



Lexus, A Division of Toyota Motor Sales, USA, Inc.
6565 Headquarters Drive
Plano, TX 75024
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To: All Lexus Dealer Principals, General Managers, Sales Managers, Pre-owned Managers, Service Managers, Parts Managers, and Warranty Administrators

SAFETY RECALL KLC *(Interim Notice K2C)*

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

Lexus is currently preparing the remedy. The remedy, when available, will involve an authorized Lexus dealer replacing all four tires **FREE OF CHARGE**, if one or more tires are run-flat tires the tires 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 begin to notify owners by Late-April 2019.

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

Lexus typically requests that dealers **NOT** deliver any pre-owned vehicles in dealer inventory that are covered by a Safety Recall unless the defect has been remedied. In this case, until remedy parts are available, delivery of a pre-owned vehicle is acceptable if disclosed to the customer that the vehicle is involved in this Safety Recall and that the remedy is currently being prepared by Lexus.

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. 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.

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

Until the remedy is available, customers who are uncomfortable driving their vehicle during the interim phase may receive alternative transportation which can be claimed for \$45 per day.

Op Code	Description
TBD	Vehicle Rental 1-30 Days
TBD	Vehicle Rental 31-60 Days

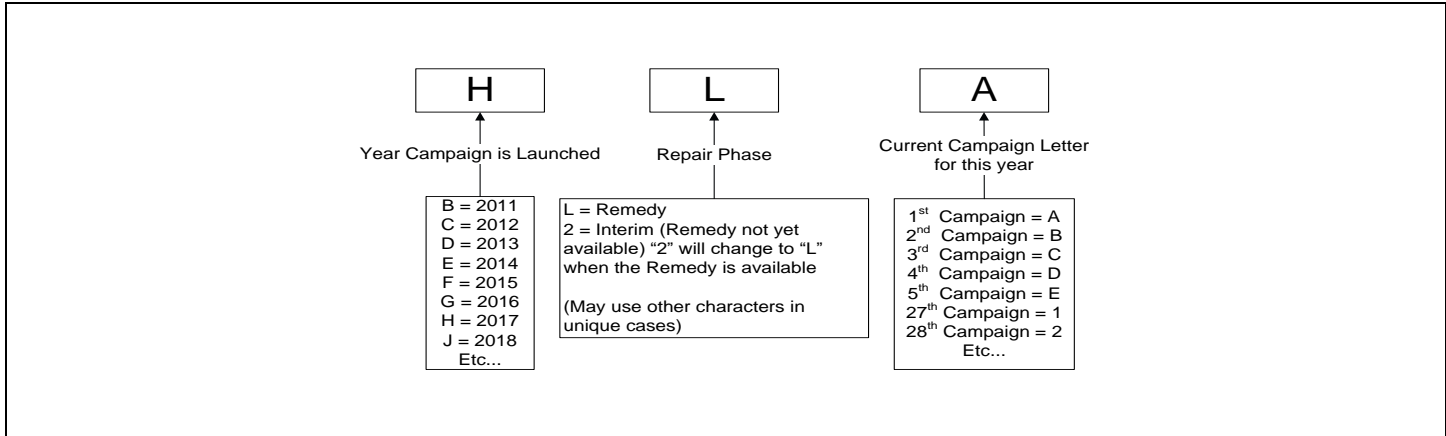
NOTE:

- Lexus is currently preparing the rental opcodes and will update this document once they become available.
- Rental invoice ***MUST*** be attached to all rental claims. These claims may be subject to debit if rental invoice is not attached.

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, 2nd Campaign Launched in 2012
 EOA = Launched in 2014, Remedy Phase, 1st Campaign Launched in 2014
 JOA = Launched in 2018, Remedy Phase, 1st 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 *(Interim Notice K2C)*

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

Frequently Asked Questions

Original Publication Date: February 26, 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: Lexus is currently preparing the remedy. The remedy, when available, will involve an authorized Lexus dealer replacing all four tires **FREE OF CHARGE**, if one or more tires are run-flat tires the tires 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: *What if I have additional questions or concerns?*

A4: 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.



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CUSTOMER CONTACT & VEHICLE DISCLOSURE FORM

This form is not applicable for 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 or 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 or contact us at 1-800-255-3987.

Dealer Information

Dealer Name/Address _____

Dealer Code _____

Dealer Phone Number _____

Dealer Staff Name _____

Dealer Staff Signature _____