 1264
Brea, CA 92821

*Street, Apt. No.; or PO Box No.*
*City, State, Zip+4*

PS Form 3800, January 2013 See Reverse for Instructions

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