

**Certified Automotive Parts Association**  
Washington, D.C.

July 7, 1994

Vincent Chou  
CAPA Task Force Manager  
Tong Yang Industry Co., Ltd.  
98, An Ho Road, Sec. 2  
Tainan, Taiwan R.O.C.

Dear Vincent,

The purpose of this letter is to address a very serious situation involving Tong Yang's CAPA part selling practices.

As you know, in March, 1994 CAPA received a complaint from a distributor who was under the impression that he bought a CAPA certified Jeep Comanche 86-92 left fender made by Tong Yang (AM-10006A-LH), lot 5/93, only to find out that the part which was in the Tong Yang box was an uncertified fender manufactured by Chang Fu Cheng (CFC). My understanding is that when John Bardaville discussed this issue with you in March, 1994, you admitted that Tong Yang purchased non-certified parts from CFC in this case and sold them as their own. Although neither the box nor the part was labeled as CAPA certified, the part had been marketed as certified, and the purchaser chose to purchase it because he thought it was certified. Since this incident came to our attention, Entela has learned that until recently, this practice was not uncommon. They have assured me that it is no longer a problem. Unfortunately, some damage has already been done.

This type of deceptive behavior jeopardizes the fundamental integrity of the program. If a purchaser of a CAPA certified part cannot have confidence that the part is bought as certified is actually made by the approved manufacturer, CAPA will have no credibility in the marketplace. I know that you fully understand the efforts CAPA has made in the past few years to improve the reputation of the program itself and with that, the reputation of all CAPA manufacturers. Tong Yang's actions clearly violated the

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spirit of the program. This seems to be a case of what is known as "bait and switch" marketing, a fraudulent practice which is against the law in the United States.

This serious breach may actually warrant removal from the program. However, we know that Tong Yang's commitment towards CAPA has changed considerably since May, 1993 when the part in question was made. In light of this particular situation and in order to maintain an integrity which will benefit, not only Tong Yang, but all CAPA Participants, CAPA has developed a penalty to address future deceptive marketing actions overlooked in the June, 1992 QSM. Specifics of the penalty will be released in the August, 1994 QSM Update.

Although CAPA will take no action against Tong Yang in response to this particular incident, we will not hesitate to impose a penalty in the future, now that an appropriate policy has been set in place.

Sincerely,

Karen Fierst  
Deputy Executive Director

cc: John Bardaville  
Karen Vail