

FOR OFFICIAL USE ONLY

United States
CONSUMER PRODUCT SAFETY COMMISSION
Washington, D.C. 20207

MEMORANDUM

DATE: July 22, 1997

TO : Zulma Soto, Compliance Officer
Division of Corrective Action

FROM : Julie Ayres, Electrical Engineer (301) 504-0608 x 1354 (signed JIA)
Office of Hazard Identification and Reduction

SUBJECT: QR0033.97, Kadee, Waffle Iron shaped like "Mickey Mouse", Sample Number
97-793-0309.

Request

(1) Examine mis-routed wire to determine if electrocution hazard. (2) Analyze sample with conforming wire routing to determine if hazard is eliminated.

Background

A sample containing the mis-routed wiring (97-793-0309-02) and a sample with alleged conforming wire routing (97-793-0309-01) were sent to Compliance under the CPSC No PD Program. The products involved are model 1950C manufactured by Vitantonio in Solon, Ohio. They contain a UL listed marking and are rated for 120 VAC, 1000 Watts and 8.3 Amps. They contain a three prong plug.

Discussion

The sample sent from G. Bielert with the words, "Wire routed under cover edge, not under protector clip" was opened and examined. The location of the mis-routed wire does not protect it from abrasions. If the insulation becomes nicked or scraped due to its improper location, the abrasion could allow line voltage to energize the entire surface of the waffle iron if it is not plugged into a properly grounded receptacle. If the product is being used with a "cheater" plug or in a home without a ground plug there is a possibility of an electrocution if a consumer touched the product and a grounded surface. The surface of the waffle iron is made of all metal and the entire product would become energized if it is not plugged into a properly grounded receptacle.

An examination of the "fix" sent by G. Bielert with the words, "Confirming wiring routing under clip" was opened and examined. The wire in question with the initial sample was properly routed and an abrasion would not occur. However, the sample was opened and another wire, directly from the hot conductor of the cord to the heating element, was found mis-routed between two metal surfaces. Microscopic examination shows that the insulation deteriorated and the line conductor came in contact with the surface of the waffle iron and an

FOR OFFICIAL USE ONLY

arc developed. A similar hazard scenario exists if the insulation became nicked and the line conductor came in contact with surface as with the other mis-routed wire.

Conclusion

A mis-routed wire was found in both samples supplied by the company. Abrasion on the insulation can cause the wire to come in direct contact with the surface of the waffle iron. If the product is not properly grounded, an electrocution is possible.

**U.S. Consumer Product Safety Commission
SAMPLE COLLECTION REPORT**

1. Sample Flag		2. Date Collected 5/8/98	3. Sample Type and Number: 98-830-4338 <input checked="" type="radio"/> Physical <input type="radio"/> Documentary	
4a. Product Name WAFFLE IRON		4b Model 1800	4c NEISS 0235	5. Assignment Number
6. Complete for Import Samples Port of Entry: _____ Country of Origin: _____ Entry No. and Date: _____ Customs Contact: _____			7. MIS 32600	8. Hours Activity <u> 3 </u> Travel <u> 1 </u>
			9a Home RO FOCR	9b Collecting RO FOCR
10. Sample Cost	11. Invoice Value of Lot \$50,000.00		12. Size of Lot 1958	Units unt
13. Manufacturer/Importer # KAD004 KADEE PRODUCTS LTD. 160 NORTHFIELD ROAD BEDFORD, OH 44146		14. Shipper/Foreign Manufacturer N/A		15. Dealer/Import Broker # SAME AS 13.
16. Supporting documents attached: Invoice No. and Date: <u> 519420 </u> <u> 4/13/98 </u> Date Shipped: _____ Shipping Record and Date: <u> REC'D FROM UPS </u> Affidavit Signer's name, title and date: <u> HANK E. OBERLE, PRESIDENT, 5/8/1998 </u>				
17. Product Identification: Sample consists of two Vitantonio Model 1800 waffle makers.				
18. Reason for collection/analysis needed: <input type="radio"/> FHSA <input checked="" type="radio"/> CPSA <input type="radio"/> FFA <input type="radio"/> PPPA <input type="radio"/> RSA Sample collected as per instructions from Zulma Soto, CCA.				
19. Summary of Field Screening: None				
20. Sample size/Method of Collection: Sample of two Vitantonio model 1800 waffle makers selected from warehouse stock. Samples were from a lot of 1958 model 1800 waffle makers. Each waffle maker was removed from its original packaging and				
21. Identification on sample: " 98-830-4338 SUB 1 & 2. EB 5/8/98 "		22. Identification on seal and date: "98-830-4338 Edward Blythin 5/8/98 "		
23a. Sample delivered to: KADEE OFFICIALS		23b Date 5/8/98	24. Report/Record Sent to: FOCR	
25. Laboratory/Office: LSC <u> </u> LSE <u> </u> CRM <u> </u> CCA <u> X </u> Other _____				
26. Remarks: Waffle maker serial numbers: SUB #1 28006832 SUB #2 28006830.				
27. Related Samples: 98-830-4339				
28a Collector's name/title: Edward Blythin Senior Resident Investigator		28b Collector's signature/date: <i>Edward Blythin</i> 5/11/98		
29a Reviewer's name/title: John R. Vece Supervisor		29b Reviewer's signature/date: <i>John R. Vece</i> 5/12/98		

209

PRODUCT IDENTIFICATION

FIELD SUMMARY

METHOD OF COLLECTION

the serial number was observed (see REMARKS below). A bar-code sticker label containing information in 21 was placed on the bottom of each waffle maker. The waffle makers were returned to the original packaging and each of the two boxes was sealed, on top and bottom, with an official seal containing information in 22. The two boxes were then turned over to Kadee officials for shipping to Zulma Soto, CCA.

REMARKS

METHOD OF COLLECTION

sticker label was placed on bottom of pizzelle maker. (Unit does not have serial number.) Pizzelle maker was put back in original packaging and box was sealed, on the top and bottom, with official seals containing info in 22. Sample was then turned over to Kadee officials for shipping to Zulma Soto, CCA.

U.S. Consumer Product Safety Commission
SAMPLE COLLECTION REPORT

1. Sample Flag ATTN: ZULMA SOTO		2. Date Collected 11/4/97	3. Sample Type and Number: 98-830-4327 <input checked="" type="radio"/> Physical <input type="radio"/> Documentary	
4a. Product Name WAFFLE IRON		4b Model MICKEYS1950	4c NEISS 0235	5. Assignment Number 871017CCA4659
6. Complete for Import Samples Port of Entry: _____ Country of Origin: _____ Entry No. and Date: _____ Customs Contact: _____			7. MIS 32600	8. Hours Activity <u>4</u> Travel <u>1</u>
			9a Home RO FOCR	9b Collecting RO FOCR
10. Sample Cost \$48.76	11. Invoice Value of Lot \$35,688.00		12. Size of Lot 1463	Units unit
13. Manufacturer/Importer # KAD003 KADEE PRODUCTS, LTD. 6225 COCHRAN ROAD SOLON, OH 44139		14. Shipper/Foreign Manufacturer N/A		15. Dealer/Import Broker # KAD003 KADEE PRODUCTS, LTD. 6225 COCHRAN ROAD SOLON, OH 44139
16. Supporting documents attached: Invoice No. and Date: <u>007798</u> <u>5/1/97</u> Date Shipped: <u>5/1/97</u> Shipping Record and Date: <u>BIMET BOL</u> <u>5/1/97</u> Affidavit Signer's name, title and date: <u>GEORGE BIELERT, VICE PRESIDENT, 11/04/1997</u>				
17. Product Identification: Sample consists of two model no. 1950 "Mickey's Waffler" waffle irons. Waffle irons are packaged in original boxes. Labeling on each box reads in part: "Mickey's Waffler VITANTONIO PREMIER VITANTONIO"				
18. Reason for collection/analysis needed: <input type="radio"/> FHSA <input checked="" type="radio"/> CPSA <input type="radio"/> FFA <input type="radio"/> PPPA <input type="radio"/> RSA Assignment 971017CCA4659. Telephone request from Zulma Soto, CCA.				
19. Summary of Field Screening: None.				
20. Sample size/Method of Collection: Sample consists of two model 1950 Vitantonio Premier "Mickey's Waffler" waffle irons selected from warehouse stock of 1463 units. Sample was returned to CLE Telecommuting office and stored in locked				
21. Identification on sample: "98-830-4327 EB 11/4/97"		22. Identification on seal and date: "98-830-4327 Edward Blythin 11/5/97"		
23a. Sample delivered to: UPS, MEDINA, OH		23b Date 11/6/97	24. Report/Record Sent to: FOCR	
25. Laboratory/Office: LSC <input type="checkbox"/> LSE <input type="checkbox"/> CRM <input type="checkbox"/> CCA <input checked="" type="checkbox"/> Other _____				
26. Remarks: UPC code 0 16324 01950 5.				
27. Related Samples: None				
28a Collector's name/title: Edward Blythin Senior Resident Investigator		28b Collector's signature/date: <i>Edward Blythin</i> 11/5/97		
29a Reviewer's name/title: John R. Vece Supervisor		29b Reviewer's signature/date: <i>John R. Vece</i> 11/5/97		

PRODUCT IDENTIFICATION

MANUFACTURING COMPANY *** Mickey's Waffler - No. 1950 UL *** 0 16324
01950 5 ***" Labeling on waffle iron identified as SUB 1 reads in
part: "Vitantonio Premier MICKEY'S WAFFLER The Walt Disney Co.
VITANTONIO MANUFACTURING COMPANY EASTLAKE, OHIO 44095 *** MOD 1950
*** SER 16019543 ***" Labeling on waffle iron identified as SUB 2
reads in part: "VITANTONIO 6225 COCHRAN ROAD SOLON, OHIO 44139
MODEL 1950 UL 4305 *** SERIAL 37005339 ***"

METHOD OF COLLECTION

office until prepared for shipping. To prepare for shipping, each
waffle iron was identified with a bar-code sticker label containing
info in 21. Waffle irons were then placed in a plastic bag and bag
was sealed with an official seal containing info in 22. CPSC Form 165
was attached to sample and sample was shipped to Zulma Soto, CCA,
through the Sample Custodian.

U.S. CONSUMER PRODUCT SAFETY COMMISSION		1. AREA OFFICE ADDRESS CONSUMER PRODUCT SAFETY COMMISSION 1114 N. COURT STREET, P.O. BOX 712 MERRIMA, VT 04258	
2. NAME OF INDIVIDUAL GEORGE BIELEFT		3. TITLE OF INDIVIDUAL VICE PRESIDENT	4. DATE 11/4/97
5. FIRM NAME KADEE PRODUCTS LIMITED			6. SAMPLE NUMBER 98 830-4327
7. NUMBER AND STREET 6705 COCHRAN ROAD		8. CITY AND STATE (Include Zip Code) COLTON, OH 44139	
9. SAMPLES COLLECTED (Describe fully. List lot, serial, model numbers and other positive identification) The following samples were collected by the Consumer Product Safety Commission pursuant to Section 37(f) of the Consumer Product Safety Act (15 U.S.C. 2078(f) and/or Section 11(b) of the Federal Hazardous Substances Act (15 U.S.C. 1278(b) and/or Sections 5(c) and (d) of the Flammable Fabrics Act (15 U.S.C. 1194(c) and (d) and/or Section 704(c) of the Federal Food Drug and Cosmetic Act (21 U.S.C. 374(c)) [Authority for sample collections made in connection with the Poison Prevention Packaging Act of 1970 (15 U.S.C. 1471 et seq.)], and receipt for said samples is hereby acknowledged. Sections cited are quoted on the reverse side of this form. LEARN MICKEY'S WAFFLER No 1950			
10. SAMPLES a. AMOUNT RECEIVED FOR SAMPLE 0 48.06		11. SAMPLES WERE <input checked="" type="checkbox"/> PURCHASED <input type="checkbox"/> BORROWED (To be returned)	12. COLLECTOR a. NAME (Print or type) ED BLYTHIN b. SIGNATURE <i>Ed Blythin</i>

AFFIDAVIT

SAMPLE NO. 98-830-4327

STATE OF

OHIO

COUNTY OF

CUYAHOGA

Before me, EDWARD BLYTHIN, a duly authorized employee of the Consumer Product Safety Commission, appropriately designated by the Chairman of said Commission pursuant to provisions of the Consumer Product Safety Act (sec. 27 (b)(2), 86 Stat. 1228; 15 U.S.C. 2076 (b)(2)), to administer or take oaths, affirmations, and affidavits, personally appeared GEORGE BIELERT in the county and State aforesaid, who, being first duly

sworn, deposes and says:

I, George Bielert, am Vice President of Kadee Products, Ltd., 6225 Cochran Road, Solon, Ohio 44139. I am knowledgeable about and take part in the day-to-day operations of Kadee Products and the Vitantonio Division of Kadee Products. The Vitantonio Division of Kadee Products is located at the 6225 Cochran Road address.

On 11/4/97 my firm was inspected by U.S. Consumer Product Safety Commission Investigator Ed Blythin. One purpose of Mr. Blythin's inspection was to collect a sample consisting of two "Mickey's Waffler," model 1950 waffle makers. Mr. Blythin selected these two waffle makers from stock at a warehouse located at 160 Northfield Road, Bedford, Ohio 44146.

Page 1 of 2.

AFFIANT'S SIGNATURE & TITLE

George J. Bielert V.P.

FIRM (Name and address, include ZIP Code)

KADEE PRODUCTS LIMITED
6225 COCHRAN ROAD
SOLON, OH 44139

Subscribed and sworn to before me at

SOLON, OHIO
(City and State)

this 4TH day of NOVEMBER, 1997

Edward Blythin
(Employee's Signature)

EMPLOYEE OF THE CONSUMER PRODUCT SAFETY COMMISSION ACTING IN ACCORDANCE WITH AUTHORITY GRANTED IN THE ABOVE STATED DECLARATION.

AFFIDAVIT

SAMPLE NO. 98-830-4327

STATE OF

OHIO

COUNTY OF

CUYAHOGA

Before me, Edward Blythin, a duly authorized employee of the Consumer Product Safety Commission, appropriately designated by the Chairman of said Commission pursuant to provisions of the Consumer Product Safety Act (sec. 27 (b)(2), 86 Stat. 1228; 15 U.S.C. 2076 (b)(2)) to administer or take oaths, affirmations, and affidavits, personally appeared GEORGE BIELECT in the county and State aforesaid, who, being first duly sworn, deposes and says:

Mr. Blythin asked for documents that establish the interstate commerce of a component in the waffle makers. He was given the following documents:

1. Invoice # 007798 dated 5/1/97 from Bimet Corporation, 425 E. Route 6, Morris, IL 60450.
2. Bimet Corp. shipping document dated 5/1/97. Carrier is "yellow" & shipper's no. is 203844.

At Mr. Blythin's request, I dated and initialed these documents.

AFFIANT'S SIGNATURE & TITLE

George J. Bielect V.P.

Page 2 of 2

Print (Name and address, include ZIP Code)

KADEE PRODUCTS LTD.
6225 COCHRAN ROAD
SOLON, OH 44139

Subscribed and sworn to before me at

SOLON, OHIO
(City and State)

this 4th day of NOVEMBER, 1997.

Edward Blythin
(Employee Signature)

EMPLOYEE OF THE CONSUMER PRODUCT SAFETY COMMISSION ACTING IN ACCORDANCE WITH AUTHORITY GRANTED IN THE ABOVE STATED DECLARATION.



425 E. ROUTE 6 • P.O. BOX 518
 MORRIS, IL 60450-0518 U.S.A.
 (815) 942-2600 • FAX (815) 942-1267

INVOICE

INVOICE NO.	INVOICE DATE	PAGE
007798	05/01/97	1

BILL TO: _____ **SHIP TO:** _____

VITANTONIO MANUFACTURING CO.
 A DIV OF KADEE PRODUCTS, LTD.
 6225 COCHRAN ROAD
 SOLON, OH 44139

KADEE PRODUCTS DIVISION
 VITANTONIO PRODUCTS, LTD.
 160 NORTHFIELD ROAD
 BEDFORD, OH 44146

CUSTOMER PURCHASE ORDER NO.		TERMS		SHIP VIA		F.O.B. POINT		
970423		NET 30		YELLOW		MORRIS, IL		
ORDERED BY		SALES REPRESENTATIVE		ORDER DATE	OUR ORDER NO.	CUSTOMER ID.		
ALLIED ENTERPRISES		ALLIED ENTERPRISES		02/27/97	203844	VITANTONIO		
LIN	DL	QUANTITY		PART NUMBER	DESCRIPTION COMMENTS	UNIT	UNIT PRICE	EXTENDED PRICE
		ORDERED	SHIPPED					
01	01	8000.00	8143.00	HT-612	2779	EA	1.00000000	8143.00
LINE ITEM TOTALS		DISCOUNT	SUB TOTAL	FREIGHT	TAXABLE AMT.	TAX	MISC.	INVOICE TOTAL
8143.00		0	8143.00	0	0	0	0	8143.00

DATE 5-5-97
 P.O.# _____
 APPROVAL _____
 ACCT# 1201-410

5/14/97

MC 252
I hereby certify that the terms and conditions of the said bill of lading, set forth in the classification or tariff which governs the transportation of this shipment, and the said terms and conditions are hereby accepted for myself and my assigns.

From **BIMET CORP.**
At **Morris, IL 60450**

SHIPPER'S NO. **203844**
DATE **Nov 1, 1997**
CARRIER **Yellow**
CARRIER'S NO.

CONSIGNEE AND DESTINATION

**Kadee Products Division
Vitantonio Products, Ltd.
160 Northfield Road
Bedford, OH 44146**

BY **Yellow**
ROUTE
DELIVERING CARRIER

CAR OR VEHICLE INITIALS & NO.

NO. PACKAGES	HTM	DESCRIPTION OF ARTICLES, SPECIAL MARKS AND EXCEPTIONS	ERG	WEIGHT (SUBJECT TO CORR.)	CLASS OR RATE
1		skid (28 ctms) switches Cust. Order no. 970423			
				Net weight 543	
				dunnage 5	
				Total weight 548	

Subject to Section 7 of C.O.D. shipments bill of lading, if the goods are to be delivered to the consignee on the carrier's receipt, the carrier shall not make this shipment without payment of and all other lawful charges.

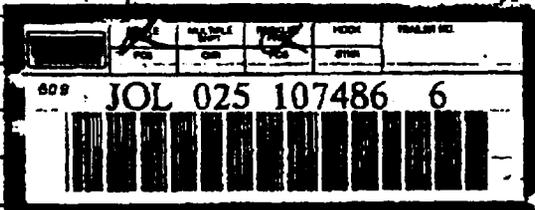
Signature of Consignor
If charges are to be prepaid, stamp here "To be Prepaid."

Received \$
to apply in payment of the charges on the property described hereon.

Agent or Cashier.

Per
(The signature here acknowledges the amount prepaid.)

Charges Advanced



PLACARDS SUPPLIED YES NO
DRIVER'S SIGNATURE
EMERGENCY RESPONSE PHONE NO.

SHIPPER'S CERTIFICATION: This is to certify that the above-named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transportation according to the applicable regulations of the Department of Transportation.

SIGNATURE **[Signature]** TITLE

* If the shipment moves between two ports by a carrier by water, the law requires that the bill of lading shall state whether it is "carrier's or shipper's weight."
† Shipper's signature in lieu of stamp; not a part of Bill of Lading approved by the Interstate Commerce Commission.
Note - Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property.
The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding

C.O.D. SHIPMENT
C.O.D. Amt
Collection Fee
Total Charges

THIS SHIPMENT IS CORRECTLY DESCRIBED.
CORRECT WEIGHT IS **548** LBS

† The box used for this shipment conforms to the specifications set forth in the box makers certificate thereon and all other requirements of the Consolidated Freight Classification.

BIMET CORP.
P. O. Box 518 • Morris, IL 60450
Permanent post-office address of shipper

Shipper, Per **[Signature]** **YFS skid** Agent, Per **[Signature]**
92623 **5-1497**

11/4/97
YFS

**U.S. Consumer Product Safety Commission
ASSIGNMENT REPORT**

Assign No 971017CCA4659	MIS Code 32600	Status Open	Assign Type Inspection	Region FOCR
Investigator	Supervisor John R. Vece	Firm KADEE PRODUCTS LIMITED 6225 COCHRAN ROAD OLON, OH 44139		
Assign Date 10/17/97	Target Date 11/17/97	VICTIM INFORMATION		
Revised Target Date	Complete Date	City		
		State/Zip		
		Product Description		
		Document Number		
		HIA No.		
Remarks				
Assignment				
<p>Conduct inspection and review files concerning the firm's distribution of a waffle iron in the shape of "Mickey Mouse". Obtain information on distribution and specific quantities sold. The "fix" provided by the firm was unacceptable by CCA. Determine also whether the firm has re-distributed the product with their proposed "fix" which is not acceptable.</p>				

PRODUCT IDENTIFICATION

MANUFACTURING COMPANY *** Mickey's Waffler - No. 1950 UL *** 0 16324
01950 5 ***" Labeling on waffle iron identified as SUB 1 reads in
part: "Vitantonio Premier MICKEY'S WAFFLER The Walt Disney Co.
VITANTONIO MANUFACTURING COMPANY EASTLAKE, OHIO 44095 *** MOD 1950
*** SER 16019543 ***" Labeling on waffle iron identified as SUB 2
reads in part: "VITANTONIO 6225 COCHRAN ROAD SOLON, OHIO 44139
MODEL 1950 UL 4305 *** SERIAL 37005339 ***"

METHOD OF COLLECTION

office until prepared for shipping. To prepare for shipping, each
waffle iron was identified with a bar-code sticker label containing
info in 21. Waffle irons were then placed in a plastic bag and bag
was sealed with an official seal containing info in 22. CPSC Form 165
was attached to sample and sample was shipped to Zulma Soto, CCA,
through the Sample Custodian.



INVOICE

INVOICE NO.	INVOICE DATE	PAGE
007798	05/01/97	1

425 E. ROUTE 6 • P.O. BOX 518
 MORRIS, IL 60450-0518 U.S.A.
 (815) 942-2600 • FAX (815) 942-1267

BILL TO:

SHIP TO:

VITANTONIO MANUFACTURING CO.
 A DIV OF KADEE PRODUCTS, LTD.
 6225 COCHRAN ROAD
 SOLON, OH 44139

KADEE PRODUCTS DIVISION
 VITANTONIO PRODUCTS, LTD.
 160 NORTHFIELD ROAD
 BEDFORD, OH 44146

CUSTOMER PURCHASE ORDER NO.		TERMS		SHIP VIA		F.O.B. POINT		
970423		NET 30		YELLOW		MORRIS, IL		
ORDERED BY		SALES REPRESENTATIVE		ORDER DATE	OUR ORDER NO.	CUSTOMER ID.		
ALLIED ENTERPRISES		ALLIED ENTERPRISES		02/27/97	203844	VITANTONIO		
LIN	DL	QUANTITY		PART NUMBER	DESCRIPTION COMMENTS:	UNIT	UNIT PRICE	EXTENDED PRICE
		ORDERED	SHIPPED					
01	01	8000.00	8143.00	HT-612	2779	EA	1.00000000	8143.00
LINE ITEM TOTALS		DISCOUNT	SUB TOTAL	FREIGHT	TAXABLE AMT.	TAX	MISC.	INVOICE TOTAL
8143.00		0	8143.00	0	0	0	0	8143.00

DATE 5-5-97
 P.O.#
 APPROVAL
 ACCT# 1201-410

1/4/97
 [Signature]

As that he is familiar with all the terms and conditions of the said bill of lading, set forth in the classification or tariff which governs the transportation of this shipment, and the said terms and conditions are hereby agreed to and accepted for himself and his assigns.

SHIPPER'S NO. **203844**
 CARRIER'S NO. **203844**

DATE **May 1 1997**
 CARRIER **Yellow**

CONSIGNEE AND DESTINATION
**Kadee Products Division
 Vitantonio Products, Ltd.
 160 Northfield Road
 Bedford, OH 44146**

NO. PACKAGES	DESCRIPTION OF ARTICLES, SPECIAL MARKS AND EXCEPTIONS	ENG. #	WEIGHT (SUBJECT TO CORR.)	CLASS OR RATE
	skid (28 ctrol) switches			
	cust. order no. 970423			
			Net weight 543	
			dunnage 5	
			total weight 548	

PLACARDS SUPPLIED YES NO

DRIVER'S SIGNATURE _____

EMERGENCY RESPONSE PHONE NO. _____

SHIPPER'S CERTIFICATION: This is to certify that the above-named materials are properly classified, described, packaged, marked and labeled, and are in proper condition for transportation according to the applicable regulations of the Department of Transportation.

SIGNATURE _____ TITLE _____

* If the shipment moves between two ports by a carrier by water, the law requires that the bill of lading shall state whether it is "carrier's or shipper's weight".

† Shipper's liability in lieu of stamp; not a part of Bill of Lading approved by the Interstate Commerce Commission.

Note — Where the rate is dependent on value, shippers are required to state specifically in writing the agreed or declared value of the property. The agreed or declared value of the property is hereby specifically stated by the shipper to be not exceeding _____.

THIS SHIPMENT IS CORRECTLY DESCRIBED.

CORRECT WEIGHT IS **548** LBS.

† The boxes used for this shipment conform to the specifications set forth in the box makers certificate thereon, and all other requirements of the Commodity Freight Classification.

Subject to Section 7 of Conditions applicable bill of lading, this shipment to be delivered to the consignee at the expense of the consignee, the carrier shall not make delivery of this shipment without payment of and all other lawful charges.

Per _____ (Signature of Consignor)

If charges are to be prepaid, write same here. "To Be Prepaid."

Received \$ _____ to apply in prepayment of the charges the property described herein.

Agent or Cashier. _____

Per _____ (The signature here acknowledges only the amount prepaid).

Charges Advanced _____

BIMET CORP.
 P. O. Box 518 • Morris, IL 60450
 Permanent post-office address of shipper

Shipper, Per **Signe YFS Skid** Agent, Per **[Signature]**
92623 **5-107**

11/4/97
YFS

AFFIDAVIT

SAMPLE NO. 98-830-4327

STATE OF

OHIO

COUNTY OF

CUYAHOGA

Before me, Edward Blythin, a duly authorized employee of the Consumer Product Safety Commission, appropriately designated by the Chairman of said Commission pursuant to provisions of the Consumer Product Safety Act (sec. 27 (b)(2), 86 Stat. 1228; 15 U.S.C. 2076 (b)(2)), to administer or take oaths, affirmations, and affidavits, personally appeared GEORGE BIELERT in the county and State aforesaid, who, being first duly sworn, deposes and says:

I, George Bielert, am Vice President of Kadee Products, Ltd., 6225 Cochran Road, Solon, Ohio 44139. I am knowledgeable about and take part in the day-to-day operations of Kadee Products and the Vitantonio Division of Kadee Products. The Vitantonio Division of Kadee Products is located at the 6225 Cochran Road address.

On 11/4/97 my firm was inspected by U.S. Consumer Product Safety Commission Investigator Ed Blythin. One purpose of Mr. Blythin's inspection was to collect a sample consisting of two "Mickey's Waffler," model 1950 waffle makers. Mr. Blythin selected these two waffle makers from stock at a warehouse located at 160 Northfield Road, Bedford, Ohio 44146.

Page 1 of 2.

AFFIANT'S SIGNATURE & TITLE

George J. Bielert V.P.

Firm (Name and address, include ZIP Code)

KADEE PRODUCTS LIMITED
6225 COCHRAN ROAD
SOLON, OH 44139

Subscribed and sworn to before me at

SOLON, OHIO
(City and State)

the 4TH day of NOVEMBER, 1997

Edward Blythin
(Employee's Signature)

EMPLOYEE OF THE CONSUMER PRODUCT SAFETY COMMISSION ACTING IN ACCORDANCE WITH AUTHORITY GRANTED IN THE ABOVE STATED DECLARATION.

AFFIDAVIT

SAMPLE NO. 98-830-4327

STATE OF

OHIO

COUNTY OF

CUYAHOGA

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1. Invoice # 007798 dated 5/1/97 from Bimet Corporation, 425 E. Route 6, Morris, IL 60450.
2. Bimet Corp. shipping document dated 5/1/97. Carrier is "yellow" & shipper's no. is 203844.

At Mr. Blythin's request, I dated and initialed these documents.

~~_____~~

Page 2 of 2

AFFIANT'S SIGNATURE & TITLE

George J. Bielert V.P.

NAME (Name and address, include ZIP Code)

KADEE PRODUCTS, LTD.
6225 COCHRAN ROAD
SOLON, OH 44139

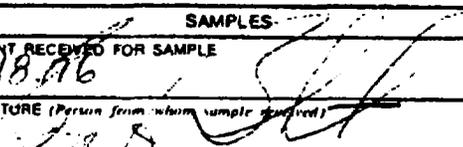
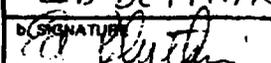
Subscribed and sworn to before me at

SOLON, OHIO
(City and State)

on 4th day of NOVEMBER, 1997.

Edward Blythin
(Employee Signature)

EMPLOYEE OF THE CONSUMER PRODUCT SAFETY COMMISSION ACTING IN ACCORDANCE WITH AUTHORITY GRANTED IN THE ABOVE STATED DECLARATION.

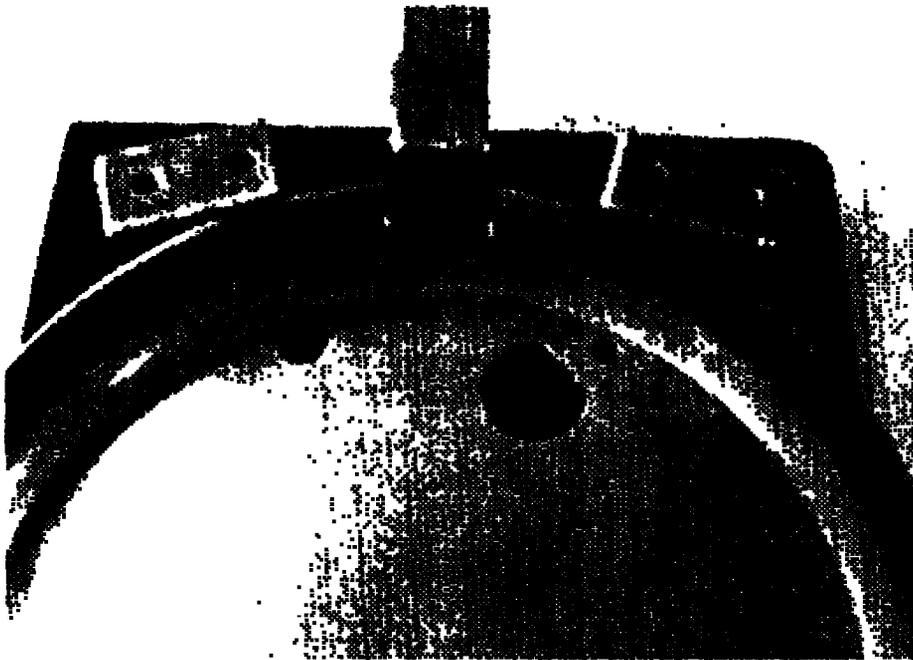
U.S. CONSUMER PRODUCT SAFETY COMMISSION		1. AREA OFFICE ADDRESS CONSUMER PRODUCT SAFETY COMMISSION 1114 N. COURT STREET, P.O. BOX 712 MEDINA, OH 44258	
2. NAME OF INDIVIDUAL GEORGE VIELETT		3. TITLE OF INDIVIDUAL VICE PRESIDENT	
5. FIRM NAME KADEE PRODUCTS LIMITED		4. DATE 11/4/97	
7. NUMBER AND STREET 6005 COCHRAN ROAD		6. SAMPLE NUMBER 98 R30-4327	
8. CITY AND STATE (Include Zip Code) COLUMBIA, OH 44139			
9. SAMPLES COLLECTED (Describe fully. List lot, serial, model numbers and other positive identification) <p>The following samples were collected by the Consumer Product Safety Commission pursuant to Section 27(f) of the Consumer Product Safety Act (15 U.S.C. 2076(f) and/or Section 11(b) of the Federal Hazardous Substances Act (15 U.S.C. 1270(b) and/or Sections 5(c) and (d) of the Flammable Fabrics Act (15 U.S.C. 1194(c) and (d) and/or Section 704(c) of the Federal Food Drug and Cosmetic Act (21 U.S.C. 374(c)) [Authority for sample collections made in connection with the Poison Prevention Packaging Act of 1970 (15 U.S.C. 1471 et seq.)], and receipt for said samples is hereby acknowledged. Sections cited are quoted on the reverse side of this form.</p> <p>LEACH MICKEY'S WAFFLER No 1950</p>			
10. SAMPLES a. AMOUNT RECEIVED FOR SAMPLE 48.76		11. SAMPLES WERE <input checked="" type="checkbox"/> PURCHASED <input type="checkbox"/> BORROWED (To be returned)	
b. SIGNATURE (Person from whom sample received) 		12. COLLECTOR a. NAME (Print or type) ED BLYTHIN b. SIGNATURE 	

**U.S. Consumer Product Safety Commission
ASSIGNMENT REPORT**

Assign No 971017CCA4659	MIS Code 32600	Status Open	Assign Type Inspection	Region FOCR
Investigator	Supervisor John R. Vece	Firm KADEE PRODUCTS LIMITED 6225 COCHRAN ROAD SOLON, OH 44139		
Assign Date 10/17/97	Target Date 11/17/97	VICTIM INFORMATION		
Revised Target Date	Complete Date	City	State/Zip	Product Description
		Document Number	HIA No.	
Remarks				
Assignment Conduct inspection and review files concerning the firm's distribution of a waffle iron in the shape of "Mickey Mouse". Obtain information on distribution and specific quantities sold. The "fix" provided by the firm was unacceptable by CCA. Determine also whether the firm has re-distributed the product with their proposed "fix" which is not acceptable.				

TO: ZULMA SOTO, C. SC VIA E-MAIL

Digital Photo of Modified assembly fixture for the Premiere Top Cover



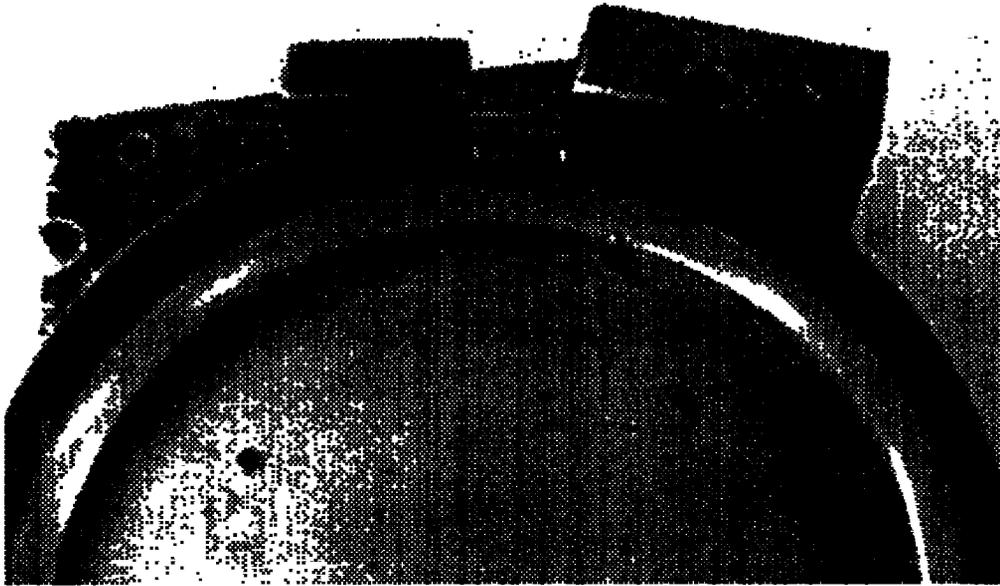
You will note that there are four (4) holes in the round cover. At the approximate 12:00 position is a small hole between the two large holes. This hole fits over a pilot pin on the fixture. For the sake of clarity and enlargement, we did not show the 6:00 position. It has a similar sized hole through which another pilot pin fits.

The three steel tooling blocks on the fixture locate the position of the metal clips.

The operator places the clips on the bottom cover.

TO: ZULMA SOTO, CLJC VIA E-MAIL

Digital Photo of Modified assembly fixture for the Premiere Bottom Cover



You will note that there are three (3) holes in the round bottom cover. At the approximate 1:00 position is a small hole. This hole fits over a pilot pin on the fixture. For the sake of clarity and enlargement, we did not show the 6:00 position. It has a similar sized hole through which another pilot pin fits.

The two steel tooling blocks on the fixture locate the position of the metal clips.

The operator places the clip on the bottom cover.

ARTER & HADDEN^L

ATTORNEYS AT LAW

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August 21, 1998

Deborah Lewis, Esq.
Trial Attorney
Office of Compliance
U.S. Consumer Product Safety Commission
Washington, D.C. 20207-0001

Zulma Soto
Office of Compliance
U.S. Consumer Product Safety Commission
Washington, D.C. 20207-0001

Re: CPSC RP970157
Kadee Products Ltd./Vitantonio Products
Kadee/Vitantonio Waffle Makers

Dear Ms. Lewis and Ms. Soto:

In this letter we respond to the questions raised in your fax of August 13, 1998, and in our recent telephone conversation.

1. **Format of Diskettes**

As discussed during our telephone conversations, the computer diskettes are formatted in standard AutoCAD files, revision 12 of AutoCAD's release. If the CPSC's computers are unable to view the diskettes in that format, please let us know and we will have the diskettes reformatted in a standard that is compatible with your computers.

98
AUG 32 AM 11:00

ARTER & HADDEN^L

Deborah Lewis, Esq.
Zulma Soto
August 21, 1998
Page 2

2. Breakdown of the 1950 and 1950C Manufacturing and Sales History

As you can see from the attached revised manufacturing history (Exhibit A), one additional lot of Model 1950C units was manufactured in October of 1996. That lot consisted of 502 units. That lot was not initially identified as a Model 1950C lot due to the manufacturing records stating that this manufacturing lot was "mixed." Kadee Products verified it was in fact a lot where both 502 Model 1950C units and 51 Model 1950 units were manufactured when it compiled the sales/shipment/transaction histories (Exhibits B, C, D and E) discussed below and in Appendix 1 (see also the entries of October 31, 1996 for Model 1950 units and 1950C units on Exhibit A).

Given the above, the total number of 1950C units ever manufactured by Kadee Products is 2,161; only 1,659 of which comprised the lot containing the two problem Disney products. Moreover, in that lot of 1,659, only 1,359 were distributed to retailers in the United States.

3. 1950C Sales History

Attached is Appendix 1, with Exhibits. Those documents detail the manufacturing, inventory, and sales history of each and every Model 1950C unit manufactured by Kadee Products, both in Canada and the United States. This provides you with complete information on where and when every Model 1950C unit manufactured by Kadee Products was sold.

With respect to Canada, the attached customer shipment histories in Canada for calendar year 1996 and part of 1997 (Exhibits B and C, respectively) identify each Canadian retailer who purchased a Model 1950C unit, how many units they purchased, the date of purchase, and the address of the purchaser. A similar document is provided regarding purchases made of Model 1950 units and Model 1950C units in the United States (Exhibit D).¹

Exhibit E is a transaction history for Model 1950 units and Model 1950C units. This is provided to explain the discrepancy between the number of Model 1950C units manufactured (Exhibit A) and the number of Model 1950C units shipped in Canada and the United States (Exhibits B, C and D).

¹ As Appendix 1 explains in detail, in the United States a situation arose where Model 1950 units and Model 1950C units became "combined inventory." This letter clarifies the "combined inventory" situation and describes precisely what happened to all Model 1950C units.

ARTER & HADDEN^{LL}

Deborah Lewis, Esq.
Zulma Soto
August 21, 1998
Page 3

4. Source of the Discovery of the Disney Problem

The two Disney problem units were returned directly to Disney by Disney's own customers. Disney independently decided to perform the testing involved, after which it notified Kadee Products of the test results. Disney did not share with our client the names and addresses of the customers who returned those units.

5-6. Dates and Abbreviations on Computer Documents Previously Provided

Kadee Products operates on a calendar year that runs from October to October. The computer reports previously provided indicate quantities sold ("QTY SOLD") from October of 1997 through the run date of July 31, 1998. "QTY PRYR" under "QTY SOLD" means "quantity sold in the prior year" and, specifically in this instance, October of 1996 through October of 1997. The monthly breakdowns for each year correspond with the months listed at the top of each column.

7. Correlation Between Numbers Listed on the Inventory Sales History and the Numbers Listed Separately on the Sales History

There is possibly some small discrepancy in the sales numbers on all of the documents and summaries provided. Any discrepancy is largely attributable to certain units having been returned to Kadee Products for non-safety related reasons (i.e., retail inventory clearing and cosmetic complaints) and thereafter being processed back to inventory and resold.

8. List of Retailers

The 33 retailers listed on our May 18, 1998 submission represent well over 80% of Kadee Products' sales of Premiere line waffle makers. The computer sales report provided on August 6, 1998 lists each and every retailer who has purchased any Vitantonio product over the years. The former list was intended to provide you with Kadee's largest, most frequent customers, while the later list was intended to provide you with as comprehensive a response as possible.

Contacting Retailers

ARTER & HADDEN^{LL}

Deborah Lewis, Esq.
Zulma Soto
August 21, 1998
Page 4

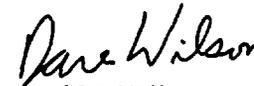
While we understand your position is that the CPSC has the right to contact retailers without the prior written approval of Kadee Products, please note that rumors about product problems could irreparably damage our client who is already facing extreme financial difficulties. If you find it necessary to contact such retailers, we would like the opportunity to work with you regarding who is contacted and the nature of such contact.

As with all of our submissions, pursuant to 16 C.F.R. § 1015.18, we request, on behalf of Kadee Products, that all information provided with this letter and its attachments, like all other information obtained in this investigation, be treated as containing trade secrets and confidential commercial and financial information that is exempt from public disclosure under 5 U.S.C. § 552(b)(4). Kadee Products has maintained this information in confidence and not released it to anyone except its employees or persons in confidential relationships with it, such as its attorneys and consultants. This information is not commonly known within the industry and cannot be ascertained by outside persons with a minimum of time and effort. If released, the information will be likely to cause substantial and irreparable harm to Kadee Products' competitive position. As counsel to Kadee Products, we are authorized to make this claim of confidentiality on its behalf.

If, for any reason, you or the Commission decides not to treat any of this information as confidential, please contact us prior to any dissemination of the information so that appropriate steps can be taken, if necessary.

We look forward to hearing from you and working towards resolving this matter.

Sincerely,


David I. Wilson

DIW:rae
Enclosures

cc: Mr. Hank Oberle
Joseph J. Morford, Esq.

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70276/82945

APPENDIX 1

Exhibit E is the transaction history which explains when all Model 1950C units were placed in inventory in Canada and the United States, as well as when and where each such unit was shipped to a retailer. To walk through Exhibit E, please first look at the "CANADA HISTORY" section of the document. In October of 1996, the Canadian inventory of Model 1950C units was 0 units (Exhibit E). In October of 1996, 502 Model 1950C units were manufactured and sent to Canada for distribution (Exhibit E). Between October of 1996 and January 16, 1997, 420 Model 1950C units were shipped in Canada to those purchasers listed on the 1996 customer shipment history in Canada for Model 1950C units (Exhibit B, Exhibit E). Please note the total of 420 Model 1950C units shipped is equal in both Exhibits.

Following the shipment of the 420 Model 1950C units, an inventory balance of 82 Model 1950C units in Canada remained (Exhibit E). Between January 14, 1997 and January 17, 1997, 1,659 more Model 1950C units were manufactured (see Exhibit A ($576 + 720 + 235 + 128 = 1,659$)). On January 17, 1997, 300 of those Model 1950C units were sent to Canada for distribution (Exhibit E). This created a Canadian inventory balance of 382 Model 1950C units (Exhibit E). During 1997, 252 of those Model 1950C units were shipped to various retailers in Canada (Exhibit C, Exhibit E). This left an inventory balance in Canada of 130 Model 1950C units as of May 31, 1998 (Exhibit E). Those units have subsequently been sold to various retailers in Canada.

With respect to the "UNITED STATES HISTORY," on October 31, 1996, Kadee Products had an inventory of approximately 2,880 Model 1950 units (Exhibit E).¹ Between October 31, 1996 and January 16, 1997, 2,524 Model 1950 units were shipped to retailers in the United States (Exhibit D, Exhibit F). After those shipments, as of January 16, 1997, an inventory balance of 356 Model 1950 units remained in the United States (Exhibit E).

As Exhibit A indicates, and as stated previously, there were 1659 Model 1950C units manufactured in the period between January 14, 1997 and January 17, 1997 (Exhibit A -- $576 + 720 + 235 + 128 = 1,659$). Once again, 300 of those 1,659 Model 1950C units went to Canada for distribution. The remaining 1,359 Model 1950C units manufactured during the January 14, 1997 to January 17, 1997 time period were incorrectly put into the Model 1950 inventory for distribution in the United States (Exhibit E). This created a "combined inventory" for United States distribution consisting of both Model 1950 units and Model 1950C units. As of January 17, 1997, that "combined inventory" totaled 1,715 units.

Between January 17, 1997 and March 26, 1997, 1,703 units from the "combined inventory" of Model 1950 units and Model 1950C units were distributed in the United States to

¹ Unless the inventory amount is zero, as it was in Canada (see above), the inventory amount is, necessarily, an approximation. This is because some units, over the course of time, are returned to inventory for resale, after they are returned by customers for non-safety related reasons (i.e., retail inventory clearing and cosmetic complaints). Thus, inventory data will always exceed manufacturing data. The 2,880 figure is based on the manufacturing data.

the retailers shown on Exhibit E (Exhibit D, Exhibit E). As of March 26, 1998, a "combined inventory" balance of 12 units remained (Exhibit E).

Next, on March 27, 1997, 353 Model 1950 units were manufactured (Exhibit A). Those units were placed into the "combined inventory" of Model 1950 units and Model 1950C units (Exhibit F). This made the "combined inventory" balance 365 units (Exhibit E).

Between March 28, 1997 and April 1, 1997, 336 units out of the Model 1950 and Model 1950C "combined inventory" were shipped to retailers in the United States (Exhibit D, Exhibit E). This left an inventory balance as of March 31, 1997 of 29 units, and a total of 2,051 units of the "combined inventory" that were distributed in the United States to the retailers listed on Exhibit D.

This accounts for each and every Model 1950C unit manufactured at any time by Kadee Products.

EXHIBIT A-1

DATE	QUANTITY	SERIAL NUMBERS	MANUFACTURING HISTORY WITH SERIAL NUMBERS	DATE	QUANTITY	SERIAL NUMBERS	DATE	QUANTITY	SERIAL NUMBERS	DATE	QUANTITY	SERIAL NUMBERS	DATE	QUANTITY	SERIAL NUMBERS	DATE	QUANTITY	SERIAL NUMBERS	DATE	QUANTITY	SERIAL NUMBERS	DATE	QUANTITY	SERIAL NUMBERS			
			1550 PREMIER																								
			BELGIAN																								
5/3/96	2938	160095246-160098196	1600 PREMIER	6/1/96	479	45039623-45040102	6/1/96	3411	45039071-45042282	6/1/96	1255	45081017-45082272	10/3/96	502	46006022-46006524												
6/20/96	24	160098187-160098210	FIVE OF HEARTS	6/13/96	432	26001000-26001432	6/20/96	24	36001000-36001025	6/13/96	22	45082273-45082294	1/14/97	576	17001000-17001576												
6/30/96	432	160098211-160098443		6/18/96	1568	26001433-26003000	6/15/96	253	36001026-36001278	6/30/96	72	45082295-45082366	1/15/97	720	17001576-17002296												
7/22/96	792	36001000-36001782		6/15/96	99	26003001-26003099	6/30/96	265	36001279-36001563	6/30/96	41	45082367-45082407	1/16/97	235	17002297-17002532												
7/23/96	864	36001783-36002556		6/30/96	304	26003100-26003403	6/30/96	1008	36001564-36002571	10/1/96	504	46001753-46002257	1/17/97	128	17002533-17002661												
7/24/96	624	360022657-36002480		6/18/96	19	26003404-26003422	6/30/96	757	36002572-36003328	10/2/96	664	46002258-46003121															
6/7/96	504	36002481-36002944		10/8/96	216	46003423-46003638	6/30/96	127	36003329-36003455	10/4/96	990	46003122-46004111															
6/9/96	664	36002945-36003849		10/9/96	1368	46003639-46005006	10/4/96	1008	46004709-46005116	10/4/96	127	46004112-46004238															
6/12/96	126	36004849-36004874		10/10/96	1872	46005007-46005878	10/7/96	1008	46005117-46005803	10/28/96	836	46004239-46005195															
6/13/96	72	36004975-36005046		10/11/96	1152	46005879-46006030	10/9/96	787	46005904-46007299	10/29/96	217	46005196-46005391															
6/14/96	228	36005047-36005275		10/15/96	104	46006040-46008133	10/15/96	648	46006134-46008181	11/23/96	51	46006325-46006576															
6/15/96	479	36005276-36005574		11/13/96	7508		11/13/96	664	46008782-46009645	12/31/96	52	46006680-46006731															
6/16/96	47	3600755-36005801																									
6/20/96	282	36005902-36006093																									
6/21/96	144	36006094-36006237		1/29/97	209	17001735-17001942	11/15/96	576	46009646-460010224																		
6/21/96	576	36006238-36006913		1/29/97	857	17001943-17002799	11/20/96	24	460010225-460010497	96 TOTAL	5664																
6/23/96	432	36006914-36007245		1/21/97	24	17002799-17002823	12/5/96	648	46001049-460016521																		
6/23/96	314	36007246-36007559		2/12/97	67	17002824-17002850	12/5/96	360	46001170-460011529																		
6/23/96	1445	36007560-36009404		2/18/97	971	17002851-17003861	12/9/96	362	460011530-460011891																		
6/23/96	664	36009405-360010268		7/8/97	1030	37003283-37004323	12/11/96	105	460011892-460011996																		
6/24/96	648	360010269-360010916		7/15/97	286	37004324-37004609																					
6/25/96	157	460011629-460011765		7/16/97	24	37004610-37004653	96 TOTAL	12865																			
6/25/96	1284	460011766-460013069		8/15/97	1626	37004654-37005289																					
6/27/96	280	460013070-460013319		8/25/97	198	37005290-37006487																					
10/14/96	866	460013320-460014165		8/25/97	317	37006488-37006804																					
10/16/96	1944	460014166-460016120		9/30/97	71	47001708-47001716	2/4/97	432	17001000-17001432																		
10/22/96	1008	460016145-460017152		30-Sep	6	47001717-47001718	2/5/97	792	17001433-17002224																		
10/23/96	792	460017153-460017944		11/22/97	42	47001719-47001726	2/6/97	776	17002225-17003000																		
11/13/96	2824	460017945-460020568		11/24/97	24	47001727-47001751	5/10/97	1024	17003001-17004025	TOTAL 1997	5921																
12/9/96	31	460020569-460020599		5/10/97	5782		5/13/97	726	27004026-27004744																		
12/9/96	73	460020600-460020672		6/13/97	1698	18003233-18003631	6/13/97	522	27004745-27005479																		
12/10/96	798	460020673-460021470		12/6/98	800	18003632-18003931	6/27/97	278	27005480-27005798	1/16/98	17	18010351-18010366															
12/13/96	219	460021471-460021689		3/9/96	1089	18003932-18004232	7/8/97	45	27005804-27005903	2/16/98	807	18010367-18011276															
12/16/96	72	460021690-460021761		3/9/96	1801	18004233-18004533	8/4/97	1492	37005904-37006553	2/17/96	35	18011277-18011310															
12/17/96	288	460021762-460022049		3/31/98	181	18011312-18011287	8/30/97	1583	37006554-370071268																		
12/18/96	720	460022050-460022769		5/4/98	696	28004343-28005029	10/14/97	76	470011580-470012420	TOTAL 98	9591																

EXHIBIT D-1

1950/1950C				
CUSTOMER SHIPMENT HISTORY IN THE UNITED STATES				
DATE	CUSTOMER	CUST. #	UNITS SHIPPED	ADDRESS
1/17/97	COOKIN STUFF	12450	6	22217 PALOS VERDES BLVD 2 TORRANCE, CA.
1/20/97	CUTLERY & GIFTS	14760	6	1700 W NEW HAVEN AVE. MELBOURNE, FL.
1/20/97	CYBERSHOP	14874	1	130 MADISON AVE. SUITE 312 NEW YORK, NY.
1/20/97	WALT DISNEY	63410	1	PO BOX 10 120 LAKE BUENA VISTA, FL.
1/21/97	KITCHEN KABBOODLE	37940	22	3219 NW. GUAM PORTLAND, OR.
1/21/97	CHEFS CATALOG	8202	8	1201 ELM ST. SUITE 2800 DALLAS, TX.
1/24/97	BED BATH & BEYOND	3595	1	650 LIBERTY AVE. ANNEX BLD. FARMINGDALE, NY.
1/24/97	IN THE KITCHEN	22158	3	880 HWY. A1A SUITE 13 PONTE VERDA, FL.
1/24/97	DILLARDS	20514	1	700 EAST 151 ST. OLF THE, KS.
1/24/97	DILLARDS	20509	3	396 NORTH WD DRIVE GILBERT, AZ.
1/24/97	THE COOKIE CUTTER	12420	3	4001 SUMMITVIEW 18 YAKIMA, WA.
1/24/97	SUR LA TAB	60400	125	1765 6TH AVE. SOUTH SEATTLE, WA.
1/27/97	DILLARDS	20509	1	396 NORTH WD DRIVE GILBERT, AZ.
1/29/97	BROOKSIDE GIFTS	5028	1	115 NTH. MICHIGAN BEULAH, MI.
1/29/97	KITCHEN COM.	37042	2	2302 FRONTAGE RD. 28 SCOTTSBLUFF, NE.
1/29/97	SANTA & COMP.	55065	6	5770 W. IRLD BRONSON MEMORIAL KISSIMMEE, FL.
1/29/97	DILLARDS	20514	1	700 EAST 151 ST. OLF THE, KS.
1/29/97	DILLARDS	20509	21	398 NORTH WD DRIVE GILBERT, AZ.
1/30/97	A COOKS WARE	12270	2	211 37TH STREET BEAVER FALLS, PA.
1/30/97	ROLLING PIN	54017	4	6901 22ND. AVE. N. ST. PETERSBERG, FL.
1/31/97	EASY COOKIN INC.	21388	1	350 N MILWAUKEE 2109 TOWNE SQ. MALL BOISE, ID.
1/31/97	DILLARDS	20509	4	396 NORTH WD DRIVE GILBERT, AZ.
1/31/97	CATEGORY ONE	7335	1	7820 DODGE ST. OMAHA, NE.
	JAN		224	
2/4/97	KITCHEN KABBOODLE	37940	2	3219 NW. GUAM PORTLAND, OR.
2/4/97	WALT DISNEY	63410	432	PO BOX 10 120 LAKE BUENA VISTA, FL.
2/5/97	KITCHEN COM.	37042	2	2302 FRONTAGE RD. 28 SCOTTSBLUFF, NE.
2/5/97	THE WHIP & SPOON	64025	12	161 COMMERCIAL ST. PORTLAND, OR.
2/5/97	COOKS WARE	12271	2	11344 MONTGOMERY RD. CINCINNATI, OH.
2/5/97	SUR LA TAB	60400	48	1765 6TH AVE. SOUTH SEATTLE, WA.
2/7/97	DILLARDS	20509	8	396 NORTH WD DRIVE GILBERT, AZ.
2/7/97	DILLARDS	20514	4	700 EAST 151 ST. OLF THE, KS.
2/10/97	SOMEONE'S IN KITCH.	58241	2	2200 N MAPLE 654 RAPID CITY, SD.
2/11/97	COTTONWOOD CUP.	13180	3	2170 35TH AVE. GREELEY, CO.
2/11/97	DISNEY LAND	63411	24	1313 HARBOR BLVD. PO BOX 3232 ANAHEIM, CA.
2/11/97	DILLARDS	20509	13	398 NORTH WD DRIVE GILBERT, AZ.
2/12/97	DILLARDS	20514	1	700 EAST 151 ST. OLF THE, KS.
2/12/97	NUTMEG	49283	2	8246 WEST BOWLES LITTLETON, CO.
2/13/97	POTS ETC.	52365	24	8501 W BOLES AVE. LITTLETON, CO.
2/14/97	KISS THE COOK	35553	2	70 CHURCH ST. BURLINGTON, VT.
2/14/97	THE KNOBS CO,	39904	18	2355 NW. VAUGHIN PORTLAND, OR.
2/17/97	CYBERSHOP	14874	2	130 MADISON AVE. SUITE 312 NEW YORK, NY.
2/17/97	DISNEY LAND	63411	12	1313 HARBOR BLVD. PO BOX 3232 ANAHEIM, CA.
2/17/97	NORTHERN VALLEY	48022	3	551 COUNTRY DR. CHICO, CA.
2/17/97	ROLLING PIN	54018	6	1058 W. CLUB BLVD. DURHAM, NC.
2/18/97	KITCHEN EXPRESS	37581	8	2103 E. SUNSHINE SPRINGFIELD, MO.
2/19/97	JACOBSON STORES	34980	5	3333 SARGENT RD. JACKSON, MI.

EXHIBIT D-2

2/12/97	DILLARDS	20514	1	700 EAST 151 ST. OLF THE, KS.
2/12/97	NUTMEG	49283	2	8246 WEST BOWLES LITTLETON, CO.
2/13/97	POTS ETC.	52365	24	8501 W BOLES AVE. LITTLETON, CO.
2/14/97	KISS THE COOK	35553	2	70 CHURCH ST. BURLINGTON, VT.
2/14/97	THE KNOBS CO.	39904	18	2355 NW. VAUGHIN PORTLAND, OR.
2/17/97	CYBERSHOP	14874	2	130 MADISON AVE. SUITE 312 NEW YORK, NY.
2/17/97	DISNEY LAND	63411	12	1313 HARBOR BLVD. PO BOX 3232 ANAHEIM, CA.
2/17/97	NORTHERN VALLEY	49022	3	551 COUNTRY DR. CHICO, CA.
2/17/97	ROLLING PIN	54018	6	1058 W. CLUB BLVD. DURHAM, NC.
2/18/97	KITCHEN EXPRESS	37581	8	2103 E. SUNSHINE SPRINGFIELD, MO.
2/19/97	JACOBSON STORES	34990	5	3333 SARGENT RD. JACKSON, MI.
2/19/97	MARTY EXPRESSIONS	44080	1	1100 THORNBUSH CIRCLE N. ARLINGTON, TX.
2/19/97	DILLARDS	20509	8	396 NORTH WD DRIVE GILBERT, AZ.
2/20/97	SUNSHINE KITCHENS	60359	2	14625 N. E. 20TH BELLEVUE, WA.
2/24/97	GOURMET TOUCH	28100	3	PO BOX 995 LAGRANDE, OR.
2/24/97	PROVISIONS GOURME	52607	4	4208 N FRANKLAND RD. ROANOKE, VA.
2/24/97	TOUCH OF KITCHEN	61345	3	14023 WOODINVILLE DUVAL RD. WOODINVILLE, WA.
2/24/97	WECK CORP	63630	2	1220 THIRD AVE. NEW YORK, NY.
2/24/97	ZCMI	65080	48	2200 SOUTH 900 WEST SALT LAKE CITY, UT.
2/25/97	ACE HARDWARE	301	6	2200 KENSINGTON COURT OAK BROOK, IL.
2/25/97	WEST CULINARY COR.	63770	6	MESA MALL 334 GRAND JUNCTION, CO.
2/25/97	DILLARDS	20509	13	396 NORTH WD DRIVE GILBERT, AZ.
2/27/97	CHEFS CATALOG	8202	21	1201 ELM ST. SUITE 2800 DALLAS, TX.
2/27/97	CITY DRUG	8758	1	345 MAIN ST. FOLLETTE, TX.
2/28/97	COOKS WARE	12271	1	11344 MONTGOMERY RD. CINCINNATI, OH.
2/28/97	WALT DISNEY	63410	288	PO BOX 10 120 LAKE BUENA VISTA, FL.
	FEB		1042	
3/3/97	B&K CHEESE	3080	1	TRIPHAMMER MALL ITHACA, NY
3/4/97	DILLARDS	20514	1	700 EAST 151 ST. OLF THE, KS.
3/4/97	DILLARDS	20509	12	396 NORTH WD DRIVE GILBERT, AZ.
3/5/97	CYBERSHOP	14874	2	130 MADISON AVE. SUITE 312 NEW YORK, NY.
3/5/97	JACOBSON STORES	34990	3	3333 SARGENT RD. JACKSON, MI.
3/10/97	ANTHONY CALF. INC.	1574	18	14275 TELEPHONE AVE. CHINO, CA.
3/10/97	CHEFS CATALOG	8202	36	1201 ELM ST. SUITE 2800 DALLAS, TX.
3/12/97	DILLARDS	20509	19	396 NORTH WD DRIVE GILBERT, AZ.
3/14/97	ARIEL	1840	4	617 THE PARKWAY RICHLAND, WA.
3/14/97	WALT DISNEY	63410	306	PO BOX 10 120 LAKE BUENA VISTA, FL.
3/17/98	KITCHEN KABBOODLE	37940	12	3219 NW. GUAM PORTLAND, OR.
3/19/98	DILLARDS	20509	6	396 NORTH WD DRIVE GILBERT, AZ.
3/19/98	DILLARDS	20514	7	700 EAST 151 ST. OLF THE, KS.
3/25/97	COOKS MART	11601	10	3000E. 3RD. AVE. DENVER, CO.
3/31/97	CHEFS CATALOG	8202	336	1201 ELM ST. SUITE 2800 DALLAS, TX.
	MARCH		773	
	TOTAL 1/17/97-3/31/97		2159	

EXHIBIT E

TRANSACTION HISTORY		
MODELS		
1950 & 1950 C		
CANADA HISTORY		
DATE	TRANSACTION	QUANTITY
10/30/96	CANADA - BEGINNING INVENTORY	0
10/31/96	MANUFACTURED FOR CANADA	502
10/31/96-1/16/97	CANADA - SHIPMENTS	420
1/16/97	CANADA - INVENTORY BALANCE	82
1/17/97	MANUFACTURED FOR CANADA	300
1/17/97	CANADA - INVENTORY BALANCE	382
1/17/97-05/31/98	CANADA - SHIPMENTS	252
5/31/98	CANADA - INVENTORY BALANCE	130
UNITED STATES HISTORY		
DATE	TRANSACTION	QUANTITY
10/31/96	MODEL 1950 BEGINNING INVENTORY	2880
10/31/96-1/16/97	1950 SHIPPED IN THE UNITED STATES -	2524
1/16/97	MODEL 1950 U.S. INVENTORY BALANCE	356
1/17/97	1950C MANUFACTURED AND PUT INTO	1359
	MODEL 1950 INVENTORY	
1/17/97	INVENTORY BALANCE (COMBINED LOT OF	1715
	MODELS 1950 AND 1950 C)	
1/17/97-3/26/97	SHIPPED IN THE UNITED STATES-1950/1950C	1703
3/26/97	INVENTORY BALANCE (COMBINED LOT)	12
3/27/97	MANUFACTURED - MODEL 1950	353
3/27/97	INVENTORY BALANCE (COMBINED LOT)	365
3/28/97-3/31/97	SHIPPED IN THE UNITED STATES -1950/1950C	336
4/1/97	INVENTORY BALANCE OF MODEL 1950	29

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June 15, 1998

VIA FACSIMILE & FEDERAL EXPRESS

Ms. Zulma Soto
Office of Compliance
U.S. Consumer Product Safety Commission ("CPSC")
4330 East West Highway
Bethesda, MD 20814

Re: **CPSC RP970157**
Kadee Products Limited/Vitantonio Products ("Kadee")
Kadee/Vitantonio Waffle Makers

Dear Zulma:

In this letter, we respond to the questions raised in the letter of May 4, 1998, and the supplemental questions that you asked during telephone conversations. Before responding to the information requests, we summarize the issues raised during your investigation.

WHO IS KADEE PRODUCTS?

Kadee Products, Ltd. ("Kadee Products") purchased Vitantonio Products in 1995, when Vitantonio Products was in default on many of its financial obligations. The President of Kadee Products is Hank Oberle. George Bielert is the Company's Vice President.

Kadee Products manufactures and distributes kitchen products, with the principal product in its product line being the Premier line waffle irons. Kadee Products' assembly line and distribution center was recently moved to Bedford, Ohio in an effort to reduce overhead. At that facility, Kadee Products employs on average sixty (60) non-management personnel, consisting of seventy percent (70%) non-Caucasian workers.

At this time, Kadee Products is struggling financially against fierce market competition. Currently, Kadee Products has developed impressive customer relationships, like Disney and Williams-Sonoma, which hopefully present real opportunities for Kadee Products and its employees

86 JUN 16 1998

243

ARTER & HADDEN_{LL}

Ms. Zulma Soto
June 15, 1998
Page 2

in the future. All of Kadee Products' significant competitors in the waffle iron market manufacture their products in China.

SUMMARY OF FACTS

On May 8, 1997, the Walt Disney Company ("Disney") contacted Kadee Products Ltd. and informed them that consumers had returned to Disney two (2) "Mickey" Waffle Irons that exhibited electrical problems. ACTS Testing, Disney's outside testing laboratory, evaluated the units which it had received on April 30, 1998. It concluded that the problem had been caused by the sharp edge of the shell fraying wires which were outside the channel, i.e., the wiring was not under clips and was thus outside of the channel. In other words, the opening and closing of the waffle iron (a "cycle") abraded the insulation of unprotected wires. No one was injured and no claims have been made against Kadee Products and/or Disney with respect to the subject units.

The problem present in the Disney Waffle Makers became apparent after very few cycles. In fact, these waffle irons, purchased by Disney theme park customers for home use, were manufactured by Kadee Products between January 14, 1997 and January 17, 1997 ("Production Period").¹ On April 30, 1997, less than three and one-half (3½) months after the Production Period, Disney was first notified of the problem with these two units. In that less than three and one-half (3½) month period, the two (2) waffle irons were (1) prepared for distribution by Kadee Products; (2) shipped by Kadee Products; (3) received by Disney; (4) inventoried by Disney; (5) displayed for sale at a Disney theme park; (6) sold by Disney; (7) used by the consumers; (8) reported to Disney by the consumers as non-conforming; (9) returned by the consumers to Disney; and (10) examined by Disney, who subsequently reported the problem to Kadee Products. This timetable demonstrates that the problem had to manifest itself in each instance after a very small number of cycles.

It is significant to note that over 1,900 Model 1950C Waffle Irons were manufactured by Kadee Products during the Production Period and promptly delivered to retailers. No similar concerns have been identified by consumers or retailers with respect to this product. Almost a thousand of these units were sold by Disney through its theme park stores contemporaneously.

Certainly, Disney was well aware of the problem and it would have reported any complaints to Kadee Products as it received them. Industry experience confirms that a "novelty" waffle iron,

¹ It was originally believed by Kadee Products that these units were Model 1950's. Tracing the manufacture date for 1950's led to the preliminary conclusion that these units were manufactured in April of 1997. After it was determined these were in fact Model 1950C's, it became clear that these units were actually manufactured between January 14, 1997 and January 17, 1997. The serialization for those production lots is also enclosed.

ARTER & HADDEN_{LL}

Ms. Zulma Soto

June 15, 1998

Page 3

like the "Mickey" product, has its heaviest use within ninety (90) days of its retail purchase. The fact is that there are no complaints from the Disney customers who purchased nearly a thousand units at this time. These facts, coupled with the small number of cycles prior to the problem arising, strongly indicates that the problem present in the Disney Waffle Irons was the result of isolated assembly error. This is the opinion of the responsible Disney personnel. If the problem were systemic, surely more than two (2) customers would have identified a concern in the almost eighteen (18) months since the Production Period.

Moreover, if the problem were a systemic one, the sharpness of the shell would have resulted in complaints from many of Kadee Products' other customers and consumers. Since July 1995, about 145,000 Premier Line waffle irons have been manufactured and sold, yet the Disney complaints are the only documented consumer complaints. There is simply no pattern of defect.

The record indicates no basis for concluding that the 1950C's, or any of the other Premier waffle irons constitute a substantial product hazard under 15 U.S.C. § 2064(a). There is no systemic problem with the design or assembly of the products. If there were a problem, consumers would have quickly detected them and returned the products to the retailers from whom they purchased them. These products, which retail for over \$60.00 are sold by retailers, such as Williams-Sonoma, that have sophisticated customers who return products if they cause problems.

Enclosed for your review are the following:

- 1) A description of all test reports, analyses, and evaluations requested in Question 1 of the May 4th letter;
- 2) A chronology of events requested in Question 7 of the May 4th letter;
- 3) An explanation of the November 11, 1997 "Vitantonio Manufacturing Return/Repair Form requested in Question 9 of the May 4th letter. See 1) above;
- 4) A schedule of Kadee Products' serial numbers for the Premier waffle irons and their respective dates of manufacture; and
- 5) A description of Kadee Products' procedures for preventing the distribution in the United States of Premier waffle irons designed for sale in Canada.

Pursuant to 16 C.F.R. §1015.18, we request, on behalf of Kadee Products, that the information provided with this letter and its attachments, like all other information obtained in this investigation, be treated as containing trade secrets and confidential commercial and financial information that is exempt from public disclosure under 5 U.S.C. §552(b)(4). Kadee Products has

ARTER & HADDEN_{LL}

Ms. Zulma Soto
June 15, 1998
Page 4

maintained this information in confidence and not released it to anyone except its employees or persons in confidential relationships with it, such as its attorneys and consultants. The information is not commonly known within the industry and cannot be ascertained by outside persons with a minimum of time and effort. If released, the information will be likely to cause substantial harm to Kadee Products' competitive position. As counsel to Kadee Products, we are authorized to make claims of confidentiality on its behalf. If for any reason the Commission decides not to treat any of the information as confidential, please contact us prior to any dissemination of the information so that appropriate steps can be taken, if necessary.

If you have any questions regarding the information provided, please contact me.

Sincerely,


David I. Wilson

DIW:rae
Enclosures

cc Mr. Hank C. Oberle (w/encl.)
Mr. George J. Bielert
Joseph J. Morford, Esq.

147525
70276/82945

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TEST REPORTS, ANALYSES AND EVALUATIONS PERFORMED

There are three (3) relevant test reports, analyses, and/or evaluations of the waffle irons in question.

- (1) The Hi-Pot tests that are performed on every waffle iron at the end of the assembly process, prior to preparation of the product for distribution;
- (2) The "Vitantonio Manufacturing Return/Repair Form", which was prepared shortly after the Disney complaint, regarding analysis of Model 1600s, attached as Exhibit 1 ("Form"); and
- (3) The internal evaluation conducted, also shortly after the Disney complaint, by Kadee Products on Model 1950s and possibly other Premier models in inventory ("Evaluation").

Hi-Pot Tests. All Kadee Products waffle irons are subjected to the Hi-Pot test at the end of the assembly process. Prior to being placed in packaging for shipment to customers, the Hi-Pot test is conducted at ten times normal home voltage to challenge the integrity of the product. If a unit fails the Hi-Pot test, it is not packaged and shipped.

Common Elements to the Form and the Evaluation. Both involved review by assembly line workers who had been instructed to carefully examine each unit and make sure "the units are perfect." They followed that instruction scrupulously and made sure that each unit was perfect and noted all imperfections, although not necessarily precisely. Another common element to both inspections is that Kadee Products has found the disassembly of its waffle irons will often cause a deviation from its manufacturing specifications by the disturbance of the clips and thus the wires. Kadee Products believes that the checking of the units in question largely explains the "imperfections" which were found.

Neither the Form nor the Analysis was intended to be a rigorous analysis of the condition of the units. Instead, both efforts were intended to ensure that the Disney Problem was not present in Kadee Products' inventory and neither investigation found the Disney Problem present in any units examined.

Form. Each Spring, some retailers return unsold merchandise rather than pay for it. These "returns" were all in their original, sealed packages, which had never been opened, and were strictly credit-motivated rather than the result of any quality issue or customer complaint.

In view of the Disney Problem, however, Kadee Products wanted to be sure that these returned units did not have the Disney Problem. "Moved Over 1/4 Inch" was the shorthand used in the Kadee Products plant to reference the Disney Problem. The Form is labeled "Moved Over 1/4 Inch", because the purpose of the product review was to determine if the returned products had the

ARTER & HADDEN_{LL}

Disney Problem. The Forms demonstrate that all units were checked. It does not indicate any defects or deviations, and the Disney Problem was not detected in any of these units.

Evaluation. The assembly line workers identified two types of issues: "clips not correct" and "wires not correct." The terminology "clips not correct" meant the clips may have been crooked or slightly elevated in the channel either in the original assembly, or as a result of the disassembly. It is impossible to determine whether this occurred during the original assembly or as a result of the disassembly. Kadee Products employees who prepared the Evaluation verify that where an imperfection was detected, the clips were straightened to horizontal or lowered, but not moved radially horizontally along the circumference of the top/bottom shell of the unit.

Regarding the terminology "wires not correct", this meant the three insulated wires were each in the channel, but one wire was to some degree above or below the other two wires. Typically, that situation involved the middle wire being slightly elevated from the other two wires. In any event, it is critical to correct the record that the wires, while uneven, were not out of the channel as the CPSC apparently preliminarily concluded, as indicated by an excerpt from the report sent to Kadee Products on May 7, 1998.

147509

VITANTONIO MANUFACTURING RETURN/REPAIR FORM

DATE RECEIVED: _____
 CARRIER: _____
 CUSTOMER NAME: _____
 RA#: _____

DATE PROCESSED: 5-7-97
 # OF CARTONS: _____

(only 2 order) *spacers, on 1600 NS*
moved over 1/4 inch

QTY	TYPE				PRODUCT #	REASON FOR RETURN										SERIAL #	COMMENTS	STOCK	REWORK	SCRAP	STORE
	CERAMIC	ELECTRICAL	BOOK	OTHER		NO REASON	LIGHTS OUT	THERMOSTAT	DEFECTIVE	LATE DELIVERY	DUPLICATE ORDER	ASSEMBLY	MISSING COMPONENTS	BROKEN COMPONENTS	NOT ORDERED						
					1700 1092												17002483		1700113		
					1700 1087												17002469		17001088		
					1700 1086												17002486		" 1108		
					1700 1089												17002488		" 1107		
					1700 1126												17001130		" 1145		
					1700 1124												17001131		" 1141		
					1700 1125												17001105		17001115		
					1700 1127												17001102		1119		
					1700 1120												17001101		1099		
					1700 1123												17001109		1144		
					45037427												17001111		1118		
					2600 1085												17001104		1146		
					46005469												17001078		1149		
					46006407												" 1128		1143		
					45036241												" 1100		1090		
					46006735												" 1117		1094		
					46023810												" 1106		1121		
					46007968												" 1109		1135		
					46023827												" 1114		1097		
					17002729												" 1110		1092		
					46023828												" 1122		1079		

PROCESSED BY: Roller

KDE 102E RETURNS

VITANTONIO MANUFACTURING RETURN/REPAIR FORM

DATE RECEIVED: _____
 CARRIER: _____
 CUSTOMER NAME: _____
 RA#: _____

DATE PROCESSED: 5-7-97
 # OF CARTONS: _____

1600 us spacers

QTY	TYPE				PRODUCT #	REASON FOR RETURN											NEW	DISC	SERIAL #	COMMENTS	STOCK	REWORK	SCRAP	STORE
	CERAMIC	ELECTRICAL	ROB	OTHER		NO REASON	LIGHTS OUT	THERMOSTAT	DEFECTIVE	LATE DELIVERY	DUPLICATE ORDER	ASSEMBLY	MISSING COMPONENTS	BROKEN COMPONENTS	NOT ORDERED									
																		17002349				17002670		
																		17002383				17002336		
																						17002331		
																						17002337		
																						17002332		
																						17002335		
																						17002330		
																						17002348		
																						17002341		
																						17002310		
																						17002339		
																						17002338		
																						17002337		
																						17002297		
																						17002286		
																						17002298		
																						17002295		
																						17002296		
																						17002298		
																						17002346		
																						17002342		

PROCESSED BY: Frank R. Ben

KDE 102E RETURNS

VITANTONIO MANUFACTURING RETURN/REPAIR FORM

DATE RECEIVED: _____
 CARRIER: _____
 CUSTOMER NAME: _____
 RA#: _____

DATE PROCESSED: 5-7-97
 # OF CARTONS: _____

(only 2 order) *spacers, on 1600 NS*
moved over to this

QTY	TYPE				PRODUCT #	REASON FOR RETURN										SERIAL #	COMMENTS	STOCK	REWORK	SCRAP	STORE
	CARRIAGE	ELECTRICAL	BOOK	OTHER		NO REASON	LIGHTS OUT	THERMOSTAT	DEFECTIVE	LATE DELIVERY	DUPLICATE ORDER	ASSEMBLY	MISSING COMPONENTS	BROKEN COMPONENTS	NOT ORDERED						
					1700 1092												17002483	1700113			
					1700 1087												17002469	17001088			
					1700 1086												17002486	" 1108			
					1700 1089												17002488	" 1107			
					1700 1126												17001130	" 1145			
					1700 1124												17001131	" 1141			
					1700 1125												17001105	17001115			
					1700 1127												17001102	1119			
					1700 1120												17001101	1089			
					1700 1123												17001109	1144			
					45037427												17001111	1118			
					2600 1085												17001104	1146			
					4600 5469												17001078	1149			
					4600 6407												" 1128	1143			
					4503 6241												" 1100	1090			
					4600 6735												" 1117	1094			
					4602 3810												" 1106	1121			
					4600 7960												" 1109	1135			
					4602 3827												" 1114	1097			
					1700 2729												" 1110	1092			
					4602 3828												" 1122	1079			

PROCESSED BY: KDE + Ben

KDE 102E RETURNS

VITANTONIO MANUFACTURING RETURN/REPAIR FORM

DATE RECEIVED: _____
 CARRIER: _____
 CUSTOMER NAME: _____
 RA#: _____

DATE PROCESSED: 5-7-97
 # OF CARTONS: _____

1600 us Sparks

QTY	TYPE				PRODUCT #	REASON FOR RETURN										SERIAL #	COMMENTS	SLOT	ROW	SARC	STRTS
	CERAMIC	ELECTRICAL	ROB	REFITO		NO REASON	TOO HIGH	TOO LOW	EXCESSIVE	LATE DELIVERY	DUPLICATE ORDER	ASSEMBLY	MISSING COMPONENTS	DEFECTIVE COMPONENTS	NON CONFORMANCE						
																17002349				17002670	
																17002345				17002336	
																				17002331	
																				17002327	
																				17002335	
																				17002335	
																				17002330	
																				17002348	
																				17002341	
																				17002340	
																				17002339	
																				17002338	
																				17002337	
																				17002297	
																				17002286	
																				17002298	
																				17002295	
																				17002296	
																				17002298	
																				17002346	
																				17002342	

PROCESSED BY: Frank A. Pm

KDE 102E RETURNS

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CHRONOLOGY OF EVENTS

May 8, 1997- Hank Oberle, President, Kadee Products, received a telephone call from Lenton Lee, Purchasing Executive, Disney, concerning problems with two "Mickey Wafflers", part of Kadee's Premier waffle iron line.¹

May 9-11 (approximately)- Hank Oberle and George Bielert, Vice President, Kadee Products, had several telephone conversations concerning the nature of the problems with the two units. Disney reported that one customer indicated that sparks came out of its unit and that the other customer said the unit had blown a circuit breaker.

May 19, 1997-Kadee Products provided the CPSC with its initial report, based on the assumption that the two Disney units were Model 1950s and not Model 1950Cs intended for sale in Canada.

May 21 - June, 1997 - In an effort to resolve any possible safety issue, Kadee Products analyzed all 725 Model 1950s in inventory and determined that none of them had wires out of the channel that would be exposed to the sharp edge of the waffle iron shell. Kadee Products also inspected 942 units in inventory of previous and following lots and none exhibited wires out of the channel.

In its Initial Report, Kadee Products indicated the subject lot included 852 units (the "Lot") and it could account for the two Disney units and the above-referenced 725 units it held in inventory.

May-June, 1997 - Kadee Products reviewed all Premier line products in its inventory for electrical problems. See attached Test Reports, Analyses and Evaluations for a discussion of Kadee Products' findings.

June 5, 1997- Kadee Products received a memorandum from the CPSC asking if it wanted to participate in CPSC's No Preliminary Determination Program. Kadee Products, not represented by counsel and without previous experience with the CPSC, did not realize the significance of the proposal and did not participate in it.

June 15 - July 1, 1997 - Per Kadee Products' request, Disney returned 107 units to Kadee Products in pallet form which were warehoused.

¹ A third unit was returned to Disney with a broken foot and a dented lower metal enclosure. We believe that the dent reduced the normal distance between the cover and a conductor and energy leakage resulted from the dent. It is not surprising that the unit failed the HiPot test as units subject to improper handling may no longer conform to Kadee Products' manufacturing specifications.

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July 16, 1997-Kadee Products filed its final report with the CPSC in which it offered to recall the 18 missing units from the Lot. As noted above, Kadee Products had accounted for the 725 units it held in inventory and the 107 units returned by Disney. With the two Disney units, this left only 18 units from the Lot which had not been located.

June 1997 - CPSC requested two samples of Premier waffle irons. Kadee Products provided one Model 1950 unit which it intentionally rigged, noting on that sample "Wire routed under cover edge, not under protector clip" in order to demonstrate the "wires outside the channel problem" present in the two Disney units and one Model 1950 from inventory.

September 30, 1997-the CPSC provided Kadee Products with its analysis of the two samples. It confirmed the problem in the intentionally rigged unit. Regarding the second sample, the CPSC stated that "microscopic evaluation" of the wires showed deterioration in the wire insulation. There was no indication of the cause of the alleged deterioration or that such deterioration was related to clip placement or the routing of the wires.

September 1997- In addition to Kadee Products' rigorous quality control procedures, Kadee Products refined a fixture on its assembly process to reduce operator variability.

October 27, 1997-Kadee Products provided a production history of the Premier units to the CPSC. At its request, two additional units were provided to the CPSC. The CPSC prepared a report noting that neither of the units had misrouted wires; however the CPSC indicated that one of the units had a clip which was not installed properly. This report was only made available to Kadee Products in May, 1998. Kadee Products assumes that the disassembly of its units caused the subject clips to move, as this is consistent with industry experience.

May 4, 1998 - the CPSC hand delivered a letter to Kadee Products requesting that it stop manufacturing all waffle irons. The CPSC also sealed Kadee Products's inventory and asked for the suspension of the distribution of all waffle irons.

May 8-11, 1998 - after inspection of samples of all Kadee Products waffle iron models (1550, 1600, 1800 and 1950), the CPSC stated that Kadee Products could resume the production and distribution of its waffle irons.

May 1998 - to date- in preparing to respond to the letter of May 4, 1998, Kadee Products reviewed all information applicable to the Disney units that were part of the same lot with the two problem Disney units. As a result of that process, Kadee Products realized that the Disney units in question were 1950Cs and not 1950s as originally thought. The lot which included the two problem Disney units contained 1,936 units. The subject 1950Cs were also manufactured during the Production Period and distributed from January 31, 1997 through March 27, 1997, 300 units of this lot were sold to Canadian retailers, 1,036 were sold to Disney (829 were sold to Disney customers and 107 were returned to Kadee Products), and the remaining 573 units were shipped to a variety of American retailers.

SERIALIZATION FOR 1950C UNITS, INCLUDING THE DISNEY "PROBLEMS"

DATE	QUANTITY OF UNITS	SERIAL NUMBERS
1/14/97	576	17001000-17001576
1/15/97	720	17001576-17002296
1/16/97	576	17002296-17002872
1/17/97	128	17002872-17003000

358811.1.

FAX

Date August 14, 1998

Number of pages including cover sheet 2

TO: Ms. Deborah Lewis
U.S.C.P. - Safety
Commission

Phone 301-504-0626
Fax Phone 301-504-0359

FROM: ALAN P. KAUFMAN
Technical Services at
WDW
Attractions Merchandise,
Phase 3
3030 Maingate Lane
Kissimmee, FL 34747

Phone 407-390-5480
Fax Phone 407-390-5469

CC:

REMARKS: Urgent For your review Reply ASAP Please Comment

Re: MICKEY MOUSE Waffle Irons

For your information. If you need any additional information, please do not hesitate to contact me.

Thanks,

Alan P. Kaufman

258

Laura -

These are the examples of some of the problems. The majority are coming back with the broken foot, but there have been others blowing circuits or where the lights did not work.

Let me know what we need to do.

Thanks -

Sharon Howell

Merchandise Mailorder

934 6122

My supervisor is aware that you are looking in to this.

She is Leslie Mitchell

363-4963

Thanks.

Sharon

ARTER & HADDEN

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August 6, 1998

Deborah Lewis, Esq.
Trial Attorney
Office of Compliance
U.S. Consumer Product Safety Commission
Washington, D.C. 20207-0001

Zulma Soto
Office of Compliance
U.S. Consumer Product Safety Commission
Washington, D.C. 20207-0001

Re: CPSC RP970157
Kadee Products Ltd./Vitantonio Products
Kadee/Vitantonio Waffle Makers

Dear Ms. Lewis and Ms. Soto:

In this letter, we respond to the questions that you and Zulma Soto raised in your letter of July 23, 1998, and in our recent telephone conversation. As we indicated during that telephone conversation, we apologize if our June 15, 1998 report did not answer all your questions. Hopefully this letter, and its attachments, will clarify any remaining confusion. We assure you it has always been our intention to fully respond to the CPSC's request for information.

We appreciate your willingness to work with Kadee Products to resolve this matter and suggest that we meet promptly after you have reviewed this information.

Below, we respond to the questions raised in the letter of July 23, 1998. Attached are a response to the questions raised in the letter of May 5, 1998 and a response to those items listed in 16 C.F.R. § 1115.13(d).

260

ARTER & HADDEN.

Deborah Lewis, Esq.
Zulma Soto
August 6, 1998
Page 2

“Complaints, Claims Injuries [sic], or Safety Communications” Kadee Products has already provided the CPSC with copies of all documents that could be construed to be “complaints, claims injuries [sic], or safety communications, from consumers or dealers, concerning the product.” Diskettes with the engineering drawings for the product are provided with these materials.

Model Information. On October 27, 1997, Kadee Products submitted to Ed Blythin, your investigator, production information for the period between July 1995 (the date when Kadee Products acquired Vitantonio) and October of 1997. Kadee Products made 144,459 units of the Premiere line during that period.

The total number of products manufactured since June of 1996, when Kadee Products computerized its recordkeeping, is noted on the manufacturing history with serialization produced in these materials.

As for sales, which are easier to accurately track, please note the following:

- Model 1950's and 1950C's sold since 1993 -- 40,733
- Model 1550's sold since 1993 -- 133,294
- Model 1600's sold since 1993 -- 46,390
- Model 1800's sold since 1993 -- 62,217
- Total number of Premiere line waffle makers sold since 1993 -- 282,634
- Total number of safety-related consumer complaints about Premiere line waffle makers since 1993 -- 2

The above facts are derived from the Premiere waffle sales history produced in these materials and the previously produced information on safety-related consumer complaints.

Kadee Products focused on the lot of Model 1950C units manufactured between January 14-January 17 because that is the lot from which the Disney problem units originated. To date, that is the **only** lot in which any safety-related problem has occurred. Notably, that is also the **only** time Kadee Products manufactured Model 1950C units until July of this year when about 100 units were produced for sale in Canada.

ARTER & HADDEN

Deborah Lewis, Esq.
Zulma Soto
August 6, 1998
Page 3

Lots produced since June of 1996 can be traced, as the January 14-January 17 one was, through model numbers and serial numbers, as well as through production and shipping records, like those produced in these materials.

Chronology Questions

June 1997. The chronology noted that Kadee Products had "intentionally rigged" one of the samples requested by the CPSC. The sample in question was marked by George Bielert with the notation "Wire routed under cover edge, not under protector clip." Mr. Bielert intentionally altered that sample in response to a CPSC request for a sample that illustrates the "Disney problem." In other words, Mr. Bielert disassembled a product and moved the wire from under the protector clip and in the channel to outside the channel and under the edge of the cover. Again, this was done intentionally to illustrate the Disney problem at your request.

Quality Control Change Implemented in September 1997. As Kadee Products has indicated previously, a quality control change was made in the assembly process in September 1997 to enhance the assembly process. This fixture enhancement was implemented to the already existing fixture related to clip placement in order to further eliminate the possibility of assembly error. Photographs of the earlier fixture and the fixture enhancement were previously provided. Also, at the CPSC's request, the Process Control Plan for this assembly process was slightly revised. The revised Process Control Plan was previously provided. For your convenience, another copy is contained in these materials.

The precise date of the process enhancement is indeterminable. The best estimate, however, of the number of units manufactured after the September enhancement of the assembly process (as compared to the previously mentioned sales information) is:

- Model 1950's and 1950C's sold since 1993 -- 40,733
(number manufactured after fixture enhancement) -- 4,008
- Model 1550's sold since 1993 -- 133,294
(number manufactured after fixture enhancement) -- 28,682
- Model 1600's sold since 1993 -- 46,390
(number manufactured after fixture enhancement) -- 6,401

ARTER & HADDEN

Deborah Lewis, Esq.
Zulma Soto
August 6, 1998
Page 4

- Model 1800's sold since 1993 -- 62,217
(number manufactured after fixture enhancement) -- 11,121
- Total number of Premiere line waffle makers sold since 1993 -- 282,634
(number manufactured after fixture enhancement) -- 50,212
- Total number of safety-related consumer complaints about
Premiere line waffle makers since 1993 -- 2

Distribution of Model 1950C's in the United States. As indicated in the letter of June 15, there was a distribution error that led to the Canadian models (Model 1950C's) being shipped to Disney and American retailers. This distribution error initially caused confusion regarding whether the "Disney problem" involved Model 1950's or 1950C's.

Originally, Disney provided Kadee Products with the serial numbers of the two problem units. The serial numbers have two important segments, the interpretation of which led to Kadee Products' confusion in determining the model involved: (1) the first two digits -- indicating the quarter and year of manufacture (i.e., "17" means the first quarter of 1997, while "27" means the second quarter of 1997); and (2) the last four digits -- indicating the serial number sequence of units coming off the assembly line. (See the manufacturing history with serial numbers provided in these materials.)

In this instance, the serial numbers provided by Disney indicated that the units were manufactured in the first quarter of 1997. Disney also said these were "Mickey" wafflers -- which are Model 1950's. Since Disney said they were "Mickey" wafflers and since Disney is in the United States, a check of the serialization of the Model 1950's with this serial number sequence showed that Model 1950's with this serial number sequence were manufactured in the second quarter of 1997, not the first quarter of 1997. Kadee assumed this was merely a minor transcription of ministerial error, as opposed to a distribution error, and proceeded for several months under the faulty assumption that the Disney problem involved Model 1950's. That is why Kadee Products' initial report inaccurately focused on Model 1950's.

Only in May of 1998, while double-checking information for this investigation, did Kadee Products realize that, in fact, the Disney problem involved Model 1950C's that were improperly distributed, as opposed to a situation where a transcription or ministerial error led to the wrong quarter of

ARTER & HADDEN

Deborah Lewis, Esq.
Zulma Soto
August 6, 1998
Page 5

manufacture being written down on the Disney serial numbers. Kadee Products came to this realization after viewing its shipping records, which indicated that 1950C's manufactured in the first quarter were sent to Disney, not to Canada. Those records are provided herein. A more detailed narrative explaining this situation can be given by Kadee officials if you choose to conduct the meeting we have suggested.

The 1950C's improperly distributed in the United States were UL compliant.

Test Reports. Kadee Products has already provided copies of all test reports, analyses, and evaluations performed by Kadee that exist. Notably, the Process Control Plan previously provided points out numerous additional points of inspection throughout the assembly process. Also, Kadee previously indicated that each waffle iron that leaves the assembly line goes through a HiPot test run at ten times normal home voltage prior to being packaged for distribution. No documents exist regarding such HiPot tests.

On top of these tests, Underwriter's Laboratories, Inc. inspected the Premiere line waffle makers on numerous occasions before and after the Disney Problem. Each time UL found the models compliant. These models went through full pre-market UL certification testing, including an analysis of the design of the internal wiring system and the material specifications of the product. See attached documentation granting the UL mark under file number E78547.

Tests Conducted After the "Disney Problem." The tests or examinations documented in the provided materials were performed, as you correctly note, after the "Disney Problem" was learned about. In fact, such evaluations were done promptly after the "Disney problem" was learned about specifically to ensure that no units in Kadee's inventory were distributed to retailers or consumers with any potential electrical problem. These evaluations were conducted at the request of George Bielert.

Prior Tests. The multitude of tests and inspections outlined in the Process Control Plan and the HiPot tests conducted during the assembly process were performed on each unit prior to shipment, before Kadee Products learned about the "Disney Problem."

ARTER & HADDEN

Deborah Lewis, Esq.
Zulma Soto
August 6, 1998
Page 6

Description of the Examinations Performed. The special examinations outlined in our prior report were general safety inspections; however, in light of the "Disney Problem," the examinations focused on the location of the clips and the clips securing the wires in the channel. Following these special examinations, each unit was again subjected to the HiPot test prior to being packaged for distribution.

Number of Units in Which the Clip Had Been Moved Over 1/4 Inch. As stated in the letter of June 15, the return/repair form was labeled as it was because the purpose of the product review was to determine if the returned products had the Disney Problem. The form demonstrates that all units were checked. It does not indicate any defects or deviations in any of these units.

Additional Return/Repair Form Attached to the June 15 Letter. The additional return/repair form is merely a second copy of the same form. It was erroneously attached; the proper attachment should have been one 3-page report.

Names and Addresses of Distributors, Retailers and Purchasers. Attached are the names and addresses for all retailers who ever ordered a Premiere line waffle maker from Kadee Products. Please note and honor the confidential nature of this information in particular. No retailers are to be contacted by the CPSC regarding this investigation without the prior written approval of Kadee Products. Any attempt on your part to contact any of these retailers is likely to cause substantial harm to Kadee Products' competitive position. We appreciate your professional courtesy and cooperation in this regard.

Kadee does not sell to distributors and no list of purchasers exists.

Corrective Action Plan. Kadee Products has not proposed any corrective action plan because Kadee Products does not believe any "defective waffle irons" from Kadee Products are on the market. Rather, this investigation merely shows two isolated incidents of assembly error.

The enclosed Attachments further complete our compliance with the CPSC's original information requests of May 4, 1998 and 16 C.F.R. § 1115.13(d).

Pursuant to 16 C.F.R. § 1015.18, we request, on behalf of Kadee Products, that all information provided with this letter and its attachments, like all other information obtained in this investigation, be treated as containing trade secrets and confidential commercial and

265

ARTER & HADDEN

Deborah Lewis, Esq.
Zulma Soto
August 6, 1998
Page 7

financial information that is exempt from public disclosure under 5 U.S.C. § 552(b)(4). Kadee Products has maintained this information in confidence and not released it to anyone except its employees or persons in confidential relationships with it, such as its attorneys and consultants. The information is not commonly known within the industry and cannot be ascertained by outside persons with a minimum of time and effort. If released, the information will be likely to cause substantial harm to Kadee Products' competitive position. As counsel to Kadee Products, we are authorized to make claims of confidentiality on its behalf.

If for any reason the Commission decides not to treat any of the information as confidential, please contact us prior to any dissemination of the information so that appropriate steps can be taken, if necessary.

Once again, we apologize if we were unclear in our earlier response and look forward to resolving this matter.

If you have any questions regarding this submission, please call me at (202) 775-7971.

Sincerely,



David I. Wilson

DIW:rae
Enclosures
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ARTER & HADDEN

ATTACHMENT 1

In response to the items listed in the "Information Requested" section of your May 4, 1998 letter to Kadee Products Ltd., please note the following:

1. Copies of all responsive materials have already been provided. The evaluations were conducted at the request of George Bielert.
2. Copies of all responsive documents have been provided.
3. No responsive information exists with the exception of that information previously provided.
4. Copies of all engineering drawings and material specifications are attached. No engineering change notices exist.
5. Samples of all Premiere line waffle makers requested by the CPSC have already been provided.
6. Instructions for use and a catalog have already been provided.
7. A complete and accurate chronology of events relative to the potential problem has already been provided.
8. A detailed explanation of the relationship between Kadee Products Ltd. and Vitantonio Products has already been provided.
9. An explanation of the "Vitantonio Manufacturing Return/Repair Form" has already been provided. No other relevant return/repair forms exist.
10. No documents or computer files concerning any relevant information have been destroyed.

370938.1

ARTER & HADDEN

ATTACHMENT 2

In accordance with your request for Kadee Products to provide information listed in 16 C.F.R. § 1115.13(d), please note the following:

- (1) Like its previous reports, this report is submitted by the undersigned, as counsel for Kadee Products.
- (2) See information previously provided.
- (3) See information previously provided. In addition, identifying marks are located on the product as exhibited on the samples previously provided.
- (4) See information previously provided.
- (5) See information previously provided.
- (6) See information previously provided.
- (7) See information previously provided.
- (8) See information previously provided.
- (9) Kadee Products currently has approximately 5,500 units of Premiere line waffle makers in inventory. Beyond that, all other units manufactured by Kadee Products, Ltd. are either in the possession of retailers or consumers.
- (10) See information previously provided.
- (11) See information previously provided.
- (12) See information previously provided.
- (13) Kadee Products sells its products to retailers who then sell directly to consumers. A list of all retailers for the sale of all Vitantonio products is provided in these materials.
- (14) See information previously provided.
- (15) See information previously provided.

██████████
6225 COCHRAN ROAD, SOLON, OHIO 44139

██████████
216-519-1400; TELEFAX 216-519-1401

██████████
June 26, 1997

Ms. Zulma Soto
US Consumer Product Safety Commission
Washington, DC 20207

Via Telefacsimile

Dear Ms. Soto:

Our warehouse facility was unable to dispatch the new and defective units of the Mickey Wafflers today, via overnight courier. However, they will be dispatched on Friday, June 26, 1997.

Sincerely,
KADEE METALFAB INCORPORATED



George J. Bielert
Vice President

KADEE

ARTER & HADDEN_{LLP}

ATTORNEYS AT LAW

founded 1843

WASHINGTON, D.C.

FAX COVER SHEET

TO: **ZULMA SOTO U.S. CONSUMER PRODUCT SAFETY COMM.**

FAX NO.:
(301) 504-0359

FROM: **DAVID I. WILSON, ESQ.**

DATE: **6/16/98**

TIME: _____

USER ID.:
DIW4908

TOTAL NO. OF PAGES: **2**
(including cover page)

CLIENT / MATTER: **70276/82945**

COMMENTS

Zulma,

Enclosed is the information concerning Kadee Products Procedures for Canadian Waffle Irons. Please contact me if you have any questions.

cc: Mr. Hank C. Oberle (w/encl.)
Mr. George J. Bielert
Joseph J. Morford, Esq.

*If you have any problems reading this transmission,
please call the above telephone number and ask for the fax operator.*

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**RETURN CONFIRMATION COPIES TO:
SHERYL HARRIS**

KADEE PRODUCTS' PROCEDURES FOR CANADIAN WAFFLE IRONS

The waffle irons distributed by Kadee Products in Canada are identical to those intended for distribution in the United States with the exception that the Canadian units contain a ground wire, as required by the CSA. The Canadian units are UL-approved and are safe for use in the United States. In each case the Canadian units contain the letter "C" after the model number, such as the Model 1950C, so that Kadee Products can distinguish between the U.S. model 1950.

148736

ARTER & HADDEN^{LL}

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May 18, 1998

VIA FACSIMILE & FEDERAL EXPRESS

Zulma Soto
Office of Compliance
U.S. Consumer Product Safety Commission
Washington, D.C. 20207-0001

Re: CPSC RP970157
Kadee Products Limited/Vitantonio Products
Kadee/Vitantonio Waffle Makers

Dear Ms. Soto:

I am writing in partial response to your May 4, 1998 letter to Kadee Products, Ltd. Enclosed in response to the same are the following:

- 1) A catalog depicting the full product line for Vitantonio Products;
- 2) A brochure provided with Vitantonio's waffle irons regarding recipes and instructions;
- 3) A list of retailers of Vitantonio Premier line waffle irons;
- 4) A document containing an explanation of the relationship between Kadee Products, Ltd. and Vitantonio Products.

Pursuant to 16 C.F.R. §1015.18, Kadee Products, Ltd. requests that this report in its entirety (including its attachments and enclosures) be treated as containing trade secrets and confidential commercial and financial information that is exempt from public disclosure under 5 U.S.C. §552(b)(4). This information has been maintained in confidence by Kadee Products, Ltd. and not released to anyone except employees of the company or persons in confidential relationship with it, such as its attorneys and consultants. The information contained in this

272

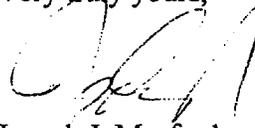
ARTER & HADDEN_{LLP}

Zulma Soto
May 18, 1998
Page 2

report is not commonly known within the industry and cannot be ascertained by outside persons with a minimum of time and effort. If released, the information contained in this report would be likely to cause substantial harm to Kadee Products, Ltd.'s competitive position. As counsel for Kadee Products, Ltd., we are authorized to make claims of confidentiality on its behalf. If for any reason the Commission decides not to treat any of this information as confidential, please contact us prior to any dissemination of the information so that appropriate steps can be taken, if necessary.

Further responsive information will be provided as soon as possible. If you have any questions regarding the information provided, please do not hesitate to contact me.

Very truly yours,



Joseph J. Morford

JJM:rae
Enclosures

cc: Hank C. Oberle
David I. Wilson, Esq.

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VITANTONIO PREMIER LINE WAFFLE IRONS

LIST OF RETAILERS

1. Apex
2. Basic Living
3. Book of the Month Club
4. Chef's Catalog
5. Dayton's
6. Dillard's
7. Disneyland
8. Gallery of Gifts
9. Habitat
10. Hammacher Schlemmer
11. Home Chef
12. Imperial Import & Export
13. Jacobson Stores
14. Kitchen Express
15. Kitchen Glamour
16. Kitchen Kaboodle II
17. Kobos Company
18. Lechter's
19. Minnesota Power
20. Reading China
21. Sands, Taylor, & Wood
22. Sur La Table
23. The Cook Store
24. The Cupboard
25. Truserve
26. Walt Disney
27. William Glen Aropi
28. Williams-Sonoma
29. Young Chin
30. Younker's
31. Zabar's
32. Zcmi
33. Zupancic

**THE RELATIONSHIP BETWEEN KADEE PRODUCTS, LTD.
and
VITANTONIO PRODUCTS**

Kadee Products, Ltd. is a privately held limited liability company that manufactures waffle irons and other cookware, and distributes a variety of cookware and other kitchen products. Vitantonio Products is a trade name used by Kadee Products, Ltd.

354084.1

Recipes and Instructions

