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Original Publication Date: April 4, 2019

To: All Lexus Dealer Principals, General Managers, Sales Managers, Pre-owned Managers, Service Managers, Parts Managers, and Warranty Administrators

## SAFETY RECALL KLC (Remedy Notice)

### Certain 2018 Model Year LS 500 and LS 500h Vehicles Possible Partial Tread Separation of Run-Flat Tires

| Model / Years   | Production Period                  | Approximate Total Vehicles | Approximate Stop Sale Dealer Inventory |
|-----------------|------------------------------------|----------------------------|--|
| LS500 / 2018MY  | Early July 2017- Late July 2018    | 6,000                      | 500                                    |
| LS500h / 2018MY | Late February 2017- Late July 2018 | 300                        | 40                                     |



**STOP! DO NOT SELL NEW VEHICLES IN DEALER INVENTORY.**

*Refer to Dealer Inventory Procedures section for more details.*



On February 27, 2019, Lexus filed a Defect Information Report (DIR) with the National Highway Traffic Safety Administration (NHTSA) informing the agency of our intent to conduct a voluntary Safety Recall on Certain 2018 Model Year LS 500 and LS 500h vehicles.

#### Condition

The involved vehicles are equipped with run-flat tires that were assembled to the wheels improperly. There is a possibility that a crack could develop on the sidewall reinforcement layer of the tires. Under certain driving conditions, portions of the tire tread layer could separate, causing a reduction of vehicle stability and increasing the risk of a crash.

#### Remedy

Any authorized Lexus dealer will replace all four tires **FREE OF CHARGE**, if one or more tires are run-flat tires and the tires are manufactured by a specific tire supplier.

**Note: If Lexus records show that a customer's vehicle covered under this Safety Recall has had the tires replaced, the vehicle will be marked complete. The customer does not need to have the tires replaced again as service replacement parts are not affected by this condition.**

#### Covered Vehicles

There are approximately 6,300 vehicles covered by this Safety Recall. Approximately 10 vehicles involved in this Safety Recall were distributed to Puerto Rico.

#### Owner Letter Mailing Date

Lexus will notify owners in late April 2019 via the Notification application within the vehicle's head unit. Owner Letters, via first class mail, will commence after the notifications have been sent. A sample of the owner notification letter has been included for your reference.

*Lexus makes significant effort to obtain current customer name and address information from each state through industry resources when mailing owner letters. In the event your dealership receives a notice for a vehicle that was sold prior to the Safety Recall announcement, it is the dealership's responsibility to forward the owner letter to the customer who purchased the vehicle.*

Please note that only owners of the covered vehicles will be notified. If you are contacted by an owner who has not yet received a notification, please **verify eligibility by confirming through TIS prior to performing repairs**. Dealers should perform the repair as outlined in the Technical Instructions found on TIS.

## Dealer Inventory Procedures

### New Vehicles in Dealership Inventory

There are approximately 540 vehicles in new dealer inventory as of February 26, 2019.



Under Title 49, Section 30112 of the United States Code, a dealer cannot sell, offer for sale, or introduce or deliver for introduction in interstate commerce a new motor vehicle when it is aware that the vehicle does not comply with an applicable Federal Motor Vehicle Safety Standard or contains a defect related to motor vehicle safety. Further, 49 Code of Federal Regulations §577.13 requires us to provide the following advisory: It is a violation of Federal law for a dealer to deliver a new motor vehicle or any new or used item of motor vehicle equipment (including a tire) covered by this notification under a sale or lease until the defect or noncompliance is remedied.

Lexus reimburses dealers for flooring costs associated with new vehicles held in dealership inventory until the recall remedy becomes available. Lexus provides these flooring reimbursements at 60-day intervals. Lexus reserves the right to withhold or charge-back any flooring reimbursement funds that may have been paid to the dealer if it determines that a new vehicle subject to a safety recall was sold without first being remedied.

Vehicle Safety Recall completion should always be verified through TIS. We request your assistance to ensure involved vehicles are identified and not delivered prior to performing the remedy.

**NOTE:** Dealers can identify if any of their new and used inventory has any open campaigns in the Vehicle Inventory Summary available in Dealer Daily (<https://dealerdaily.lexus.com/>). The Vehicle Inventory Summary may take up to 4 hours to populate information for newly launched campaigns.

### Inspection Reminder Mirror Hang Tags for Covered Vehicles in New Dealer Stock

To easily recognize vehicles involved in this Safety Recall, each dealership should utilize Inspection Reminder Hang Tags. Inside the vehicle's glove box are stickers containing the VIN. Apply one of these stickers to the hang tag and install the hang tag in the vehicle. A sample copy of the Inspection Reminder Hang Tag has been included for your reference.



**NOTE:** Dealerships can order hang tags from the Material Distribution Center (MDC).

| Part Number | Description                | Quantity    |
|-------------|----------------------------|-------------|
| 00241-INSPT | Inspection Mirror Hang Tag | 25 Per Pack |

### Pre-Owned Vehicles in Dealer Inventory

To ensure customer satisfaction, Lexus requests that dealers complete this Safety Recall on any used vehicles currently in dealer inventory that are covered by this Safety Recall prior to customer delivery. However, if the campaign cannot be completed (for example, due to remedy parts availability), delivery of a covered vehicle is acceptable if disclosed to the customer that the vehicle is involved in a Safety Recall.

Lexus expects dealers to use the attached Customer Contact and Vehicle Disclosure Form to obtain vehicle buyer information. Dealers are expected to provide a copy of the completed form, along with the most current FAQ, to the vehicle buyer. Lexus and the dealer may use this information to contact the customer when the remedy becomes available.

Keep the completed form on file at the dealership and send a copy to [quality\\_compliance@toyota.com](mailto:quality_compliance@toyota.com). In the subject line of the email, state "Disclosure Form KLC/K2C" and include the VIN.

**NOTE:** Dealers can identify if any of their new and used inventory has any open campaigns in the Vehicle Inventory Summary available in Dealer Daily (<https://dealerdaily.lexus.com/>). The Vehicle Inventory Summary may take up to 4 hours to populate information for newly launched campaigns.

**L/Certified Pre-Owned Vehicles**

L/Certified policy prohibits the certification of any vehicle with an outstanding Safety Recall, Special Service Campaign, or Limited Service Campaign. Thus, no affected units are to be designated, sold, or delivered as L/Certified until all applicable Safety Recalls, Special Service Campaigns, and Limited Service Campaigns have been completed on that vehicle.

**LCCS Service Loaners**

Lexus requests that dealers remove all LCCS Service Loaner vehicles from service that are covered by a Safety Recall unless the defect has been remedied.

## Customer Handling, Parts Ordering, and Remedy Procedures

**Customer Contacts**

Customers who receive the owner letter may contact your dealership with questions regarding the letter and/or the Safety Recall. Please welcome them to your dealership and answer any questions that they may have. A Q&A is provided to assure a consistent message is communicated.

Customers with additional questions or concerns are asked to please contact the Lexus Experience Center (1-800-255-3987) - Monday through Friday, 7:00 am to 7:00 pm, Saturday 7:00 am to 5:00 pm Central Time.

**Media Contacts**

It is imperative that all media contacts (local and national) receive a consistent message. In this regard, all media contacts must be directed to Tania Saldana (859) 815-9968 in Toyota Corporate Communications. Please do not provide this number to customers. Please provide this contact only to media.

**Parts Ordering Process - Non SET and GST Parts Ordering Process**

It is possible that parts for this campaign are either required to be ordered in Campaign Part Order Request (CPOR) on TIS, or have been placed on Manual Allocation Control (MAC) due to potential limited part availability. Please check the CPOR/MAC report on Dealer Daily for the most up-to-date parts ordering information.

*All Safety Recall, Service Campaign (SSC/LSC) parts are eligible for the Monthly Parts Return Program.* Please refer to PANT Bulletin [2011-087](#) for campaign parts that are currently returnable under the Monthly Parts Return Program and for additional details.

| Part Number | Description  | Quantity |
|-------------|--|----------|
| 04423-33060 | Fitting Kit, Tire Pressure Monitor or Balancer Valve | 4        |

**Tire Order Process**

All tires being ordered for campaign KLC will be ordered from and processed by Dealer Tire. To order replacement tires, Lexus dealers will follow the below process:

1. Place your order on the LCMC website through Dealer Daily for replacement SKUs.
  - a. Eligible Replacement SKUs: 005966, 05969, 007186, 008860, 008861
  - b. **Please Note: The Vehicle VIN must be entered as the Customer PO for the order to be processed.**
2. Upon submitting the order, the order will go on backorder.
3. Lexus Complete Maintenance Care Program Headquarters will review the order information, and if the VIN qualifies, will release the order within the business day.

| Part Number | Description                    | Quantity |
|-------------|--------------------------------|----------|
| 42652-50C90 | Tire - 245/45RF20 (SKU 005966) | 4        |
| 42652-50D00 | Tire - 275/40RF20 (SKU 005969) | 4        |
| 42652-11070 | Tire - 245/45RF20 (SKU 008860) | 4        |
| 42652-11080 | Tire - 275/40RF20 (SKU 008861) | 4        |
| 42652-50D50 | Tire - 245/50RF19 (SKU 007186) | 4        |

**NOTE:** Some vehicles may have front tires that are a different size than the tires on the rear.



**Tires removed from a vehicle receiving the recall remedy MAY NOT be reused on a different vehicle. BE SURE to follow the steps detailed below to help ensure that these tires are not reused.**

### DISPOSAL OF ORIGINAL TIRES

Using a drill and drill bit 3/8" or larger, drill a hole in the sidewall of the tire.

### Technician Training Requirements

The repair quality of covered vehicles is extremely important to Lexus. All dealership technicians performing this repair are required to successfully complete the most current version of the E-Learning course "Safety Recall and Service Campaign Essentials". To ensure that all vehicles have the repair performed correctly; technicians performing this repair are required to currently hold at least one of the following certification levels:

- Certified
- Senior
- Master

Always check which technicians can perform the repair by logging on to <https://www.uotdealerreports.com>. It is the dealership's responsibility to select technicians with the above certification level or greater to perform this repair. Carefully review your resources, the technician skill level, and ability before assigning technicians to this repair. It is important to consider technician days off and vacation schedules to ensure there are properly trained technicians available to perform this repair at all times.

### Remedy Procedures

Refer to TIS for Technical Instructions on repair. Conduct all non-completed Safety Recalls and Service Campaigns on the vehicle during the time of appointment.

### Repair Quality Confirmation

The repair quality of covered vehicles is extremely important to Lexus. To help ensure that all vehicles have the repair performed correctly, please designate at least one associate (someone other than the individual who performed the repair) to verify the repair quality of every vehicle prior to customer delivery.

## Warranty Reimbursement Procedures

### Alternate Transportation Reimbursement Procedure

For customers who requested a loaner vehicle or alternative transportation in the interim phase, a loaner vehicle or alternative transportation can be claimed up to \$45 per day.

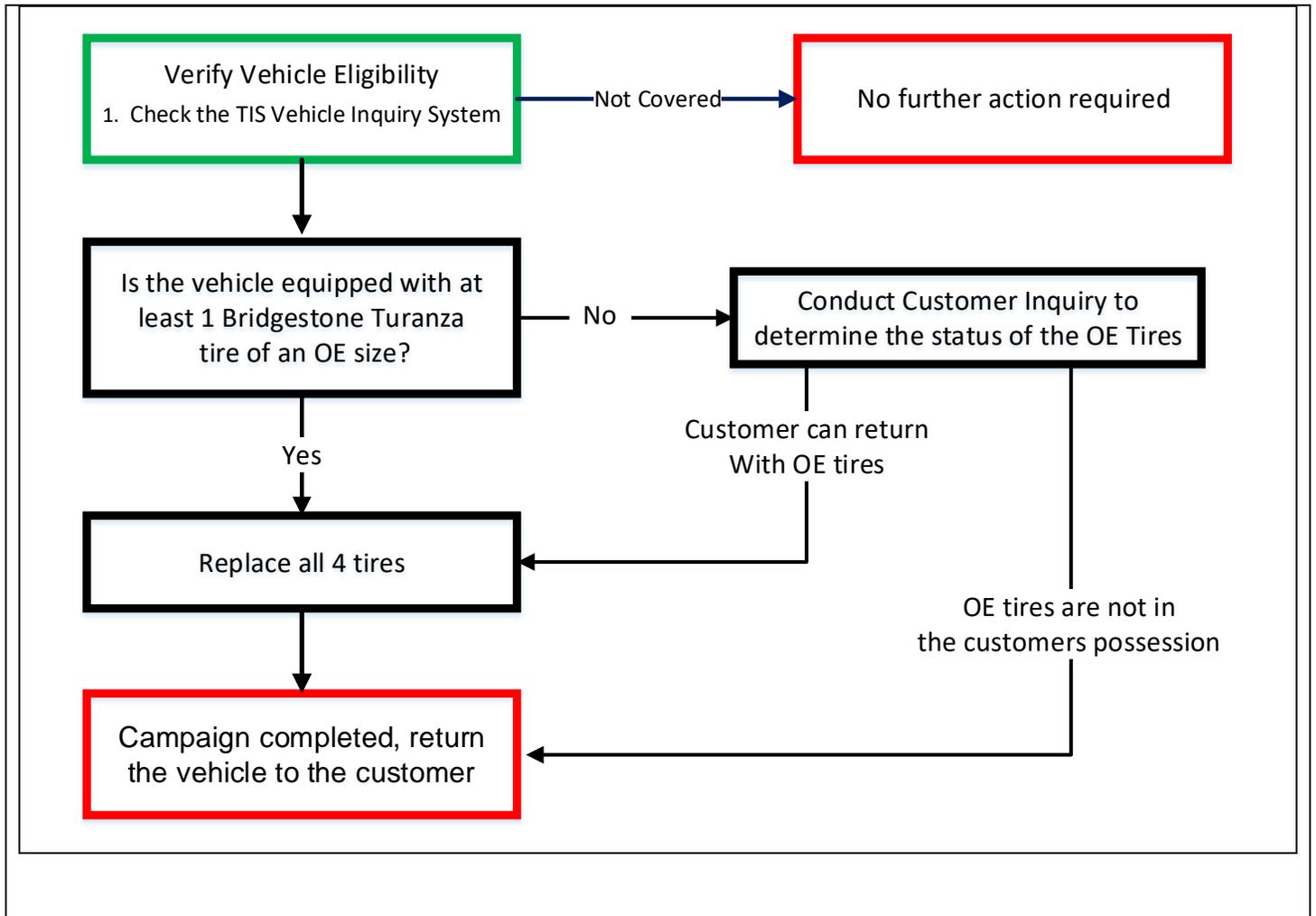
*Claims for rental during the interim phase must be filed under Op Codes below.*

| Op Code | Description                 |
|---------|-----------------------------|
| UGG05A  | Vehicle Rental 1-30 Days    |
| UGG05B  | * Vehicle Rental 31-50 Days |

### **NOTE:**

- Rental invoice **MUST** be attached to all rental claims. These claims may be subject to debit if rental invoice is not attached.
- \* Vehicle Rentals more than 30 Days will require a DSPM authorization.

**Warranty Reimbursement Procedure**



| Op Code | Description                                | Flat Rate Hours |
|---------|--|-----------------|
| KLC001  | Inspection + Replace all tires             | 2.6 hrs/vehicle |
| KLC002  | Inspection of factory-installed tires (No) | 0.4 hrs/vehicle |

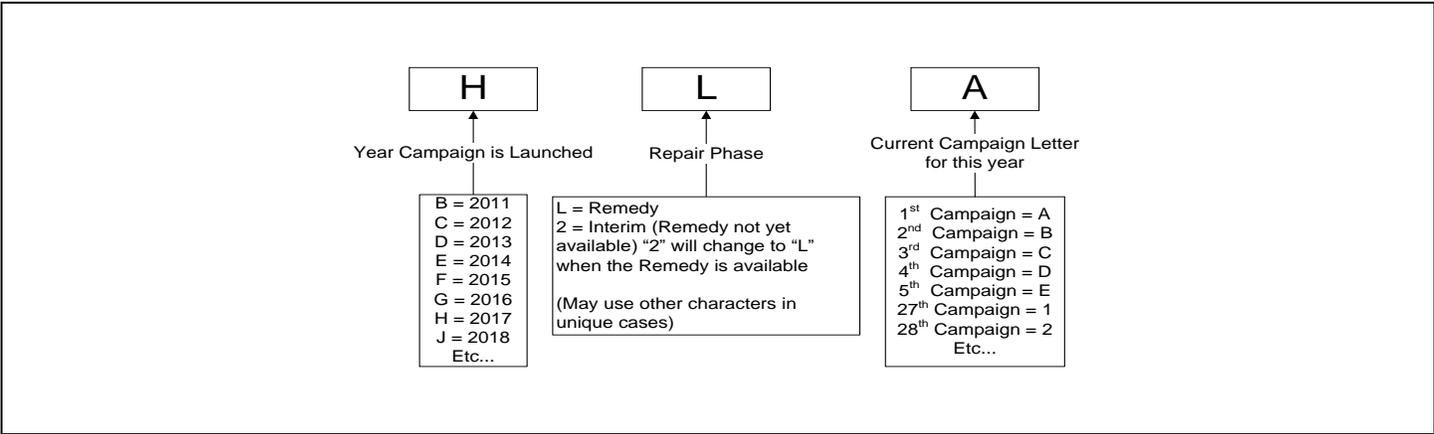
- The flat rate times include 0.1 hours for administrative cost per unit for the dealership.
- The cost of tires will be reimbursed at cost as a sublet type "TR" for Op Code KLC001.

Lexus' usual customer care amenities of car wash and fuel fill-up apply to this Safety Recall. Additionally, up to three days of rental vehicle expense (to a maximum of \$45/day) while the vehicle is being remedied or the cost of pick-up and delivery of the customer's car may be claimed if required and subject to the guidelines published in the Safety Recall and Special Service Campaign General Procedures document on TIS.

**Claim Filing Accuracy and Correction Requests**

It is the dealer's responsibility to file claims correctly for this Safety Recall. This claim filing information is used by Lexus for various government reporting activities; therefore, claim filing accuracy is crucial. If it has been identified that a claim has been filed using an incorrect Op Code or a claim has been filed for an incorrect VIN, refer to Warranty Procedure Bulletin [PRO17-03](#) to correct the claim.

**Campaign Designation / Phase Decoder**



Examples:  
 C1B = Launched in 2012, Interim Phase, 2<sup>nd</sup> Campaign Launched in 2012  
 EOA = Launched in 2014, Remedy Phase, 1<sup>st</sup> Campaign Launched in 2014  
 JOA = Launched in 2018, Remedy Phase, 1<sup>st</sup> Campaign Launched in 2018.

*Please review this entire package with your Service and Parts staff to familiarize them with the proper step-by-step procedures required to implement this Safety Recall.*

Thank you for your cooperation.

LEXUS, A DIVISION OF TOYOTA MOTOR SALES, U.S.A., INC.

Attachment

CC: Customer Satisfaction Manager



## SAFETY RECALL KLC (Remedy Notice)

Certain 2018 Model Year LS 500 and LS 500h Vehicles  
Possible Partial Tread Separation of Run-Flat Tires

### Frequently Asked Questions

Original Publication Date: April 4, 2019

#### Q1: *What is the condition?*

A1: The involved vehicles are equipped with run-flat tires that were assembled to the wheels improperly. There is a possibility that a crack could develop on the sidewall reinforcement layer of the tires. Under certain driving conditions, portions of the tire tread layer could separate, causing a reduction of vehicle stability and increasing the risk of a crash.

#### Q1a: *What is a run-flat tire?*

A1a: A run-flat tire is a tire with a hard rubber layer for reinforcement on the inner side of the tire sidewall. This can allow the continuation of driving for a certain distance at a given speed even if the air pressure reduces to zero due to a puncture or other means.

#### Q1b: *Are there any warnings that this condition exists?*

A1b: No. However, if the condition is present, abnormal noise and vibration may occur.

#### Q2: *What is Lexus going to do?*

A2: Any authorized Lexus dealer will replace all four tires **FREE OF CHARGE**, if one or more tires are run-flat tires and the tires are manufactured by a specific tire supplier.

**Note: If Lexus records show that a customer's vehicle covered under this Safety Recall has had the tires replaced, the vehicle will be marked complete. The customer does not need to have the tires replaced again as service replacement parts are not affected by this condition.**

#### Q3: *Which and how many vehicles are covered by this Safety Recall?*

A3: There are approximately 6,300 vehicles covered by this Safety Recall.

| Model Name | Model Year | Approximate Total Vehicles | Production Period                  |
|------------|------------|----------------------------|------------------------------------|
| LS 500     | 2018       | 6,000                      | Early July 2017- Late July 2018    |
| LS 500h    | 2018       | 300                        | Late February 2017- Late July 2018 |

#### Q3a: *Are there any other Lexus/Toyota/Scion vehicles covered by this Safety Recall in the U.S.?*

A3a: No, there are no other Lexus/Toyota/Scion vehicles covered by this Safety Recall.

#### Q4: *How long will the repair take?*

A4: The repair takes approximately three hours. However, depending upon the dealer's work schedule, it may be necessary to make the vehicle available for a longer period of time.

#### Q5: *How does Lexus obtain my mailing information?*

A5: Lexus uses an industry provider who works with each state's Department of Motor Vehicles (DMV) to receive registration or title information, based upon the DMV records. Please make sure your registration or title information is correct.

#### Q6: *What if I have additional questions or concerns?*

A6: If you have additional questions or concerns, please contact the Lexus Guest Experience Center at (1-800-255-3987) - Monday through Friday, 7:00 am to 7:00 pm, Saturday 8:00 am to 5:00 pm Central Time.

This notice applies to your vehicle:  
[VIN]

## URGENT SAFETY RECALL

This is an important Safety Recall. The remedy will be performed **FREE OF CHARGE** to you.

## IMPORTANT SAFETY RECALL *Remedy Notice*

Certain 2018 Model Year LS 500 and LS 500h Vehicles  
Possible Partial Tread Separation of Run-Flat Tires  
NHTSA Recall No. 19V-134

Dear (customer's First/Last name)

This notice is sent to you in accordance with the National Traffic and Motor Vehicle Safety Act. Lexus has decided that a defect, which relates to motor vehicle safety, exists in certain 2018 Model Year LS500/500h vehicles.

You received this notice because our records, which are based primarily on state registration and title data, indicate that you are the current owner.

### What is the condition?

The involved vehicles are equipped with run-flat tires that were assembled to the wheels improperly. There is a possibility that a crack could develop on the sidewall reinforcement layer of the tires. **Under certain driving conditions, portions of the tire tread layer could separate, causing a reduction of vehicle stability and increasing the risk of a crash.**

### What will Lexus do?

Any authorized Lexus dealer will replace all four tires **FREE OF CHARGE**, if one or more tires are run-flat tires and the tires are manufactured by a specific tire supplier.

### ***This is an Important Safety Recall***

The remedy will take approximately three hours. However, depending on the dealer's work schedule, it may be necessary to make your vehicle available for a longer period of time.

If the vehicle is experiencing the condition described above or if you are uncomfortable driving the vehicle to the dealership, please contact your local authorized Lexus dealer who will arrange for vehicle pick up.

### What should you do?

Please contact any authorized Lexus dealer to schedule an appointment to have the remedy performed as soon as possible.

*Your local Lexus dealer will be more than happy to answer any of your questions.*

- ✓ To find a dealer near you, visit [www.lexus.com/dealers](http://www.lexus.com/dealers).
- ✓ For more information on this and other Safety Recalls, including Frequently Asked Questions, visit [www.lexus.com/recall](http://www.lexus.com/recall). Input your full 17-digit Vehicle Identification Number (VIN) noted above to review information specific to your vehicle.
- ✓ If you require further assistance, please visit <http://Lexus.com/contact> for options to contact the Lexus Guest Experience Center.

**What if you are not the owner or operator of this vehicle?**

*If you are a vehicle lessor*, Federal Law requires that any vehicle lessor receiving this recall notice must forward a copy of this notice to the lessee within ten days.

*If you know the current owner or operator*, please forward this letter to them.

*If you would like to update your vehicle ownership or contact information*, you may do so by registering at <http://drivers.lexus.com/lexusdrivers>. You will need your full 17-digit Vehicle Identification Number (VIN) to input the new information.

If you believe that the dealer or Lexus has failed or is unable to remedy the defect within a reasonable time or without charge, you may submit a complaint to the Administrator, National Highway Traffic Safety Administration, 1200 New Jersey Avenue S.E., Washington, D.C. 20590, or call the toll free Vehicle Safety Hot Line at 1-888-327-4236 (TTY: 1-800-424-9153), or go to <http://www.safercar.gov>.

We have sent this notice in the interest of your continued satisfaction with our products. We sincerely regret any inconvenience this condition may have caused you.

Thank you for driving a Lexus.

Sincerely,

Lexus, a division of Toyota Motor Sales





Lexus, A Division of Toyota Motor Sales, USA, Inc.  
6565 Headquarters Drive  
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(469) 292-4000

## CUSTOMER CONTACT & VEHICLE DISCLOSURE FORM

This form is not applicable for new vehicles in dealership inventory and L/Certified units.

This vehicle is involved in Safety Recall. At this time, remedy parts are not available, and the remedy has **NOT** been performed. I understand that the vehicle will need to be returned to an authorized Lexus dealer to have the remedy performed at **NO CHARGE** when the remedy is available.

Customer Signature \_\_\_\_\_

Lexus recommends that you register with the Lexus Drivers Community at <http://www.lexus.com/drivers/> and regularly check recall applicability using [www.lexus.com/recall](http://www.lexus.com/recall) or [www.safercar.gov](http://www.safercar.gov). You will need to input your 17-digit Vehicle Identification Number (VIN).

VIN

Campaign Code

Model \_\_\_\_\_

Model Year \_\_\_\_\_

### Customer Information

Customer Name \_\_\_\_\_

Customer Email \_\_\_\_\_

Customer Address \_\_\_\_\_

Home Phone # \_\_\_\_\_

Mobile Phone # \_\_\_\_\_

Date \_\_\_\_\_

*Please provide this information so that Lexus or your dealer can notify you when the remedy becomes available. This information will only be used for campaign communications. If you'd like to update your preferred contact information in the future, visit [www.lexus.com/drivers](http://www.lexus.com/drivers) or contact us at 1-800-255-3987.*

### Dealer Information

Dealer Name/Address \_\_\_\_\_

Dealer Code \_\_\_\_\_

Dealer Phone Number \_\_\_\_\_

Dealer Staff Name \_\_\_\_\_

Dealer Staff Signature \_\_\_\_\_