

Schuler, Kelly <NHTSA>

From: pyopyo@eagleeyes.com.tw
Sent: Monday, November 24, 2008 4:46 AM
To: Schuler, Kelly <NHTSA>
Cc: pyopyo@eagleeyes.com.tw
Subject: RE: 2 missing quarterly report letters
Attachments: Survey Records.pdf; Survey Summary.xls

Dear Kelly,

In lieu of our last conversation over the phone, Eagle Eyes decided to conduct a survey on our customers about their responses to the recall campaigns. Thanks for the extension and we now have completed the survey. The survey population is comprised of Eagle Eyes' direct customers as well as end users who had called in about the recall campaigns.

For NHTSA Campaign ID Number 07E074000 (DS517-B001L/R), we have collected 13 samples comprising of 3 direct customers and 10 end users.

For NHTSA Campaign ID Number 07E075000 (FR390-B001L/R), we have collected 4 samples. All 4 samples came from direct customers

As to the surveyed end users, it was identified that they became aware of the recall campaign from a: website (8), b: insurance company (1) and c: forgot (1). All of them haven't returned any defect part because they didn't use Eagle Eyes' product. Suggestions from them as to what Eagle Eyes could do to facilitate the recall campaign are 1. to send periodical (8) reminder and 2. to do periodical survey (2).

As to the direct customers, all of them have received the notification letter for both campaigns and suggested that Eagle Eyes could send periodical reminder to facilitate the recall campaign.

For NHTSA Campaign ID Number 07E074000 (DS517-B001L/R), among the 3 direct customer samples, 1 have called us for further information while the other 2 haven't. The reasons why the other 2 haven't called in is that one choose self disposal and the other one forgot about it.

None of the 3 samples have returned any defect part because 2 of them have no inventory and the other one chooses self disposal.

For NHTSA Campaign ID Number 07E075000 (FR390-B001L/R), among the 4 direct

customer samples, 1 have called us for further information while the other 3 haven't. The reason why the other 3 haven't called in is that 1 chooses self disposal and the other 2 simply forgot.

None of the 4 samples have returned any defect part because 2 have no inventory and 1 chooses self disposal and 1 forgot.

We have asked the "forgotful" customer to clarify their action on the recall parts and hope to receive their responses as soon as possible.

The bottom line is that they are sure that they haven't sold any recall part to any customers.

Taking the customer suggestions into consideration, Eagle Eyes should schedule periodical reminder to be sent to our customers to remind them of the recall campaign.

The detail of the above description could be found in the attachments.

As to your initial questions, we would like to provide our (Eagle Eyes' perspective) explanation here.

For 07E074000 (DS517-B001L/R), actually there are 53 items returned during 1st quarter of 2008 and it is recorded in the report.

Our guesses as to why a total 11,300 defect part recall turned out to be only 53 items being returned is as follows:

1., Even though a total of 11,300 defect parts were affected, it is a summation of four-year sales. In other words, there is only 2,800 affected defective parts per year. 2. During the period of time of the recall, there was a shortage of supply for the OEM and AM market for this product. Combining the two conditions, they provide the insight of the possibility that customers might have problems getting immediate replacement and therefore are less willing to return the defect parts. If that's the case, we wish to take the chance of this survey to inform our customers again that the recall campaign is still valid.

For 07E075000 (FR390-B001L/R), there is no return so far.

We believe the main reason for no return is because of the small defect quantity (2,388) and also it is a discontinued product.

However, we still wish to take the chance of this survey to remind the affected customers of the safety issue relate to our product and to inform them that the recall campaign is still valid.

Best Regards,

Eagle Eyes Traffic Ind. Co., Ltd.

Chi-Shu Huang