



3100 Airport Avenue, Suite A
Santa Monica, CA 90405

T (310) 390-4890

F (310) 397-8985

www.mileselectricvehicles.com

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

October 31, 2008

Pat Wallace
Recall Management Division
NHTSA/Enforcement/ODI, NVS-245
1200 New Jersey Avenue, SE., W46-425
Washington, DC20590

Dear Pat,

Please find enclosed a copy of the letter that will be mailed out to our customers on November 7th 2008.

Sincerely,



Broc TenHouten

Vice President of Engineering and Project Management



3100 Airport Avenue, Suite A
Santa Monica, CA 90405

T (310) 390-4890

F (310) 397-8985

www.mileselectricvehicles.com

November 7, 2008

Dear Customer:

This notice is sent to you in accordance with the requirements of the National Traffic and Motor Vehicle Safety Act. Miles Electric Vehicles, Inc. has decided that a defect which relates to motor vehicle safety exists in certain model year 2008 XS40ST trucks. Manufacturing and assembly inconsistencies with the brake transducer tee and assembly under-torquing or over-torquing of the brake bleeder screws have produced instances of visible brake fluid seepage at the brake tee and at the bleeder screws. As a consequence, a driver may experience reduced brake performance when applying and maintaining force on the brake pedal and, over time, the capacity to brake will gradually deteriorate, forcing the driver to use higher than expected force. Continued loss of brake fluid above certain amounts would lead to the brake becoming inoperative, increasing the risk of a crash. Accordingly, any evidence of deterioration in braking, requiring application of more than customary force, under the circumstances, should be attended to promptly.

You currently have or have previously owned one of these units. We have or will be arranging with you to inspect the vehicle and, if necessary, correct identified problems. The service and required parts will be provided free of charge.

To correct this condition, we (if we contact you directly so that our representatives can arrange to visit you) or dealers (for retail customers of an authorized Miles dealer who we are not contacting directly) will inspect the brake system regarding the issues noted above. We will replace the brake tees; in addition, wheel calipers or wheel cylinders will be replaced, if necessary. The work will take about 3 hours to complete. However, for those of you for whom inspections will occur at a dealer, additional time may be required depending on how dealer appointments are scheduled and processed.

To obtain this free service, contact our service department at your earliest convenience at 1-800-287-0221 for inspection and correction. If you no longer own this vehicle, please inform us of this when you call. Federal regulations require that any vehicle lessor receiving this recall notice must forward a copy of this notice to the lessee within ten days. If you had this repair performed before you received this letter, you may be eligible to receive reimbursement for the cost of obtaining a pre-notification remedy of the problem associated with this recall. For more information contact: 1-800-287-0221.

We regret any inconvenience that this action may cause you. However, we are concerned about your safety. If your dealer fails or is unable to remedy this defect without charge and within a reasonable time, you may submit a written complaint to the Administrator, National Highway Traffic Safety Administration, 1200 New Jersey Avenue, SE, Washington, DC 20590, or call the toll-free Vehicle Safety Hotline at 1-888-327-4236; (TTY: 1-800-424-9153); or go to <http://www.safercar.gov>.

Thank you for your patience and support in helping us to keep you safe.

Sincerely Yours,

Miles Electric Vehicles, Inc.