17870 Castleton St. STE 116, CITY OF INDUSTRY, CA 91748
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<u>V.1005</u> (updated Oct.5,2017)

Date: June 16, 2017

Office of the Secretary
Division of Compliance Office of
the General Counsel
U.S. Consumer Product Safety Commission
4330 East-West Highway
Bethesda, MD 20814

ATV ACTION PLAN OF AMSTAR MOTOR CORPORATION

AMSTAR MOTOR CORPORATION is fully committed to the goal of reducing ATV-related accidents. We have implemented new policies in accordance with the rules set forth by Section 232 of the Consumer Product Safety Improvement Act of 2008. The actions outlined below are part of our continuing effort to promote safe and responsible use of our ATVs.

Comprehensive Compliance and Quality Control Program

AMSTAR MOTOR CORPORATION understands that we are 100% responsible for the level of quality and compliance of the products we distribute. Under no circumstance will we import or distribute substandard or non-compliant ATVs.

- Units that are found to be non-compliant shall be immediately and voluntarily sent back to our manufacturer for corrections.
- 2) We have initiated a comprehensive compliance and quality control program at our manufacturer that includes QC audit parts, intensive testing, and an increased level of manufacturing supervision.
- 3) Strict policies and procedures are in place that will ensure 100% compliance.
- 4) We will send a company representative to our manufacturer on a monthly basis to inspect the facility, inspect record keeping, and conduct quality control and compliance training.

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Age Recommendations

AMSTAR MOTOR CORPORATION is well aware of the concern regarding injuries and fatalities among persons under the age of 16, therefore AMSTAR MOTOR CORPORATION will use its best efforts to ensure that its dealers comply with these requirements. AMSTAR MOTOR CORPORATION will only recommend, market, and sell ATVs for use under the age category/speed guidelines specified in Section 6 of the ANSI/SVIA 1-2010 standard for ATVs ("the ATV Standard"). AMSTAR MOTOR CORPORATION will not recommend, market, advertise, or sell adult-sized ATVs for the use of persons under 16 years of age. Furthermore, AMSTAR MOTOR CORPORATION will not recommend, market, advertise, or sell Y-6+ youth-sized ATVs for the use of persons under 10 years of age; Y-10+ youth-sized ATVs for the use of persons under 12 years of age.

ATV Labels

AMSTAR MOTOR CORPORATION will use all required labels and will conform to Section 4.23 of the ATV Standard.

Owner's Manuals

AMSTAR MOTOR CORPORATION owner's manuals will conform to section 4.21 of the ATV Standard.

Safety Video

AMSTAR MOTOR CORPORATION will provide to each purchaser of a AMSTAR MOTOR CORPORATION ATV a DVD safety video as described in Section H.3.b.(4)(b) and paragraphs II.A and 11.C of Appendix I of the 1988 ATV Consent Decrees. The video will be included in the shipping carton when the unit is packaged during production. The video will contain safety messages in accordance with safety messages found on the general ATV warning label. The video will be given to the consumer by the retailer during the sales process. AMSTAR MOTOR CORPORATION will also place a link on the AMSTAR MOTOR CORPORATION web-site to this safety video. This will allow users, and subsequent owners, who may not have the DVD to watch the video presentation.

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Hang Tags

AMSTAR MOTOR CORPORATION will provide a hang tag with every ATV. The hang tags shall comply with the requirements of Section 4.24 of the ATV Standard and shall include information about free, hands-on ATV training availability.

Training

AMSTAR MOTOR CORPORATION will offer free hands on training through the existing ATV Safety Institute ("ASI") safety program to all purchasers of ATVs and age appropriate members of their immediate families.

AMSTAR MOTOR CORPORATION will offer a full refund of any training fees associated with attending an ASI Program. After completion of the ASI course, the rider will qualify for an incentive worth \$100. The \$100 incentive for training will include at least \$50 in cash, with the balance offered (at the consumer's choice) as a rebate for already purchased safety equipment or a credit toward the purchase of new safety equipment.

The purchaser will be informed of the free training offer several different ways. Inside the package containing the instruction manual will be a Free Training Certificate. To help ensure that the customer not only has the certificate but also is aware of the free training offer, the sales person and the customer will be required to fill out an online Warranty Registration form before the ATV leaves the store. One of the items which must be checked off by the customer is an acknowledgement that they have received the offer of free training.

In addition, the free training offer will be set out on AMSTAR MOTOR CORPORATION's web site and in brochures available in the stores.

AMSTAR MOTOR CORPORATION will also require warranty information to be completed on-line by AMSTAR MOTOR CORPORATION's retailers at time of purchase. Within two weeks of purchase, AMSTAR MOTOR CORPORATION will send by electronic (if available) and regular mail a reminder card of the training offer and incentives to the purchaser.

The hands-on training offer will be in addition to training information provided to the consumer in the form of owner manuals, hang tags, warning labels, safety alerts, DVD safety video, and other media.

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Dealer Monitoring

AMSTAR MOTOR CORPORATION.'s dealer monitoring program is attached to this action plan as Appendix A.

Safety Alerts

AMSTAR MOTOR CORPORATION will supply its dealers "Safety Alert" documentation to be provided at the point of purchase to all retail purchasers of AMSTAR MOTOR CORPORATION ATVs. The document will contain the same substantive safety information as the Safety Alert described at H.3.b.(4)(c) and Appendix J of the 1988 ATV Consent Decrees. This information includes: death and injury statistics for ATVs, safety rules, age recommendations, and the availability of safety training.

Advertising

For all ATV advertising and promotional materials, AMSTAR MOTOR CORPORATION will include the substance of the safety message described in Section J. I and Appendix K of the 1988 ATV Consent Decree and will depict ATVs in a manner consistent with safe and responsible use of the product. All riders shown in such advertisements shall wear helmets and full protective gear. AMSTAR MOTOR CORPORATION will use its best efforts to promote dealer compliance with the advertising requirements.

Toll-free Telephone Hotline

AMSTAR MOTOR CORPORATION will provide a Toll-free Telephone Hotline, which will be available to consumers 24 hours a day and will conform to Section H.4 of the 1988 ATV Consent Decree. The hotline will serve to provide safety and training information including age recommendations.

Information and Education Program

AMSTAR MOTOR CORPORATION will enact its own Information and Education Program directed primarily at providing safety information and deterring children under sixteen from operating adult-sized ATVs. Elements of the program include the following:

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a.Video

The video will feature the safety themes and messages. The video will also promote participation in the hands-on training program. Copies of the new video will be packaged with all new AMSTAR MOTOR CORPORATION ATVs.

b.Safety Reminders

AMSTAR MOTOR CORPORATION will launch a direct mail or email effort to new ATV purchasers directed at parents. A direct mail or email piece incorporating the safety messages and the information about the free ATV training and the incentives offered for completing that training will be sent to new owners within a few weeks of vehicle purchase. AMSTAR MOTOR CORPORATION will also use dealer's customer data to reach new purchasers by telephone with the safety reminders.

c.Poster

AMSTAR MOTOR CORPORATION will disseminate a poster with safety message for AMSTAR MOTOR CORPORATION's dealers to post. AMSTAR MOTOR CORPORATION will email safety & training reminders to dealers.

d.Website

AMSTAR MOTOR CORPORATION's company website will provide on-line access and the ability for consumers to communicate with AMSTAR MOTOR CORPORATION and others as well as download safety and education information. The website will provide appropriate warnings against the improper use of ATVs and explain the risks associated with ATV use. Users will be able to print the valuable safety and education information for personal use or to share with others.

e. Print Ad

For the next 10 years, AMSTAR MOTOR CORPORATION will advertise the availability of its new safety program and ATV safety messages through monthly advertising in various ATV magazines (e.g., ATV Magazine and Dirt Bike Magazine).

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f. Program Budget Estimate

AMSTAR MOTOR CORPORATION will spend between \$20,000 to \$30,000 each year for the next 10 years on its Information and Education Program.

3-Wheel ATVS

AMSTAR MOTOR CORPORATION will not manufacture, market, or sell 3-wheel ATVs.

Participation IN ASI's Safety Program

If at any time AMSTAR MOTOR CORPORATION is no longer a participating member of ASI's Safety Program, and therefore no longer able to access ASI's training and safety materials and services, AMSTAR MOTOR CORPORATION will cease to distribute ATVs into U.S. commerce until such time that AMSTAR MOTOR CORPORATION is able to provide equal or greater materials and services as described herein.

Voluntary Standards

AMSTAR MOTOR CORPORATION will participate in the ongoing efforts to update and revise the ATV voluntary standard. Potential technical issues identified by CPSC staff will be discussed and considered in good faith as part of those efforts.

Advance Notice of Changes

AMSTAR MOTOR CORPORATION will give the CPSC at least 60 days advance notice of its intention to terminate or change any commitment under the action plan, and any change must be approved by the Commission staff. AMSTAR MOTOR CORPORATION will provide information about these activities upon reasonable requests from CPSC.

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Amendment & Termination Procedures

If Commission staff determines that AMSTAR MOTOR CORPORATION's approved ATV Action Plan is no longer effective or adequate, Commission staff may take certain action, including but not limited to notifying AMSTAR MOTOR CORPORATION that its ATV Action Plan must be amended to address the effectiveness or adequacy of the plan. With that notification, Commission staff shall provide AMSTAR MOTOR CORPORATION with the text of any proposed amendment. AMSTAR MOTOR CORPORATION and Commission staff must reach agreement on the proposed amendment within 30 calendar days of the notification, unless Commission staff grants an extension for good cause. If AMSTAR MOTOR CORPORATION and Commission staff fail to reach an agreement within the designated timeframe, then Commission staff may recommend termination of the AMSTAR MOTOR CORPORATION Action Plan. Additionally.

(i) if AMSTAR MOTOR CORPORATION fails to comply with the obligations of this ATV Action Plan, or (ii) if Commission staff determines that AMSTAR MOTOR CORPORATION can no longer comply with the obligations of this ATV Action Plan, or (iii) if AMSTAR MOTOR CORPORATION fails to adopt a requested amendment within the timeframe specified by staff, Commission staff, after providing AMSTAR MOTOR CORPORATION with notice and an opportunity to respond, may recommend termination of the ATV Action Plan. AMSTAR MOTOR CORPORATION may not manufacture, import, or distribute any ATV in the United States under this Action Plan after receiving written notice of such termination. Failure to cease manufacture, importation, or distribution in United States commerce of any ATV under this ATV Action Plan after receipt of notice of termination is a prohibited act under section 19(a)(1) of the CPSA, 15 U.S.C. § 2068(a)(1).

END

Sincerely,

Yigun Luo/CEO

AMSTAR MOTOR CORPORATION

oct. 03, 2017

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APPENDIX A

Dealer Monitoring

1. Scope and Components of Monitoring Program

AMSTAR MOTOR CORPORATION requires that its dealers verify the Intended ATV rider's age prior to selling that rider or his/her parent or guardian an ATV. AMSTAR MOTOR CORPORATION's warranty registration cards require the submission of the intended rider's name and date of birth to ensure that dealers do not sell AMSTAR MOTOR CORPORATIONATVs to under-aged riders.

AMSTAR MOTOR CORPORATION will use its "best efforts" to ensure that its dealers comply with:

- the user age recommendation requirements of the ATV Standard;
- the requirements related to notifying ATV purchasers about the availability and importance of free, hands-on ATV training and the monetary incentive for taking such training; and
- the requirements relating to providing the ATV Hang Tag, the ATV Owner's Manual, the ATV Safety Video, and the ATV Safety Alert to ATV purchasers at the point of purchase.

¹ "Best Efforts" shall include, among other things, an obligation to require, to the extent permissible under federal and state law, compliance AMSTAR MOTOR CORPORATION 's dealers, agents, or representatives with the terms of this ATV Action Plan in future contracts entered into with dealers, agents, or representatives, and, where possible and within a reasonable time, modification of existing contracts with dealers, agent, or representatives to impose this duty.

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AMSTAR MOTOR CORPORATION will conduct on-site inspections of each of its authorized ATV dealers at least twice a year, with a minimum of 50 on-site Inspections per year, by means of independent, undercover investigators (also known as "secret shoppers") to ensure that these dealers comply with the above-listed requirements and other safety-related practices during sales or promotional functions. AMSTAR MOTOR CORPORATION will also modify the visitation criteria of its field personnel so that inspecting for dealer compliance with the above-listed requirements becomes a normal function of routine dealer visits.

2. Notice and Training Program

Within fifteen (15) days of learning of a dealer's non-compliance with the above-listed requirements from the CPSC staff or by one of AMSTAR MOTOR CORPORATION's independent investigators.' AMSTAR MOTOR CORPORATION will:

- notify the dealer of its non-compliance;
- inform the dealer of the operative facts reported by the CPSC staff or the independent investigator (such as the name of the salesperson and the model(s) of the ATV(s) allegedly recommended during the inspection); and
- demand a cure of the reported violation(s).

In addition, within thirty (30) days after notifying the dealer of its non-compliance, AMSTAR MOTOR CORPORATION will provide on-site training to all dealership personnel who are Involved In the sale of ATVs. The training will include, but not be limited to, information concerning the above-listed

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requirements, the need for compliance with them, and the potential enforcement actions (including termination and non-renewal of the dealership agreement) that the dealer may incur if non-compliance continues. A record of the training effort will be made by AMSTAR MOTOR CORPORATION. and provided to CPSC staff during bi-annual reporting (as described in the "Reporting" section below).

3. Follow-up Monitoring and Enforcement for Repeated Non-Compliance

Within sixty (60) days after completing the above-referenced training for a non-compliant dealer, AMSTAR MOTOR CORPORATION will conduct an undercover, on-site, follow-up inspection of the dealer to determine whether

the dealer is complying with the above-listed requirements. If this follow-up inspection reveals evidence of continuing violations, AMSTAR MOTOR CORPORATION will take remedial action against the dealer, up to and including possible termination or non-renewal of the dealership agreement with AMSTAR MOTOR CORPORATION If AMSTAR MOTOR CORPORATION selects not to terminate the dealer's contract, remedial actions will at a minimum include additional undercover on-site inspections of the dealer. If these additional inspections reveal an additional violation, AMSTAR MOTOR CORPORATION will terminate or decline to renew the dealer's contract. In each instance, AMSTAR MOTOR CORPORATION will inform the CPSC Office of Compliance and Field Operations in advance of any remedial action or disposition, and it will provide the CPSC staff a reasonable opportunity to comment on such action or disposition before it occurs.

^{2.}Within fifteen (15) days of learning of a dealer's non-compliance with the above-listed requirements from a third party (such as another dealer or distributor), AMSTAR MOTOR CORPORATION will notify the dealer of the reported non-compliance and arrange an undercover, on-site inspection of the dealer to determine whether the dealer is complying with the above-listed requirements. If AMSTAR MOTOR CORPORATION discovers a violation during this inspection, AMSTAR MOTOR CORPORATION will initiate the notice and training procedures outlined in this section.

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4. Reporting

AMSTAR MOTOR CORPORATION will report the results of its dealer monitoring program to the CPSC staff on a bi-annual basis, with reports due to the CPSC's Office of Compliance and Field Operations on February 1 and August 1 of each year. These reports should include a list of non-complying dealerships, the date of inspection, and all training or enforcement actions taken by AMSTAR MOTOR CORPORATION along with dates of all follow up activities and remedial actions. AMSTAR MOTOR CORPORATION should maintain a list of all dealerships inspected each year in spreadsheet format, and this spreadsheet shall be provided promptly to the CPSC staff upon its request. The CPSC staff will maintain the confidentiality of these reports in accordance with applicable laws. The CPSC staff also reserves the right to request additional information from AMSTAR MOTOR CORPORATION regarding the results of AMSTAR MOTOR CORPORATION 's dealer monitoring program.

5. Notice to Dealers

AMSTAR MOTOR CORPORATION will notify its dealers in writing of Its dealer monitoring program within fifteen (15) days of the effective date of this Action Plan. The notice will remind dealers of their ongoing obligations to comply with the above-listed requirements and the consequences of non-compliance, including, but not limited to, the assessment of administrative costs for AMSTAR MOTOR CORPORATION 's monitoring of the dealer and possible termination or non-renewal of the dealership agreement. AMSTAR MOTOR CORPORATION will provide the CPSC's Office of Compliance and Field Operations an advance copy of the notice.