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Attorneys for Plaintiff

UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF NEW YORK

-----X	:	
SELECT CONTROLS INC.	:	07 Civ. 1306 (DC)
	:	
Plaintiff,	:	ECF Case
	:	
-against-	:	<u>SECOND AMENDED</u>
	:	<u>COMPLAINT</u>
	:	
AMERICAN ELECTRONIC COMPONENTS, INC.	:	
	:	
Defendant.	:	
-----X	:	

Plaintiff SELECT CONTROLS, INC., by its undersigned attorneys, alleges the following as and for its complaint against Defendant AMERICAN ELECTRONIC COMPONENTS, INC.

THE PARTIES, VENUE AND JURISDICTION

- At all times relevant herein, Plaintiff SELECT CONTROLS, INC. ("SCI") was and still is a corporation organized and existing under the laws of the State of New York with its

offices and principal place of business located at 45 Knickerbocker Avenue, Bohemia, NY 11716.

2. Upon information and belief, as all times relevant herein, Defendant AMERICAN ELECTRONIC COMPONENTS, INC. ("AEC"), was and still is a corporation organized and existing under the laws of the State of Delaware, with its offices and principal place of business located at 1101 Lafayette Street, Elkhart, IN 45516.
3. Upon information and belief, AEC transacts business in New York, regularly engages in persistent courses of conduct in New York, and derives substantial revenues from interstate commerce. AEC's activities in New York include, but are not limited to, sale of the Infringing Product, as described more fully herein below.
4. This Court has jurisdiction over this matter pursuant to 35 U.S.C. §§271 et seq., 28 U.S.C. §§1331 and 1338, and 15 U.S.C. §1125, this Court has supplemental jurisdiction over Plaintiff's state and common law claims pursuant to 28 U.S.C. §1367(a) inasmuch as those claims are so related to the federal claims as to form part of the same case or controversy.
5. Venue is founded upon 28 U.S.C. §1391(b) and (c) and 28 U.S.C. § 1400(a) and (b).

FACTS COMMON TO ALL CLAIMS

6. SCI is a leading multi-brand company that designs and markets a broad range of automotive components. SCI has been extensively involved in the design, manufacturing, and marketing of acceleration switches for automobiles of the highest quality throughout the United States.

7. SCI is the owner of U.S. Patent No. D470, 823, the '823 Patent for "Acceleration Switch (hereinafter, "823 Patent"). The '823 Patent was filed on April 18, 2002 (the "Filing Date") and issued on February 25, 2003 and is valid and enforceable. A copy of said patent is attached hereto and made part hereof as Exhibit "A".
8. An acceleration switch is an integral part of Remote Tire Pressure Monitoring (RTPMS) products, used in virtually every automobile on the market.
9. The acceleration switch senses the speed of the tire rotation and, based thereon, controls when the monitoring system is turned on and off. This prevents the depletion of the RTPMS battery.
10. Upon information and belief, Schrader Electronics Ltd. ("Schrader") is a corporation organized and existing under the laws of Northern Ireland, United Kingdom, with its offices and principal place of business located at 11 Technology Pk, Belfast Rd., Antrim, BT41, 1QS, Northern Ireland. Schrader is the market leader in the design and manufacture of RTPMS and supplies most major car makers with its products.
11. Robert Ufer, President of SCI (hereinafter "Mr. Ufer"), invented a straight lead switch with a distinctive look, which is the subject of the '823 Patent (hereinafter "the Patented Straight Lead Acceleration Switch"). The Patented Straight Lead Acceleration Switch has the ornamental appearance of a bottom cylindrical base with a lead having three leg portions; a first leg portion extending out of the center or approximate center of the top surface of the cylindrical base and bending at approximately ninety degrees to form a second leg portion that extends along the diameter of the top surface of the cylindrical base and that bends at approximately ninety degrees to form a third descending leg

portion that extends vertically and is a straight lead portion and descends parallel or substantially parallel to the side surface of the cylindrical base and extends and spans below the length of the cylindrical base as shown in FIGS. 2 and 3 of the drawings of the '823 Patent. Thus, the lead framingly encompasses a portion of the top and a side of the cylindrical base providing a symmetrical ornamental look for the switch.

12. SCI did not finalize the design for the Patented Straight Lead Acceleration Switch covered by the '823 Patent until May 17, 2001, or sell, or offer for sale, any acceleration switches covered by the '823 Patent until June 5, 2001, both dates being less than one year before the Filing Date of the '823 Patent. A contemporaneous notebook entry, dated May 17, 2001, confirming the finalization of the patented straight lead design, and an invoice, dated June 5, 2001, confirming SCI's first sale, or offer for sale, of the acceleration switch covered by the '823 Patent, are attached hereto and made part hereof as Exhibits "B" and "C", respectively.
13. All prior attempts by SCI to complete this concept had failed, to wit, the acceleration switches invented and developed by Mr. Ufer prior to April 18, 2001 featured a skewed lead, rather than the straight lead covered by the '823 Patent. All switches that were made pursuant to the drawing 3098-1 -000 Rev A (attached hereto and made part hereof as Exhibit "D"), referenced in the Schrader-SCI Agreement (Exhibit "H"), had a skewed lead. It was not possible for SCI to make the Patented Straight Lead Acceleration Switch with the information provided in this drawing or with any other information that SCI had prior to May 17, 2001. A set of photos of a representative example of an acceleration

switch with a skewed lead, invented by Mr. Ufer prior to April 18, 2001, is attached hereto and made part hereof as Exhibit "E".

14. The skewed lead acceleration switch and the Patented Straight Lead Acceleration Switch was given the same part number 3098 -1-000 Rev A.
15. The conception of the Patented Straight Lead Acceleration Switch was not complete until May 17, 2001. It was not possible for SCI to reduce the Patented Straight Lead Acceleration Switch to practice prior to May 17, 2001.
16. SCI did not send Schrader any information and documents prior to May 17, 2001 that were sufficient to produce the Patented Straight Lead Acceleration Switch. A drawing of this acceleration switch with the skewed lead was created by SCI on March 28, 2000 and is attached hereto and made part hereof as Exhibit "F".
17. In or about April 1996, SCI was approached by Schrader and requested to develop and manufacture acceleration switches to be used in connection with Schrader's RTPMS products.
18. SCI's relationship with Schrader developed gradually. During the first four years SCI developed various acceleration switches for Schrader; however, these initial transactions involved relatively small production values and were limited to Schrader's manual production line. SCI and Schrader recognized the need for confidentiality, and, as is customary in their field, executed a non-disclosure agreement.
19. In addition to developing and manufacturing products for Schrader, SCI also provided Schrader with technical know-how and proprietary insight into the development and utilization of the acceleration switches in connections with Schrader's RTPMS products.

20. The nature of the relationship between SCI and Schrader changed dramatically in 2001. In January of 2001, Schrader, recognizing SCI's expertise in the design and manufacture of acceleration switches, engaged SCI to develop an acceleration switch on a larger scale for its automated production line, as Schrader had obtained a contract to supply Renault (a major European automobile maker) as well as other car makers, with a significant volume of RTPMS products.
21. Thereafter, between January 2001 and March 2001, SCI and Schrader engaged in ongoing discussions and negotiations which culminated in the execution of a written agreement, as more fully set forth hereinbelow.
22. Because of the projected volume requirements, and in order to protect its business and customer base, Schrader informed SCI, in early February of 2001, that it was mandatory to identify a second source to assure the production of sufficient quantities of the product.
23. SCI agreed to cooperate with Schrader in identifying a second source, but expressed reservations about sharing its expertise and its proprietary information with such a second source.
24. SCI informed Schrader that it could not go forward unless Schrader would commit to engage a second source on the express written understanding that the second source would sell the procured acceleration switch to Schrader exclusively and would not be permitted to sell the switch to any other party (hereinafter the "Second Source Limitation").

25. Schrader then gave its commitment to do so, and SCI and Schrader further agreed that SCI would assist such second source by sharing any requested information necessary for the production of the acceleration switch, subject to the Second Source Limitation.
26. Shortly thereafter, Schrader identified AMERICAN ELECTRONICS COMPONENTS, INC. (hereinafter "AEC"), the defendant herein, as the potential second source.
27. On February 16, 2001, Schrader and AEC executed a communication (hereinafter the "Schrader-AEC Confirmation"), a copy of which is annexed hereto and made a part hereof as Exhibit "G").
28. The Schrader-AEC Confirmation identifies and makes specific reference to a comprehensive agreement between Schrader and AEC to manufacture and supply the acceleration switch (hereinafter the "Schrader-AEC Agreement"), which, upon information and belief, was entered into by Schrader and AEC shortly prior to February 16, 2001, and which supplements the Schrader-AEC Agreement by expressly adding and acknowledging the Second Source Limitation requirement, as follows: "*it has been agreed that such an agreement is subject to the condition that AEC will manufacture the referenced switch solely and exclusively for Schrader Electronics Limited*" (emphasis added).
29. Upon information and belief, the Schrader-AEC Agreement (which has not to date been provided to SCI), includes all or some of the following provisions:
 - a. comprehensively identifies the responsibilities of Schrader, AEC, and SCI;
 - b. identifies the acceleration switch to be manufactured by AEC;

- c. identifies SCI as the party that will assist AEC in developing the acceleration switch;
 - d. refers to the assistance that SCI will provide to Schrader and/or AEC in developing the product including, but not limited to, the sharing of confidential information and materials;
 - e. memorializes the Second Source Limitation;
 - f. identifies SCI as the beneficiary of the Second Source Limitation and/or memorializes the parties' intent that the Second Source Limitation shall be enforceable by SCI;
 - g. specifies that any confidential information or materials shared by SCI with AEC, pursuant to the agreement, shall be deemed confidential or trade secrets; and
 - h. imposes on AEC a duty, in favor of SCI, to treat such information or materials in confidence and to use said information or materials exclusively to produce and sell the acceleration switches for Schrader.
30. Upon information and belief, the material terms of the Schrader-AEC Agreement and the Schrader-AEC Confirmation have been accepted and agreed to by both Schrader and AEC.
31. On or about March 30, 2001, SCI and Schrader confirmed and memorialized their discussions and understandings, including those involving the second source, AEC, and the Second Source Limitation, and entered into a written agreement entitled "PURCHASE ORDER NUMBER T7377" (the "SCI-Schrader Agreement", a copy of which is annexed hereto and made a part hereof as Exhibit "H"), pursuant to which

Schrader agreed, *inter alia*, to purchase acceleration switches from SCI at certain fixed unit prices, as set for therein.

32. Section "8" of the SCI-Schrader Agreement provides that on condition of SCI remaining competitive on pricing and qualities after completion of the initial order, Schrader will offer to purchase from SCI additional acceleration switches.
33. Pursuant to and in accordance with the SCI-Schrader Agreement, SCI sold Schrader acceleration switches.
34. At all times relevant herein, SCI's fully performed its obligations under the SCI-Schrader Agreement.
35. Section "8" of the SCI-Schrader Agreement confirms Schrader's commitment to require any second source to comply with the Second Source Limitation, stating as follows:

"Schrader Electronics in agreement with Select Controls have aimed to identify a second source to protect it's (sic) business, it's (sic) customer base and Select Controls against extremely high growth plans. Schrader have (sic) identified "American Electronic Components (AEC) as the potential partner but *agree that whoever is selected will not sell procured switch to any other party except Schrader Electronics*. This is a firm commitment from Schrader Electronics Ltd. *and will protect both Schrader and Select Controls*. Assuming AEC are the selected second source identified this commitment has already been communicated to Select Controls reference correspondence communicated to Select Controls dated February 16 2001. In return, Select Controls have (sic) agreed to aid Schrader in the sharing of any requested information necessary for the production of device [the acceleration switch] to selected partner." (emphasis added).

36. As set forth in Section "8" of the SCI-Schrader Agreement, on or about February 16, 2001, Schrader and AEC (which was then known as "American Electronic Components/Dana Corporation") confirmed the Second Source Limitation, as stated in the Schrader-AEC Confirmation (Exhibit "G").

37. After being selected as the second source under the Schrader/SCI Agreement, AEC sought SCI's assistance in developing its own version of an acceleration switch. In accordance with its Agreement with Schrader, SCI cooperated with AEC, but always on the express understanding that the information provided by SCI would be treated in confidence and subject to the Second Source Limitation.
38. Specifically, SCI provided AEC with detailed instructions on how to construct the internal design of the acceleration switch, advised AEC of what materials should be used, and provided AEC with proper handling and cleaning procedures for the product.
39. Upon information and belief, AEC failed to properly follow SCI's directions, which resulted in a significant failure rate for the AEC product.
40. As a result, commencing in or about May 2001 through at least October 2002, Mr. Ufer had numerous telephone conferences with AEC's technical and sales staff, providing AEC with required information so that it could develop SCI's Patented Straight Lead Acceleration Switch. Mr. Ufer also visited the AEC facility in Indiana on July 31, 2001. During this visit he had detailed discussions with AEC's technical and sales staff concerning the Patented Straight Lead Acceleration Switch. Finally, on July 19, 2001, he provided AEC with testing results for the spring design for the Acceleration Switch. This information is critical in being able to develop the switch. (Attached as Exhibit "T" is a copy of the SCI-AEC Confirmation).
41. In all of its communications with AEC, SCI made it clear that the technical information and know-how provided to AEC was highly confidential, and must be treated as such by AEC, and that it was being provided to AEC subject to the Second Source Limitation.

AEC's staff confirmed that it understood these conditions and agreed to use the information and know-how provided for this limited purpose only.

42. Upon information and belief, subsequent to SCI's introduction of the Patented Straight Lead Acceleration Switch into the market of the United States, at a time not known to SCI, but after Schrader and/or SCI had communicated to AEC the information necessary for the production of the Patented Straight Lead Acceleration Switch, AEC began to manufacture or cause to be manufactured, import or induce others to import, distribute or cause to be distributed, sold or caused to be sold in the United States certain acceleration switches covered by the '823 Patent ("the Infringing Products").
43. In or about early 2006, AEC, in flagrant violation of the Second Source Limitation, advertised and offered for sale on its Internet website an acceleration switch that appeared to be virtually identical to the product that is the subject of the '823 Patent.
44. The acceleration switch advertised and offered for sale and sold by defendant AEC had the ornamental appearance of a bottom cylindrical base with a lead having three leg portions; a first leg portion extending out of the center or approximate center of the top surface of the cylindrical base and bending at approximately ninety degrees to form a second leg portion that extends along the diameter of the top surface of the cylindrical base and that bends at approximately ninety degrees to form a third descending leg portion that extends vertically and is a straight lead portion and descends parallel or substantially parallel to the side surface of the cylindrical base and extends and spans below the length of the cylindrical base. This acceleration switch by AEC has the ornamental appearance of the acceleration switch claimed and described in the '823

Patent. The lead of the AEC acceleration switch framingly encompasses a portion of the top and a side of the cylindrical base providing the symmetrical ornamental look of the acceleration switch of the '823 Patent. A photograph of the switch sold by AEC is annexed hereto and made part hereof as Exhibit "J".

45. Upon information and belief, at all relevant times thereafter, AEC has engaged in the manufacture, import or inducement of others to import, distribute or cause to be distributed, sold or cause to be sold in the United States the Infringing Products.
46. On or about February 21, 2007, SCI filed the initial Complaint in this action. The initial Complaint was then served on defendant on or about February 26, 2007. Following service of the initial Complaint, AEC implicitly conceded its infringement of the '823 Patent and violation of the Second Source Limitation by promptly removing the offending offer from its website.
47. AEC has sold or offered for sale, and upon information and belief, continues to sell or offer for sale, the Infringing Products throughout the United States, including in New York State and specifically within this judicial district, as well as, overseas. Upon information and belief, AEC's sales and/or offers for sale specifically included a sale on or about June 30, 2006, and at times thereafter, in this judicial district.
48. AEC's manufacture and sale and/or offering for sale of the Infringing Products in the United States and elsewhere are to individuals and/or entities other than Schrader, in violation of the terms of the Schrader-AEC Agreement.
49. Such manufacturing and sale and/or offering for sale of the Infringing Products by AEC is being done without the permission or consent of SCI.

FIRST CLAIM FOR RELIEF
(PATENT INFRINGEMENT (35 U.S.C. § 271 et seq.))

50. SCI repeats, reiterates, and realleges the allegations contained in paragraphs “1” through “49” above as if fully set forth herein.
51. Upon information and belief, AEC has infringed and is infringing, contributing to the infringement of, and inducing the infringement of the ‘823 Patent by making, selling, using, promoting and/or offering for sale in this Judicial district products embodying or practicing the ‘823 patented invention. AEC will continue to do so unless enjoined by this Court.
52. Upon information and belief, the infringement of the ‘823 Patent has been willful. AEC has not offered any justification for its violation of the patent laws. This failure to provide any justification constitutes willful infringement under 35 U.S.C. §§ 284 and 285, which entitle SCI to treble damages and attorneys’ fees.
53. SCI is being irreparably harmed by said infringement.
54. SCI has been, and continues to be damaged by AEC’s infringement in an amount presently unknown.
55. SCI has no adequate remedy at law.

SECOND CLAIM FOR RELIEF
(ACTION BY SCI AS THIRD-PARTY BENEFICIARY
FOR BREACH OF SCHRADER-AEC AGREEMENT)

56. SCI repeats, reiterates, and realleges the allegations contained in paragraphs “1” through “49” and “51” through “55” above as if fully set forth herein.
57. Upon information and belief, on or about February 16, 2001, or shortly prior thereto, Schrader and AEC, for valuable consideration, entered into the Schrader-AEC

Agreement, and on or about February 16, 2001, entered into the Schrader-AEC Confirmation, whereby AEC's manufacture and supply of the acceleration switch, is subject to the express condition that AEC will manufacture the referenced switch solely and exclusively for Schrader, the Second Source Limitation.

58. AEC has breached the Schrader-AEC Agreement and the Schrader-AEC Confirmation by manufacturing, selling and/or soliciting the sales of the Infringing Products in the United States and, upon information and belief, overseas, to parties other than Schrader.
59. The terms of the Schrader-AEC Agreement and the Schrader-AEC Confirmation were intended for the benefit of SCI, as evidenced, *inter alia*, by the express reference to the Second Source Limitation, in the Schrader-AEC Agreement and/or Schrader-AEC Confirmation, and the incorporation of said terms into the Schrader-SCI Agreement, stating that said conditions of AEC's manufacture of the referenced switch was entered for the benefit and protection of SCI.
60. AEC's manufacture and sale of the Infringing Products to third parties other than Schrader, in breach of the Schrader-AEC Agreement and Schrader-SCI Confirmation, has caused SCI irreparable harm, and unless enjoined, will continue to cause SCI irreparable harm.
61. By reason of the foregoing, SCI is entitled to recover from AEC for the damages incurred by SCI caused by AEC's unauthorized manufacture and sale of the Infringing Products to third parties other than Schrader.
62. By reason of the foregoing, SCI has suffered damages in an amount to be determined at trial.

THIRD CLAIM FOR RELIEF
(UNFAIR COMPETITION/MISAPPROPRIATION OF TRADE SECRETS)

63. SCI repeats, reiterates, and realleges the allegations contained in paragraphs “1” through “49” and “51” through “55” and “57” through “62” above as if fully set forth herein.
64. At all times relevant herein, as required by the Schrader-SCI Agreement, SCI has cooperated with and aided Schrader in the sharing of any requested information necessary for the production of the acceleration switch by AEC. This information is a proprietary trade secret (hereinafter, the “SCI Confidential Information”).
65. SCI and, upon information and belief, Schrader have communicated the SCI Confidential Information to AEC for the limited purpose of enabling AEC to manufacture and supply the acceleration switch solely and exclusively for Schrader, in accordance with the terms of the Schrader-AEC Agreement.
66. AEC has availed itself of the SCI Confidential Information to produce the Schrader G-force switch.
67. AEC’s use of the SCI Confidential Information has not been limited to the manufacture and supply of the acceleration switch for solely and exclusively for Schrader, but rather AEC has misappropriated this information to manufacture and sell and/or solicit to sell the Infringing Products to parties other than Schrader in the United States and, upon information and belief, overseas.
68. AEC’s manufacturing and sale and offering for sale of the Infringing Products to third parties other than Schrader has been willful, malicious and wrongful, and has been carried out with the intent to damage SCI.

69. AEC's manufacturing and sale of the Infringing Products to third parties other than Schrader is being done without the permission or consent of SCI.
70. AEC's unauthorized use of the SCI Confidential Information constitutes misappropriation of SCI's trade secrets.
71. AEC's manufacture and sale of the Infringing Products unfairly competes with SCI's sales of *bona fide* acceleration switches, as described in the '823 Patent, in the United States and overseas.
72. AEC's manufacture and sale of the Infringing Products is likely to cause confusion, to cause mistake and to deceive among the public as to the affiliation, connection, or association of AEC's product with SCI and as to the origin, sponsorship, or approval of such products by SCI.
73. AEC's aforesaid unfair competition and misappropriation of the SCI Confidential Information has caused SCI irreparable harm, and unless enjoined, will continue to cause SCI irreparable harm.
74. By reason of the foregoing, SCI is entitled to recover from AEC for the damages incurred by SCI caused by AEC's unauthorized sale and manufacture of the Infringing Products.
75. By reason of the foregoing, SCI has suffered damages in an amount to be determined at trial.

JURY DEMAND

76. Pursuant to Fed. R. Civ. P. 38, Plaintiff hereby demands a trial by jury on all issues so triable.

WHEREFORE, Plaintiff SCI respectfully requests judgment against Defendant AEC as follows:

ON ITS FIRST CLAIM

(1) For an injunction enjoining AEC, its officers, agents, privies, shareholders, principals, directors, licensees, attorneys, servants, employees, affiliates, subsidiaries, successors, licensees and assigns, and all those persons in concert or participation with any of them, and any entity owned or controlled in whole or in part by AEC from infringing the claims of the '823 Patent;

(2) For damages in an amount to be determined at trial, for the amount of AEC's profits generated by its wrongful actions, but in no event less than a reasonable royalty, together with pre-judgment and post-judgment interest thereon;

(3) For a finding that AEC is a willful infringer and an award trebling the aforesaid damages pursuant to 35 U.S.C. §284;

(4) For a finding that this case is exceptional under 35 U.S.C. §285 and for an assessment and award of awarding SCI its reasonable attorneys' fees; and

(5) For such other and further relief as this Court may deem just and proper.

ON ITS SECOND CLAIM

(1) For a preliminary and permanent injunction enjoining AEC, its officers, agents, privies, shareholders, principals, directors, licensees, attorneys, servants, employees, affiliates, subsidiaries, successors, licensees and assignees, and all those persons in concert or participation with any of them, and any entity owned or controlled in whole or in part by AEC from manufacturing and/or selling any products comprising the acceleration switch of the '823 Patent;

- (2) For damages in an amount to be determined at trial; and
- (3) For such other and further relief as this Court may deem just and proper.

ON ITS THIRD CLAIM

(1) For a preliminary and permanent injunction enjoining AEC, its officers, agents, privies, shareholders, principals, directors, licensees, attorneys, servants, employees, affiliates, subsidiaries, successors, licensees and assignees, and all those persons in concert or participation with any of them, and any entity owned or controlled in whole or in part by AEC from manufacturing and/or selling any products comprising the acceleration switch of the '823 Patent;

(2) For damages in an amount to be determined at trial;

(3) For judgment directing such other relief as the Court may deem appropriate to prevent the public from deriving the erroneous impression that any product manufactured, sold or otherwise circulated or promoted by AEC within the United States is authorized by SCI or related in any way to SCI and/or SCI's goods or services, or that AEC is otherwise affiliated with SCI; and

(4) For such other and further relief as this Court may deem just and proper.

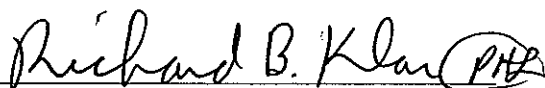
Dated: New York, New York
July 20, 2007

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The
United
States
of
America



The Director of the United States
Patent and Trademark Office

Has received an application for a new, original, and ornamental design for an article of manufacture. The title and description of the design are enclosed. The requirements of law have been complied with, and it has been determined that a patent on the design shall be granted under the law.

Therefore, this

United States Patent

Grants to the person(s) having title to this patent the right to exclude others from making, using, offering for sale, or selling the design throughout the United States of America, or importing the design into the United States of America for the term of fourteen years from the date of grant of this patent.

Director of the United States Patent and Trademark Office

(12) **United States Design Patent**
Ufer

(10) Patent No.: **US D470,823 S**
(45) Date of Patent: **** Feb. 25, 2003**

(54) **ACCELERATION SWITCH**

(76) Inventor: **Robert P. Ufer, 296 Ocean Ave., Islip, NY (US) 11751**

(**) Term: **14 Years**

(21) Appl. No.: **29/159,318**

(22) Filed: **Apr. 18, 2002**

(51) LOC (7) Cl. **13-03**

(52) U.S. Cl. **D13/158**

(58) Field of Search **D13/158; 200/61.21, 200/61.47, 61.45 R, 61.52, 220, 223, 232, 227; 335/54, 331, 373; 337/373; 33/366.11; 446/455, 175**

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* cited by examiner

Primary Examiner—Ted Shooman
Assistant Examiner—Selina Sikder

(57) **CLAIM**

The ornamental design for a acceleration switch, as shown and described.

DESCRIPTION

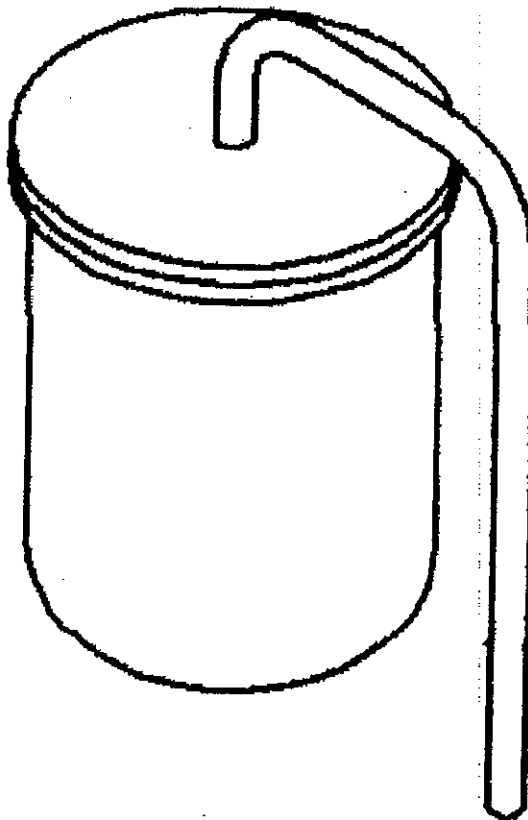
FIG. 1 is a plan view of my new design;
FIG. 2 is a side, elevational view thereof; and,
FIG. 3 is a isometric view thereof.

1 Claim, 1 Drawing Sheet

(56) **References Cited**

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U.S. Patent

Feb. 25, 2003

US D470,823 S

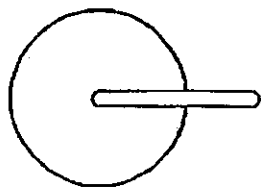


Fig. 1

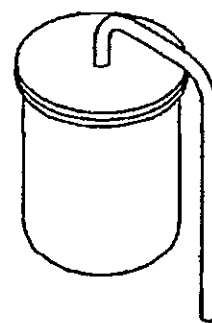


Fig. 3

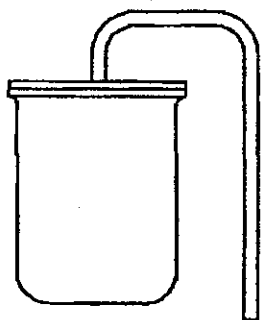


Fig. 2

5/17/01

Mgt. Review New Switch Design
T. Morris, Operations Mgr
R. Ufer, President

- New switch design with straight leads finalized. Switch will now have straight lead, skewed lead design will be eliminated
- Approve lead binder & Tooling ok for manufacturing

SELECT CONTROLS, INC.

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INVOICE

DATE	INVOICE NO.
06/05/2001	3987

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 Antrim County Antrim
 Northern Ireland-UK BT41 1QS

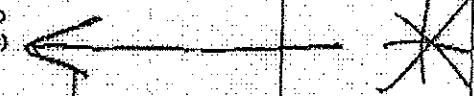
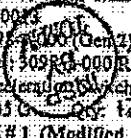
SHIP TO
 Schrader Electronics
 11 Technology Park Belfast Road
 Antrim County Antrim
 Northern Ireland UK BT41 1QS

P.O. NO.	DUE DATE	REP	SHIP DATE	SHIP VIA	FOB
T7377	07/30/2001	RU	06/05/2001	Emery	Bohemia NY

ITEM	DESCRIPTION	QTY	RATE	AMOUNT
3098-1-000	P/N 3098-1-000 REV A (Gen 2) Acceleration Switch Schrader P/N 30580013	34,000	0.84	28,560.00
packaging.	GPAX Packaging and Inspection	34,000	0.05	1,700.00
	Readers Plated 50 Microinches of Hard Gold. Out of Lot # 1			
	Reel #'s 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, & 25			
	Package Tracking No. 586 778 7222			
Shipping	From Select to GPAX 20,000		85.62	85.62
Shipping	From Select to GPAX 14,000		72.04	72.04
Shipping	From GPAX to Select 20,000		202.43	202.43
Shipping	From GPAX to Select 14,000		195.91	195.91

PO#: T7377
 Schrader P/N: 30580013
 SCI P/N: 3098-1-000 (Gen 2)
 Dwg No. & Issue level: 3098-1-000 REV A
 Part Description: Acceleration Switch
 SCI Batch No. 010: G Qty: 20,000
 Hdrs. 50u" Gold Lot # (Modified Blocks)

PO#: T7377 Date of Mfg: 5/22/01
 Schrader P/N: 30580013
 SCI P/N: 3098-1-000 (Gen 2)
 Dwg No. & Issue level: 3098-1-000 REV A
 Part Description: Acceleration Switch
 SCI Batch No. 010: G Qty: 12,000
 Hdrs. 50u" Gold Lot #1 (Modified Blocks)

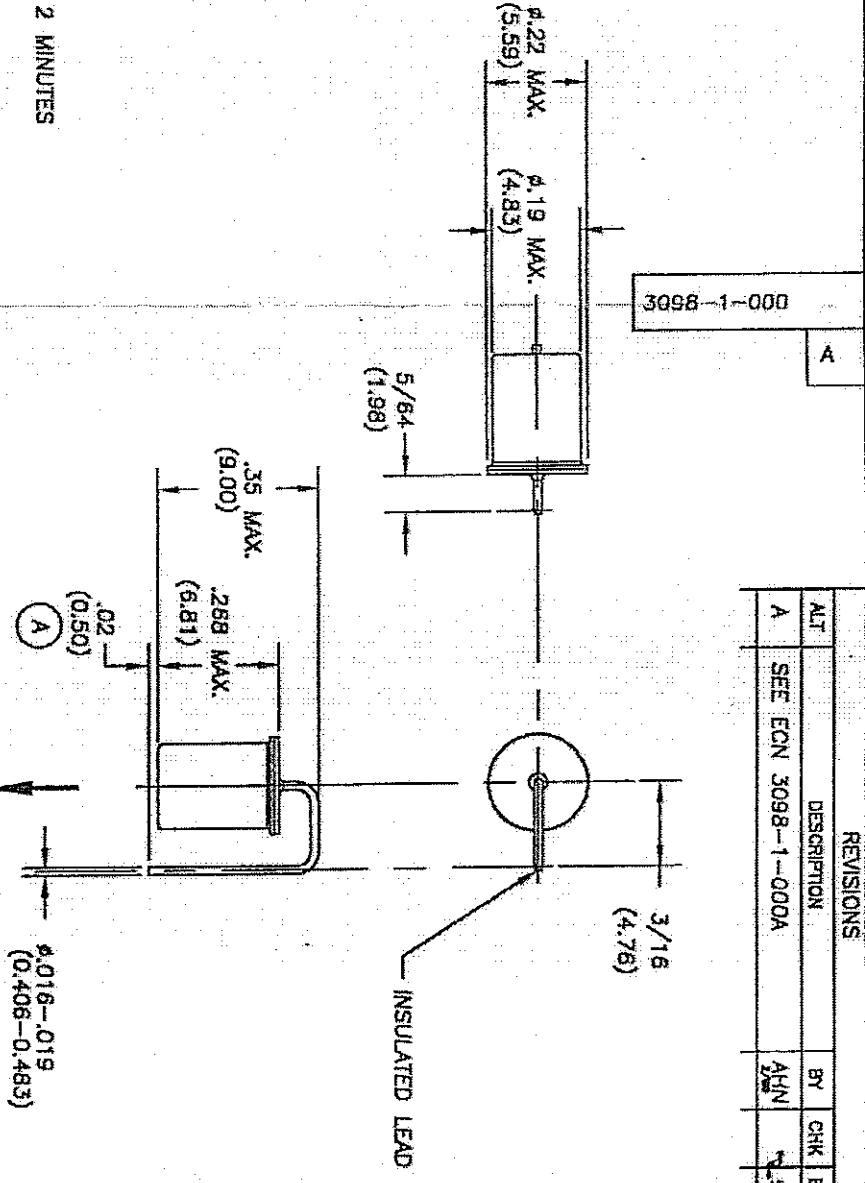


Thank you! **TOTAL** \$30,816.00

THIS DOCUMENT IS THE PROPERTY OF SELECT CONTROLS INCORPORATED AND IS LOANED TO YOU FOR YOUR INFORMATION ONLY. IT IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE EXPRESS WRITTEN CONSENT OF SELECT CONTROLS INCORPORATED. AND THAT NO RIGHT IS GRANTED TO REPRODUCE OR SO USE ANY INFORMATION CONTAINED IN SAID DOCUMENT.

NOTE:

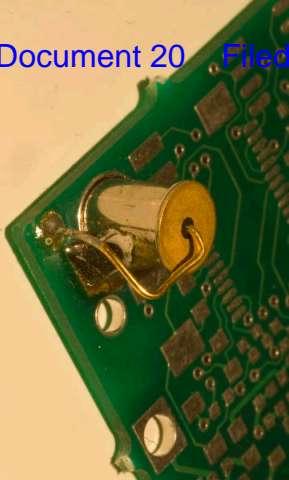
1. SWITCH: UNIDIRECTIONAL, NORMALLY OPEN, AUTOMATICALLY RESETTABLE
2. WEIGHT: 2 GRAMS MAXIMUM
3. CONTACTS: SPST, NORMALLY OPEN
4. CONTACT RESISTANCE: 50 OHMS MAXIMUM
5. CONTACT RATING: 50MA AT 12VDC
6. INSULATION RESISTANCE: 30 MEGOHMS MINIMUM AT 500VDC
7. OPERATING CHARACTERISTICS:
 - a) CONTACTS SHALL BE OPEN AT STEADY STATE ACCELERATIONS OF 2.0 G'S OR LESS
 - b) CONTACTS SHALL BE CLOSED AT STEADY STATE ACCELERATIONS OF 6.0 G'S OR MORE
8. TEMPERATURE RANGE:
 - a) OPERATING: -40°C TO +150°C
 - b) NON-OPERATING: -54°C TO +200°C
 - c) NON-OPERATING FLOW SOLDERING: +320°C FOR 2 MINUTES
9. SHOCK TEST: HALF SINE SHOCK EVENT, 80 G PEAK ACCELERATION FOR 11MS DURATION, 6 SHOCKS POSITIVE AND 6 SHOCKS NEGATIVE
10. DROP TEST: WITHSTAND 1 METER DROP 3 TIMES EACH AXIS
11. SWITCH SEAL: HERMETIC; PER MIL-STD-750C, TEST CONDITION D
12. LEAD STRENGTH: 3 LBS. MINIMUM AXIAL PULL



REVISIONS			
ALT	DESCRIPTION	BY	CHK/ENG
A	SEE ECN 3098-1-000A	AMN	

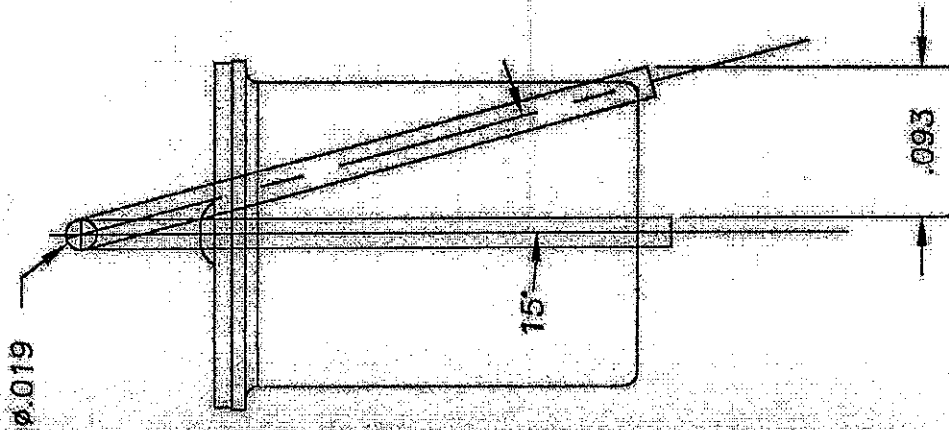
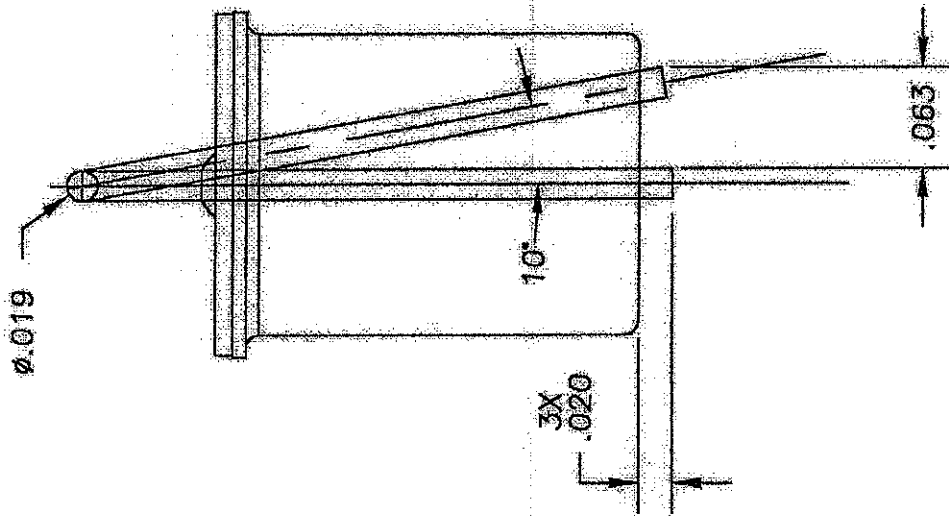
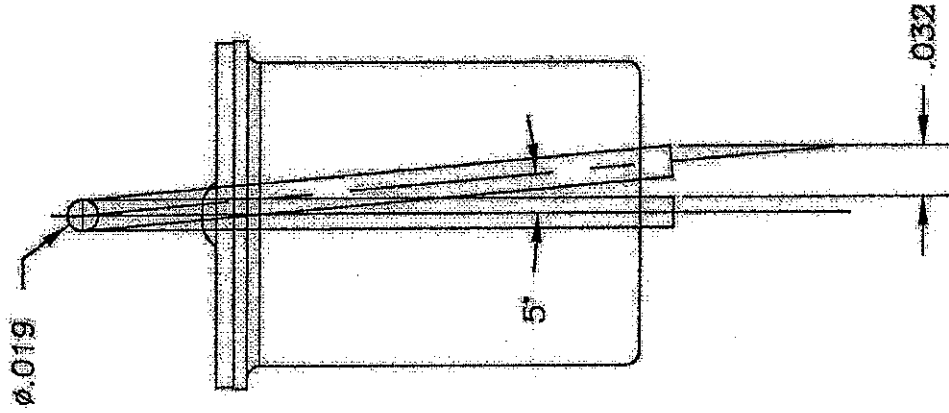
(X,XX) DENOTES DIMENSIONS IN MILLIMETERS		PART NO.		DESCRIPTION		REMARKS	
MATERIAL:		TITLE		BILL OF MATERIAL			
FINISH:		ACCELERATION SWITCH		N/A		N/A	
		NORMALLY OPEN		NOTED		NOTED	
DO NOT SCALE DIMENSIONS FROM THIS DRAWING. DIMENSIONS ARE TO BE TAKEN FROM THE DRAWING. DIMENSIONS ARE TO BE TAKEN FROM THE DRAWING. DIMENSIONS ARE TO BE TAKEN FROM THE DRAWING.		350 1 CENTRAL AVE.		BOHEMIA, N.Y. 11716		3098-1-000	
		ORIGINAL				A	

Document 20 Filed



Document 20 Filed





3098-1

SCALE - 10:1

3/28/00

ORIGINAL



SCHRADER ELECTRONICS

11 Technology Pk, Belfast Rd, Antrim, BT41 1QS, Northern Ireland
Tel: +44 (0)28 9448 1300, Fax: +44 (0)28 9446 8440

To: Mr. Keith Vanderbosch
Americar, Electronic Components
Dana Corporation
PO Box 230
1010 North Main Street,
Elkhart
Indiana 46515

February 16, 2001

Dear Keith, as part of our agreement with AEC to manufacture and supply the Schrader G-force switch, it has been agreed that such an agreement is subject to the condition that AEC will manufacture the referenced switch solely and exclusively for Schrader Electronics Limited.

Yours sincerely

Tony Anderson
Purchasing Manager
Schrader Electronics Limited

I agree to the above stated condition

Signed
Keith Vanderbosch
Business Unit Manager
AEC/Ourjcol



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15 MARCH 2001

Mr. Robert Ufer
Select Controls Inc.
45 Knickerbocker Avenue
Bohemia
New York
NY 11716
USA

Dear Mr. Ufer

Further to our recent negotiations and final discussion of March 14 2001, please find enclosed final details of our Purchase Order number T7377.

The main associated documents enclosed include: -

1. Purchase order T7377 main details: (Number of pages 8.)
2. Schrader Electronics Terms and Conditions of Purchase and associated contract attachment. Your specific Contract Header Number 3050 refers. (Number of pages 10.)
3. Confidentiality agreement between Schrader Electronics Limited and Select Controls Inc. with reference to the remit of Schrader Electronics Ltd. Resident Engineer at Select Controls. (Number of pages 2.)

I have enclosed two copies of the associated correspondence and I would ask that you sign both copies and return one original to myself within seven days of receipt. I would expect to receive the returned signed correspondence no later than 27th March 2001.

Please also sign this letter as evidence that you have received this correspondence in it's entirety i.e. The documents referred to above and agree with their content.

I acknowledge receipt of the 3 referenced documents above and agree to the terms stated in the associated documents.

Signature Robert Ufer
Name President Robert Ufer
Position President
Date 30 March 2001

May I take this opportunity to wish you success in your delivering of this program to Schrader Electronics and impress on you once again the importance of this program to our business and our customer base.



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Yours sincerely

Mr. Tony Anderson
Purchasing Manager

Enc.

- Purchase order T7377 main details.
- Schrader Electronics Terms and Conditions of Purchase and associated contract attachment. Your specific Contract Header Number 3050 refers.
- Confidentiality agreement between Schrader Electronics Limited and Select Controls Inc. with reference to the remit of Schrader Electronics Ltd. Resident Engineer at Select Controls.



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PURCHASE ORDER NUMBER T7377

NB. Any changes, amendments, updates to this release to reference appropriate section

Section 1. Pricing structure: For blanket order

Item 1.

SEL Part no. 30580010
SC Packaging: 50 per SC box
SC Part no. 3098-2-000
Unit price: \$0.84

Item 2.

SEL Part no. 30580009
SC packaging: 50 per SC box
SC Part no. 3098-1-000
Unit price: \$0.84

Item 3.

SEL Part no. 30580013
SC Part no. 3098-1-000 Rev A
Pricing make-up for 4 million pieces: forecasted take up period April 1st 2001 - June 30th 2002

- (1) Effective all deliveries leaving from Select Controls from April 1st 2001: Unit price: \$0.89
- (2) Effective all deliveries leaving from Select Controls from July 1st 2001: Unit price: \$0.87

Change in unit price effective after delivery of 4 million pieces commencing April 1 2001 will be \$0.72 per piece maximum.



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Section 2 Packaging to be detailed

Essentially basics are 50 pieces per box in SC packaging for items 1 and 2 and 2000 per GPAX reel. Labelling requirements include SEL part no, SC part no., drawing no. and revision level, manufacturing date, quantity of pieces and product description.

All information to be bar-coded using Bar code 039 standard as and when advised. Any associated NRE will be dealt with at time of request for introduction. .

Section 3. Quality and delivery performance

Supplier rating system demands supplier score of 0 on a monthly basis. Failure to consistently meet this target may result in de-selection.

A parts per million defects figure on supplied product must be submitted to and agreed by Schrader Electronics Limited by March 26th 2001.

Section 4. Freight details

Currently freight costs are too high and uncontrolled. Schrader will though continue with current arrangement allowing Select Controls to commission their own automated packaging due for completion mid May 2001.

Section 5. Plans for automation

Select Controls have submitted plans for automating the process. Per conversation Tony Anderson and Robert Ufer 12/12/00, commissioning of equipment will be complete at Select Controls premises on February 5 2001 and at vendors premises mid January 2001. *

It must be pointed out clearly that Schrader Electronics take no responsibility for the purchase and specification of this cell and this



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responsibility and any associated costs outside of the agreed amortised costs rests with select Controls.

The completion date for automation commissioning is March 31st.

Thereafter the 4 million piece order commences.

During the commissioning of the equipment, Select Controls to submit a series production quantity for trial to Schrader Electronics. All requested dimensional and test data to accompany this controlled requirement.

This is to be co-ordinated through Schrader Quality Assurance personnel headed by Mr. Paul McCollum.

In the event that Schrader Electronics cancel Purchase Order T7377 prior to the complete delivery of the 4 million pieces, Schrader agree to pay Select Controls the balance due to Select Controls for outstanding amortised costs associated with the commissioned automation cell, only on the condition that the cancellation is as a result of Schrader Electronics causing the cancellation through no fault of Select Controls. Should the order be cancelled as a result of poor delivery, poor quality performance or poor customer support by Select Controls, Schrader will not be responsible for any outstanding costs associated with the automation cell.

* It is understood this date has now slipped but the associated PO T7377 remains effective April 1st 2001.

Section 6. SEL on site engineer

In agreement with Select Controls, Schrader will provide Select Controls with an on site resident engineer for a maximum period of up to one year. This engineer will arrive with Select Controls on January 8th 2001.

Select Controls have agreed to contribute to the costs of this engineer at a level of \$10000, which represents approximately 25% of salary.

The resident engineer has been seconded to Select Controls with a broad remit to help both Schrader and Select Controls meet the demands of the associated business during the ramp up period. It is stressed that his



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only interest is in Schrader Electronics business and the company has no interest whatsoever in any other activity of Select Controls business. This is a mutually agreed benefit and it is imperative that the engineer is given full support during his stay. His general remit is alongside Select Controls personnel is to amongst others for **SEL business only**:

- Review process control documentation;
- Set up internal audit processes for systems and manufacturing
- Verification of Select Controls testing
- Undertake Select Controls vendor visits
- Help Select Controls towards QS9000 implementation if so desired.
- Monitor and help with forecast planning- help identify and improve bottlenecks.
- Aid SEL SQA with agreed action plans with SC following SEL SQA visits.
- Help with work instructions and training review analysis.
- Be on site both at for automation equipment commissioning and verify sign off criteria.
- Production of daily reports to help with SC throughput levels.

It is highly likely that other opportunities will develop and it is imperative a strong working relationship develops to allow such opportunities to foster.

Schrader may withdraw the services of the on-site engineer at any time if it is so deemed that Select Controls are not supporting the agreed benefit.



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Section 7. Outstanding credits

Per e-mail T Anderson 15 November "Yesterdays discussion" Select Controls agree to credit Schrader Electronics the referenced reimbursement costs in section 3. Select Controls agree that SEL do not have to return the referenced pieces. Credit may be made in one lump sum or by a mutually agreed method. The method for payment of credit must be resolved prior to April 1st 2001.

Section 8. Second sourcing

Schrader Electronics in agreement with Select Controls have aimed to identify a second source to protect it's business, it's customer base and Select Controls against extremely high growth plans. Schrader have identified American Electronic Components (AEC) as the potential partner but agree that whoever is selected will not sell procured switch to any other party except Schrader Electronics. This is a firm commitment from Schrader Electronics Ltd and will protect both Schrader and Select Controls. Assuming AEC are the selected second source identified this commitment has already been communicated to Select Controls reference correspondence communicated to Select Controls dated February 16 2001.

In return, Select Controls have agreed to aid Schrader in the sharing of any requested information necessary for the production of device to selected partner.

Providing Select Controls are competitive on pricing and quality for any additional quantities required after the completion of this order, Schrader will offer Select Controls additional business at a level of 4 million pieces per annum providing 4 million pieces represents at least 50% of it's need during the forecasted relevant year. If 4 million pieces represents more than 50 % of the actual business need in the forecasted period, Schrader will not be in a position to offer 4 million pieces but will offer 50% of the actual requirement.



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If Select Controls performs to a high standard of quality and delivery performance and can demonstrate competitive pricing during the period of PO no. T7377 being supplied, Select Controls will have the opportunity to win additional business beyond the level referenced above.

Section 9

Conditional requirements on order release.

PPAP submission and other documentation requirements

1. PPAP to be re submitted in agreement with Paul McCollum at a date to be agreed. This includes PPAP for existing and when applicable for automated production of product. On submission of PPAP or prior to it's submission, SEL Supplier Quality Assurance team reserve the right to audit the associated PPAP at manufacturer's premises.
2. Drawing for part no. to be supplied to be released with number and revision level associated.
3. Any changes whatsoever from PPAP submission to be advised to Schrader in advance of change implementation. Failure to do so may lead to variation in process at Schrader and may lead to customer problems.

LOGISTICS

4. Supplier must be in a position to supply 20% above the forecasted demand within an 8-week notice period.
5. Buffer stocks of 250k pieces to be held (of item 3 referenced in section 1 above) and to be available for call off. This figure will be



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- reviewed as a minimum on a monthly basis and on request more frequently.
6. Supplier to alert SEL as to whether a product is targeted for obsolescence in a timely manner, a one-year advance notice is recommended.
 7. Supplier to provide stock holding of associated part(s) on this order requirement on a monthly basis (last Friday of each month) or more frequently if requested to do so. This information will not be requested and should arrive automatically at Schrader's premises.

QS9000

8. Supplier to advise Schrader of it's plans for QS9000 at the manufacturing site responsible for the production of purchased part(s). (Note: it is SEL policy to work with QS9000 accredited companies and in the absence of QS9000 existing, a commitment to QS9000 implementation will be seen as a commitment to SEL).

FIT FOR PURPOSE STATEMENT

9. Select Controls Inc. warrants that the parts described in Items 1,2 and 3 of Section 1 above of this contract shall meet the specifications detailed in Select Controls Inc drawing 3098-1-000 Rev A.



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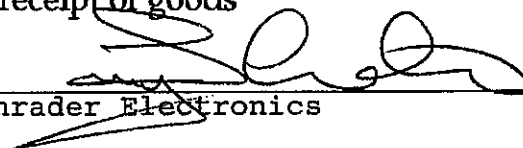
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GENERAL

- 10. Supplier to regularly inform SEL of changes to Company ownership, relevant personnel and outside interests if applicable.
- 11. Supplier to take full responsibility for own Supplier Quality Assurance activity within it's own organisation. This information must be submitted on request.
- 12. Supplier to provide on site support on request at suppliers cost within a maximum period of 48 hours.
- 13. Supplier to ensure that all capacity planning is in place to meet the agreed forecast requirements instructed by SEL.

Payment terms

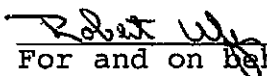
30 days month end from receipt of goods

Mr. Tony Anderson 
 For and behalf of Schrader Electronics

Purchasing Manager
 Position in Company

15 March 2001

Signed and agreed to the terms therein by


 For and on behalf of Select Controls, Inc.

President
 Position in company

30 March 2001
 Date of Acceptance

N.B PLEASE SIGN AND RETURN THIS SECTION WITHIN SEVEN DAYS OF RECEIPT.

Ref: Po T7377



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Contract Attachment

Schrader Electronics Limited

Contract Header Number;3050

The attachments in this section apply to the standard terms and conditions associated with the Schrader Electronics Ltd. legal business entity and the terms and conditions associated with the line item details for contract number T7377 and all subsequent orders issued to Select Controls Inc.

Contract Terms and Conditions: Detailed Description

1. ACCEPTANCE

Seller has read and understands this contract and agrees that Seller's written acceptance or commencement of any work or services under this contract shall constitute Seller's acceptance of these terms and conditions only.

2. SHIPPING AND BILLING

Seller agrees: (a) to properly pack, mark and ship goods in accordance with the requirements of Buyer, the involved carriers, and, if applicable, the country of destination (b) to route shipments in accordance with Buyer's instructions (c) to make no charge for handling, packaging, storage or transportation of goods, unless otherwise stated as an item on this contract: (d) to provide with each shipment packing slips with Buyer's contract and/or release number and date of shipment marked thereon (e) to properly mark each package with a label/tag according to Buyer's instructions (f) to promptly forward the original bill of lading or other shipping receipt for each shipment in accordance with buyer's instructions. Seller will include on bills of lading or other shipping receipts correct classification identification of the goods shipped in accordance with Buyer's instructions and the carrier's requirements. The marks on each package and the identification of the goods on packing slips, bills of lading and invoices (when required) shall be sufficient to enable Buyer to easily identify the goods purchased. Seller further agrees to accept payment on receipt of commercial invoice and/or by electronic funds transfer. The payment date is set forth in the Line Item Detail of this contract. Buyer may withhold payment pending receipt of evidence, in such form and detail as Buyer may direct, of the absences of any liens, encumbrances and claims on the goods or services under this contract.

3. DELIVERY SCHEDULES



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Time is of the essence, and deliveries shall be made both in quantities and at times specified in Buyer's schedules. Buyer shall not be required to make payment for goods delivered to Buyer that are in excess of quantities specified in Buyer's delivery schedules. Buyer may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the price for goods or services covered by this contract. Where quantities and/or delivery schedules are not specified, Seller shall deliver goods in such quantities and times as Buyer may direct in subsequent releases.

4. PREMIUM SHIPMENTS

If Seller's acts or omissions result in Seller's failure to meet Buyer's delivery requirements and Buyer requires a more expeditious method of transportation for the goods than the transportation method originally specified by the Buyer, Seller shall ship the goods as expeditiously as possible at Seller's sole expense.

5. CHANGES

Buyer reserves the right at any time to direct changes, or cause Seller to make changes, to drawings and specifications of the goods or to otherwise change the scope of the work covered by this contract including work with respect to such matters as inspection, testing or quality control, and Seller agrees to promptly make such changes. Buyer shall equitably adjust any difference in price or time for performance resulting from such changes after receipt of documentation in such form and detail as Buyer may direct. Any changes to this contract shall be made in accordance with paragraph 30.

6. SUPPLIER QUALITY AND DEVELOPMENT INSPECTION

Seller agrees to participate in Buyer's supplier quality and development program(s) and to comply with all quality requirements and procedures specified by Buyer, as revised from time to time, including those applicable to Seller as set forth in Quality System Requirements QS-9000. In addition, Buyer and his customers shall have the right to enter Seller's facility at reasonable times to inspect the facility, goods, materials and property of Buyer covered by this contract. Buyer's inspection of the goods, whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work-in-process or finished goods.

7. NON-CONFORMING GOODS

Seller acknowledges that Buyer will not perform incoming inspection of goods, and waives any rights to require Buyer to conduct such inspections. To the extent Buyer rejects goods as non-conforming, the quantities under this contract will automatically be reduced unless Buyer otherwise notifies Seller. Seller will not replace quantities so reduced without a new contract or schedule from the Buyer. Non-conforming goods will be held by Buyer in accordance with Seller's instructions at Seller's risk. Seller's failure to provide written instructions within 10 days, or such shorter period as may be commercially reasonable under the circumstances, after notice of nonconformity shall entitle Buyer, at Buyer's option, to charge seller for storage and handling or to dispose of the goods without liability to Seller. *Payment for nonconforming goods shall not constitute an acceptance of them, limit*



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or impair Buyer's right to assert any legal or equitable remedy, or relieve Seller's responsibility for latent defects.

8. FORCE MAJEURE

Any delay or failure of either party to perform its obligations shall be excused if, and to the extent that, it is caused by an event or occurrence beyond the reasonable control of the party and without its fault or negligence, including, but not limited to acts of God, actions by any governmental authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, labour problems (including lockouts, strikes and slowdowns), inability to obtain power, material, labour equipment or transportation, or court injunction or order provided that written notice of such delay (including the anticipated duration of the delay) shall be given by the affected party to the other party as soon as possible after the event or occurrence (but in no event more than 10 days thereafter). During the period of such delay or failure to perform by Seller, Buyer, at its option, may purchase goods from other sources and reduce its schedules to seller by such quantities, without liability to Seller, or have Seller provide the goods from other sources in quantities and at times requested by Buyer, and at the price set forth in this contract. In addition, Seller at its expense shall take such actions as are necessary to ensure the supply of goods to Buyer for a period of at least 30 days during any anticipated labour disruption or resulting from the expiration of Seller's labour contract(s). If requested by Buyer, Seller shall, within 10 days, provide adequate assurances that the delay shall not exceed 30 days. If the delay lasts more than 30 days or Seller does not provide adequate assurance that the delay within 30 days, Buyer may immediately terminate this contract without liability.

9. WARRANTY

Seller warrants/guarantees that the goods covered by this contract will conform to the specifications, drawings, samples or descriptions furnished to or by Buyer, and will be merchantable, of good material and workmanship and free from defect. In addition, Seller acknowledges that the parts purchased under this contract shall meet the specifications detailed in the referenced drawing. The warranty period shall be that provided by applicable law, except that if Buyer offers a longer warranty to its customers for goods installed in vehicles, such longer periods shall apply.

10. INGREDIENTS OF DISCLOSURE SPECIAL WARNINGS AND INSTRUCTIONS



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If requested by Buyer, Seller shall promptly furnish to Buyer in such form and detail as Buyer may direct: (a) a list of all ingredients in the goods (b) the amount of all ingredients and (c) information concerning any changes in or additions to such ingredients. Prior to and with the shipment of the goods, Seller agrees to furnish to Buyer sufficient warning and notice in writing (including appropriate labels on the goods, containers and packing) of any hazardous material that is an ingredient or a part of any of the goods, together with such special handling instructions as may be necessary to advise carriers, Buyer, and their respective employees of how to exercise that measure of care and precaution that will best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the goods, containers and packing shipped to Buyer.

11. INSOLVENCY

Buyer may immediately terminate this contract without liability to Seller in any of the following or any other comparable events: (a) insolvency of Seller (b) filing of a voluntary petition in bankruptcy of Seller (c) filing of any involuntary petition in bankruptcy against Seller (d) appointment of a receiver or trustee for Seller or (e) execution of an assignment for the benefit of creditors by Seller, provided that such petition, appointment or assignment is not vacated or nullified within 15 days of such event. Seller shall re-imburse Buyer for all costs incurred by Buyer in connection with any of the foregoing, including, but not limited to, all attorney's or other professional fees.

12. TERMINATION FOR BREACH OR NONCONFORMANCE

Buyer reserves the right to terminate all or any part of this contract, without liability to Seller, if seller: (a) repudiates or breaches any of the terms of this contract, including Seller's warranties (b) fails to perform services or delivers goods as specified by Buyer (c) fails to make progress so as to endanger timely and proper completion of services or delivery of goods and does not correct such failure or breach within 10 days (or such shorter period of time if commercially reasonable under the circumstances) after receipt of written notice from Buyer specifying such failure or breach.

13. TERMINATION FOR CONVENIENCE

In addition to any other rights of Buyer to terminate this contract, Buyer may, at its option, immediately terminate all or any part of this contract, at any time and for any reason, by giving written notice to Seller. Upon such termination, Buyer shall pay to Seller the following amounts without duplication: (a) the contract price for all goods or services that have been completed in accordance with this contract and not previously paid for and (b) the actual costs of work-in-process and raw materials incurred by seller in furnishing the goods or services under this contract to the extent such costs are reasonable in amount and are properly allocable or apportionable under generally accounting principles to the terminated portion of this contract less however, the sum of the reasonable value or cost (whichever is higher) of any goods or materials used or sold by Seller with Buyer's written consent, and the cost of any damaged or destroyed goods or material. Buyer will make no payments for finished goods, work-in-process or raw materials fabricated or procured by Seller in amounts in excess of those authorised in delivery releases nor for any undelivered goods



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that are in Seller's standard stock or that are readily marketable. Payments made under this Paragraph shall not exceed the aggregate price payable by Buyer for finished goods that would be produced by Seller under delivery or release schedules outstanding at the date of termination. Except as provided in this Paragraph, Buyer shall not be liable for and shall not be required to make payments to Seller, directly or on account of claims by Seller's subcontractors, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortised depreciation costs, or general and administrative burden charges from termination of this contract. Within 60 days from the effective date of termination, Seller shall submit a comprehensive termination claim to Buyer, with sufficient supporting data to permit Buyer's audit and shall thereafter promptly furnish such supplemental and supporting information as Buyer shall request. Buyer or its agents shall have the right to audit and examine all books, records, facilities, work, material, inventories and other items relating to any termination claim of Seller.

14. INTELLECTUAL PROPERTY

Seller agrees: (a) to defend, hold harmless and indemnify Buyer, its successors and customers against any claims of infringement (including patent, trademark, copyright, industrial design right, or other proprietary right, or misuse or misappropriation of trade secret) and resulting damages and expenses (including attorney's and other professional fees) arising in any way in relation to the goods or services contracted, including such claims where Seller has provided only part of the goods or services Seller expressly waives any claim against Buyer that such infringement arose out of compliance with Buyer's specification (b) that Buyer or Buyer's subcontractor has the right to repair, reconstruct, or rebuild the specific goods delivered under this contract without payment or any royalty to Seller (c) that parts manufactured based on Buyer's drawings and/or specifications may not be used for its own use or sold to third parties without Buyer's express written authorisation and (d) to the extent that this contract is issued for the creation of copyrightable works, the works shall be considered "works made for hire" to the extent that the works do not qualify as "works made for hire," Seller hereby assigns to Buyer all right, title and interest in all copyrights and moral rights therein.

15. TECHNICAL INFORMATION DISCLOSED TO BUYER

Seller agrees not to assert any claim (other than a claim for patent infringement) with respect to any technical information that Seller shall have disclosed or may hereafter disclose to Buyer in connection with the goods or services covered by this contract in accordance with the NDA shared between Schrader Electronics Ltd and Select Controls Inc.

16. INDEMNIFICATION

If Seller performs any work on Buyer's premises or utilises the property of Buyer, whether on or off Buyer's premises, Seller shall indemnify and hold Buyer harmless from and against any liability, claims, demands or expenses (including attorney's and other professional fees) for damages to the property of or injuries (including death) to Buyer, its employees or any other person arising from or in connection with Seller's performance of work or use of Buyer's property, except for such liability, claim, or demand arising out of the sole negligence of Buyer.

17. INSURANCE



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Seller shall maintain insurance coverage with carriers acceptable to Buyer and in the amounts set forth in the Special terms. Seller shall furnish to Buyer either a certificate showing compliance with these insurance requirements or certified copies of all insurance policies within 10 days of Buyer's written request. The certificate will provide that Buyer will receive 30 days' prior written notice from the insurer of any termination or reduction in the amount or scope of coverage. Seller's furnishing of certificates of insurance or purchase of insurance shall not release Seller of its obligations or liabilities under this contract.

18. SELLER'S PROPERTY

Unless otherwise agreed to by Buyer, seller at its expense, shall furnish, keep in good condition, and replace when necessary all machinery, equipment, tools, jigs, dies, gauges, fixtures, moulds, patterns and any other items ("Seller's Property") necessary for the production of the goods. The cost of changes to Seller's Property necessary to make design and specification changes authorised by Buyer shall be paid for by Buyer. Seller shall insure Seller's property with full fire and extended coverage insurance for its replacement value. Seller grants Buyer an irrevocable option to take possession of and title to Seller's Property that is special for the production of the goods upon payment to Seller of its net book value less any amounts that Buyer has previously paid to Seller for the costs of such items provided, however, that this option shall not apply if Seller's property is used to produce goods that are the standard stock of Seller or if a substantial quantity of like goods are being sold by Seller to others.

19. BUYER'S PROPERTY

All supplies, materials, tools, jigs, dies, gauges, fixtures, moulds, patterns, equipment and other items furnished by Buyer, either directly or indirectly, to Seller to perform this contract, or for which Seller has been reimbursed by Buyer, shall be and remain the property of Buyer and held by Seller on a bailment basis ("Buyer's Property"). Seller shall bear the risk of loss of and damage to Buyer's Property. Buyer's property shall at all times be properly housed and maintained by Seller at its expense, shall not be used by Seller for any purpose other than the performance of this contract, shall be deemed to be personalty, shall be conspicuously marked by Seller as the property of the Buyer, shall not be commingled with the property of the Seller or with that of a third person and shall not be moved from Seller's premises without Buyer's prior written approval. Buyer shall have the right to enter Seller's premises at all reasonable times to inspect such property and Seller's records with respect thereto. Upon the request of the Buyer, Buyer's Property shall be immediately released to buyer or delivered to Buyer by Seller either (i) F.O.B. transport equipment at Seller's plant, properly packed and marked in accordance with the requirements of the carrier selected by Buyer to transport such property, or (ii) to any location designated by Buyer in which event Buyer shall pay to Seller the reasonable costs of delivering such property to such location. When permitted by law, Seller waives any lien or other rights that Seller might otherwise have on any of Buyer's Property for work performed on such property or otherwise.

20. REMEDIES



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The rights and remedies reserved to Buyer in this contract shall be cumulative with, and additional to, all other or further remedies provided in law or equity. Without limiting the foregoing, should any goods fail to conform to the warranties set forth in Paragraph 9, Buyer shall notify Seller and Seller shall, if requested by Buyer, reimburse Buyer for any incidental and consequential damages caused by such nonconforming goods, including, but not limited to, costs, expenses and losses incurred by Buyer (a) in inspection, sorting, repairing or replacing such nonconforming goods (b) resulting from production interruptions. Seller will enter into a separate agreement for the administration or processing of warranty chargebacks for nonconforming goods. RU

21. CUSTOMS EXPORT CONTROLS

Credits or benefits resulting or arising from this contract, including trade credits, export credits or the refund of duties, taxes or fees, shall belong to Buyer. Seller shall provide all information necessary (including documentation and electronic transaction records) to permit Buyer to receive such benefits or credits, as well as to fulfil its customs related obligations, origin marking or labelling requirements and local content origin requirements, if any. Export licenses or authorisations necessary for the export of the goods shall be the responsibility of Seller unless otherwise indicated in this contract, in which event Seller shall provide such information as may be necessary to enable Buyer to obtain such licenses or authorisation(s). Seller shall undertake such arrangements as necessary for the goods to be covered by any duty deferral or free trade zone program(s) of the country of import.

22. SETOFF/RECOUPMENT

In addition to any right of setoff or recoupment provided by law, all amounts due to Seller shall be considered net of indebtedness of Seller and its affiliates/subsidiaries to Buyer and its affiliates/subsidiaries and Buyer shall have the right to setoff against or to recoup from any amounts due to Seller and its affiliates/subsidiaries from Buyer and its affiliates/subsidiaries.

23. NO ADVERTISING

Seller shall not, without first obtaining the written consent of the Buyer, in any manner advertise or publish the fact that Seller has contracted to furnish Buyer the goods or services covered by this contract, or use any trademarks or trade names of Buyer in seller's advertising or promotional materials.

24. COMPLIANCE WITH LAWS FORCED LABOUR

Seller, and any goods or services supplied by Seller, shall comply with all applicable laws, rules, regulations, orders, conventions, ordinances or standards of the country(ies) of destination or that relate to the manufacture, labelling, transportation, importation, exportation, licensing, approval or certification of the goods or services, including, but not limited to those relating to environmental matters, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety. Seller further represents that neither it nor any of its subcontractors will use slave, prisoner or any other form of forced or involuntary labour in the supply of goods or provision of services under this contract. At Buyer's request, Seller shall certify in



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writing it's compliance with the foregoing. Seller shall indemnify and hold Buyer harmless from and against any liability claims, demands or expenses (including attorney's or other professional fees) arising from or relating to Seller's non-compliance.

25. NO IMPLIED WAIVER

The failure of either party at any time to require performance from the other party of any provision of this contract shall in no way affect the right to require such performance at any time thereafter, nor shall the waiver of either party of a breach of any provision of this contract, constitute a waiver of any succeeding breach of the same or any other provision.

26. NON-ASSIGNMENT

Seller may not assign or delegate it's obligations under this contract without Buyer's prior written consent.

27. RELATIONSHIP OF PARTIES

Seller and Buyer are independent contracting parties and nothing in this contract shall make either party the legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or create any obligation on behalf of or in the name of the other.

28. GOVERNING LAW JURISDICTION

This contract is to be construed according to the laws of the country (and state/province, if applicable) from which this contract is issued as shown by the address of the Buyer, excluding the provisions of the United Nations Convention on Contracts for the International Sale of goods and any conflict of law provisions that would require application of any other choice of law. Any action or proceedings by Buyer against Seller may be brought by Buyer in any court(s) having jurisdiction over Seller or, at Buyer's option, in the court(s) having jurisdiction over Buyer's location, in which event Seller consents to jurisdiction and service of process in accordance with applicable procedures. Any actions or proceedings by Seller against Buyer may be brought by Seller only in the court(s) having jurisdiction over the location of Buyer from which this contract is issued.

29. SEVERABILITY

If any term(s) of this contract is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such term(s) shall be deemed reformed or deleted, as the case may be, but only to the extent necessary to comply with such statute, regulation, ordinance or rule, and the remaining provisions of this contract shall remain in full force and effect.

30. ENTIRE AGREEMENT

This contract, together with the attachments, exhibits, supplements or other terms of the Buyer specifically referenced in this contract, constitutes the entire agreement between Seller and Buyer



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with respect to the matters contained in this contract and supersedes all prior oral or written representations or agreements. This contract may only be modified by a contract amendment issued by Buyer.

31. PPAP

To be advised by Buyer.

32. RIGHT TO AUDIT

Seller grants Buyer access to all pertinent information, including, but not limited to, records, correspondence and other documents for the purpose of auditing Seller's charges under this contract. Seller will preserve these documents for a period of 1 year after the final payment under this contract. In addition, all work, materials, inventories and other items provided under this contract must be accessible to Buyer, including but not limited to, parts, tools, fixtures, gauges and models. Seller will segregate its records and otherwise cooperate with Buyer so as to facilitate the audit.

Issued to Select Controls Inc.

Dated 15 March 2001

Issued by Tony Anderson
Purchasing Manager
Schrader Electronics Ltd.
11 Technology Park,
Belfast Road,
Antrim,
Co. Antrim
Northern Ireland
BT41 1QS

Issued By



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Mr Tony Anderson
For and on behalf of Schrader Electronics

Purchasing Manager
Position in company

15 March 2001
Date of Issue

Signed and agreed to the terms therein by

For and on behalf of Select Controls Inc.

President
Position in company

30 March 2001
Date of Acceptance

N.B PLEASE SIGN AND RETURN THIS SECTION WITHIN SEVEN DAYS OF RECEIPT.

• Ref: Po T7377

<p align="center">SELECT CONTROLS, INC. 45-3 KNICKERBOCKER AVENUE BOHEMIA, NY 11716 (631) 467-8577 FAX (631) 567-9013 web site: www.select-controls.com e-mail: sales@select-controls.com</p>		
PAGES (INCLUDING COVER SHEETS)	DATE	TIME
	7/19/01	
FROM	TO	
AGENCY	AGENCY	
SELECT CONTROLS, INC.	AEC	
NAME	NAME	
ROBERT UFER	Chris Ganshorn	
CODE	CODE	
TECHNICAL SALES MANAGER		
TELECOPIER NO.	TELECOPIER NO.	
(631) 567-9013	219 262 1778	
CONFIRMATION NO.	CONFIRMATION NO.	
(631) 467-8577		

Part Location	1.0 CALIBER	2.0 CALIBER	3.0 FM	LOADING	LOAD TESTER	COMPARISON	DATE	REVISION	BY
1	0.112	0.1485	0.137	0.007	0.007	2.22	02/20/01	02/20/01	02/20/01
2	0.11	0.1445	0.137	0.007	0.007	2.34	02/20/01	02/20/01	02/20/01
3	0.11	0.144	0.137	0.007	0.007	2.16	02/20/01	02/20/01	02/20/01
4	0.112	0.144	0.137	0.007	0.007	2.19	02/20/01	02/20/01	02/20/01
5	0.112	0.144	0.137	0.007	0.007	2.25	02/20/01	02/20/01	02/20/01
6	0.112	0.144	0.137	0.007	0.007	2.27	02/20/01	02/20/01	02/20/01
7	0.112	0.144	0.137	0.007	0.007	2.15	02/20/01	02/20/01	02/20/01
8	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
9	0.112	0.144	0.137	0.007	0.007	2.18	02/20/01	02/20/01	02/20/01
10	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
11	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
12	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
13	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
14	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
15	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
16	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
17	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
18	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
19	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
20	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
21	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
22	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
23	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
24	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
25	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
26	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
27	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
28	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
29	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
30	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
31	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
32	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
33	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01
34	0.112	0.144	0.137	0.007	0.007	2.28	02/20/01	02/20/01	02/20/01

NOTE:
 LONG MAY BE MARKED AS:
 LOT # 2-14828-14725
 SHOULD BE 2-14828-14751.

Handwritten signature
 7-19-01

Notes: Solid = 0.049 (LEF)
 ALL THE ORBS IN BETWEEN 100L 050 REF - COIL COUNT 775 TOTAL 155 DEAL COILS EACH END - COIL DIRECTION: RHW - VISUAL APPEARANCE: OK
 Part number: Buld 19-10000 Rev. 0
 End class : 01c

Document 20 File

