

Drift Hero LLC 164 E. Center Street North Salt Lake, UT 84054

January 12, 2025

Regulatory Enforcement Division (CRE) Office of Compliance and Field Operations U.S. Consumer Product Safety Commission 4330 East West Highway Bethesda, MD 20814

RE: ATV Action Plan of Drift Hero LLC

This ATV action plan is submitted on behalf of Drift Hero LLC, which intends to become a manufacturer, importer, and/or distributor of All-Terrain Vehicles ("ATVs") in the United States. Drift Hero LLC is fully committed to the goal of reducing ATV-related accidents. Drift Hero LLC is implementing policies in accordance with the rules set forth by Section 42 of the Consumer Product Safety Act ("CPSA"), 15 U.S.C. § 2089, and 16 C.F.R. Part 1420. The actions outlined below are part of our continuing effort to promote safe and responsible use of our ATVs.

Drift Hero LLC agrees that this Action Plan is for its sole use and that Drift Hero LLC will not allow third parties to import or distribute ATVs under this Action Plan.

Age Recommendations

Drift Hero LLC will only recommend, market, advertise and sell ATVs in accordance with the age category/speed guidelines specified in Section 6 of the ANSI/SVIA 1-2023 Standard for ATVs and any successor standards adopted by CPSC for ATVs (the "ATV Standard"). Drift Hero LLC will not recommend, market, or sell adult-size ATVs for the use of persons under the age of 16. Furthermore, Drift Hero LLC will not recommend, market, advertise, or sell Y-6+ youth-sized ATVs for the use of persons under 6 years of age; Y-10+ youth-sized ATVs for the use of persons under 10 years of age; or Y-12+ youth-sized ATVs for the use of persons under 12 years of age. Additionally, Drift Hero LLC will ensure that its ATVs are appropriately age graded for the intended user population and will consider relevant anthropometric data (such as height and weight of the intended rider) when age grading its ATVs.

Drift Hero LLC will ensure that its retailer dealerships - which throughout this Action Plan, means a person to whom an ATV is delivered or sold for purposes of sale <u>or</u> distribution by such person to a consumer, and includes, but is not limited to, both brick-and-mortar storefronts and e-commerce retailers - comply with these above-listed requirements and only recommend, market, advertise and sell ATVs in accordance with the age category/speed guidelines specified in Section 6 of the ATV Standard.



Retailer Dealership Education and Monitoring

1. Scope and Components of Monitoring Program

Drift Hero LLC requires that its retailer dealerships verify the intended ATV rider's age prior to selling that rider or the rider's parent or guardian an ATV. Drift Hero LLC's warranty registration cards require the submission of the intended rider's name and date of birth to ensure that retailer dealerships do not sell Drift Hero LLC ATVs to under-aged riders.

Drift Hero LLC will ensure that its retailer dealerships comply with all the requirements of this Action Plan, including:

- 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;
- The requirements to display ATV safety poster(s) at in-store retailer dealerships and online storefronts;
- The requirements to affix and display a Hang Tag on every ATV in-store and provide a copy of the Hang Tag readily available online; 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.

Drift Hero LLC will conduct inspections of at least 50% of its retailer dealerships per reporting period (100% of its retailer dealerships each one (1) year), by means of independent, undercover investigators (also known as "secret shoppers") to ensure that these retailer dealerships comply with the above-listed requirements and other safety-related practices during sales or promotional functions (as described in the "Reporting" section below). Drift Hero LLC shall conduct on-site inspections for its brick-and-mortar retailer dealerships with physical store locations, and will conduct phone inspections and online screenings for its e-commerce retailer dealerships. All retailer dealerships are required to comply with each of the requirements listed above.

2. Notice and Training Program

Within fifteen (15) days of learning of a retailer dealership's non-compliance with any requirements from CPSC, from one of Drift Hero LLC's independent investigators, or from any other source, Drift Hero LLC will:

- initiate the notice and training procedures outlined in this section;
- notify the retailer dealership of its non-compliance;
- inform the retailer dealership of the operative facts concerning the retailer dealership's noncompliance (such as the name of the retailer dealership's staff and the model(s) of the ATV(s) allegedly recommended during the inspection); and



• demand a cure of the reported violation(s).

Within thirty (30) days after notifying the retailer dealership of its non-compliance, Drift Hero LLC will provide on-site training for brick-and-mortar retailer dealership personnel involved in the sale of ATVs, or will provide either on-site or webinar training for e-commerce retailer dealership personnel involved in the sale of ATVs. The training will include, but not be limited to, information concerning the above-listed requirements, the need for compliance with those requirements, and the potential enforcement actions (including termination and non-renewal of the retailer dealership's agreement) that the retailer dealership may incur if non-compliance continues. A record of the training effort will be made by Drift Hero LLC and provided to CPSC in Drift Hero LLC's bi-annual reporting (as described in the "Reporting" section below).

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

Within sixty (60) days after completing the above-referenced training for a non-compliant retailer dealership, Drift Hero LLC will conduct an undercover, on-site, follow-up inspection for its brick-and motor retailer dealerships or will conduct an undercover, follow-up phone inspection and online screening for its e-commerce retailer dealerships, to determine whether the retailer dealership is complying with the above-listed requirements. If this follow-up inspection reveals evidence of continuing violations, Drift Hero LLC will take remedial action against the retailer dealership, up to and including possible termination or non-renewal of the retailer dealership's agreement with Drift Hero LLC.

If Drift Hero LLC elects not to terminate the retailer dealership, remedial actions will at a minimum include an additional undercover inspection of the retailer dealership. If the additional inspection reveals an additional violation, Drift Hero LLC will terminate or decline to renew the retailer dealership's contract. In each instance, Drift Hero LLC will inform the CPSC Office of Compliance and Field Operations in advance of any remedial action or disposition, and it will provide CPSC a reasonable opportunity to comment on such action or disposition before it occurs.

4. Reporting

Drift Hero LLC will provide a comprehensive report of the results of its retailer dealership monitoring program to CPSC on a bi-annual basis, with reports due to CPSC's Office of Compliance and Field Operations by February 1 and August 1 of each year. These reports will include a list of inspected retailer dealerships (including retailer dealership name and address), the retailer dealership's staff name(s), the date of inspection, the Action Plan criteria evaluated, the retailer dealership's compliance with those criteria, and any subsequent retailer dealership non-compliance corrective actions (including the retailer dealership's notice, training, reinspection, and/or additional enforcement actions taken by Drift Hero LLC), along with dates of all follow-up activities and remedial actions. Drift Hero LLC will maintain a list of all active retailer dealerships that purchase or sell the Drift Hero LLC's ATVs each biannual reporting period. Drift Hero LLC will provide its active retailer dealerships list to CPSC, along with the biannual retailer dealerships monitoring reports by February 1 and August 1 each year. CPSC will maintain the confidentiality of these reports in accordance with applicable law. CPSC also reserves the right to request additional information from Drift Hero LLC regarding the results of Drift Hero LLC's retailer dealership monitoring program.



5. Notice to Retailer Dealerships

Drift Hero LLC will notify its retailer dealerships in writing of its retailer dealership monitoring program within fifteen (15) days of the effective date of this Action Plan. The notice will remind retailer dealerships of their ongoing obligations to comply with the above-listed requirements and the consequences of non-compliance. Drift Hero LLC will provide CPSC's Office of Compliance and Field Operations a copy of the notice.

Training Program

Drift Hero LLC will offer each ATV buyer, and age-appropriate members of the buyer's immediate family, an opportunity to take a free hands-on ATV training course through the All-Terrain Vehicle Safety Institute ("ASI"). Drift Hero LLC will pay ASI directly for the training and will offer a full refund of any training fees associated with attending an ASI Program.

After completion of the ASI training, the buyer will qualify for an incentive of \$200. The \$200 incentive for training will include at least \$100 in cash, with the balance offered (at the consumer's choice) as a rebate for already purchased safety equipment or credit towards the purchase of new safety equipment.

The buyer will be informed of the free training offer several different ways. Inside the package containing the Owner's 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 salesperson and the customer will be required to fill out an online Warranty Registration form before the ATV leaves the retailer dealership. One of the items which must be checked off by the buyer is an acknowledgement that they have received the offer of free training. In addition, the free training offer will be set out on Drift Hero LLC 's website and in brochures available from retailer dealerships.

Drift Hero LLC will also require warranty information to be completed online by Drift Hero LLC 's retailer dealerships at the time of purchase. Within two weeks of purchase, Drift Hero LLC will send by email 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 Owners' Manuals, Hang Tags, Warning Labels, Safety Alerts, Safety Video, and other media. Drift Hero LLC will provide information about the number of completed trainings and incentives distributed in its bi-annual retailer dealership monitoring reports due to CPSC by February 1 and August 1.

CPSC and Drift Hero LLC will review and evaluate Drift Hero LLC's training program if participation is below 25% of sales during any reporting period, and will assess whether changes should be made to increase the efficacy of the training program.



Information/Education Program

Drift Hero LLC will require its retailer dealerships to implement an information/education effort to communicate appropriate age recommendations, the importance of wearing safety gear, and other safety-related information to consumers. The materials and information will be based on all publications produced by the Specialty Vehicle Institute of America ("SVIA") and ASI. The materials will provide safety information and warn children under the age of sixteen of the risks and dangers of operating adult-sized ATVs.

Drift Hero LLC will spend money each year on its Information and Education Program. This will be dependent on the volume of sales. For each \$250k in sales we will spend \$5k for the program. For clarification purposes, for the first \$0-\$250k in sales we will spend \$5k for the program. Anything above \$250k in sales to \$499,999 would be a total of \$10k for the program. This will be increased to up to \$25k per year for \$500,000 in sales to \$1,000,000 and \$30k per year for sales exceeding \$1,000,000 annually.

Drift Hero LLC's website will provide online access and the ability for consumers to communicate with Drift Hero LLC 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 safety and education information for personal use or to share with others.

Drift Hero LLC will include its website address on all Owner's Manuals and printed safety messages. The website address and safety message will be included in any Retail Print Circulars published by Drift Hero LLC's ATV retailer dealerships.

Drift Hero LLC will sponsor a safety ad campaign, including web advertising and post advertising in major off-road publications. The ads will promote safe riding and age recommendations. The ads will continuously run throughout the year.

Drift Hero LLC will provide a video with every ATV sold. The video will feature safety themes and messages consistent with the 1988 ATV Consent Decrees.

Drift Hero LLC will distribute safety reminders by email and direct mail within a few weeks of retail purchases. The reminders will include safety messages, information about the free ATV training, and incentives for completing that training.

Drift Hero LLC will also supply a Drift Hero LLC ATV safety poster for all Drift Hero LLC retailer dealerships. The standalone in-store poster will deliver a message consistent with the general warning label and age restriction warning label. Drift Hero LLC will also supply a pamphlet containing safety information and directions to Drift Hero LLC's ATV Safety website. The poster and pamphlet will stress personal and family responsibility in the proper use of ATVs. Drift Hero LLC will require retailer dealerships to display



SVIA and ASI posters and educational materials at both in-store locations and e-commerce retailer dealerships websites.

Drift Hero LLC will utilize social media platforms (including Facebook, Instagram, and Twitter/X) to actively promote safe riding and age recommendations. Drift Hero LLC's social media postings shall be consistent with any applicable requirements listed in this Action Plan.

Safety Alerts

Drift Hero LLC will provide its retailer dealerships for dissemination to each buyer at the point of purchase a "Safety Alert" containing the same substantive safety information as the Safety Alert at section H.3.b(4)(c) and Appendix J of the 1988 ATV Consent Decrees, including death and injury statistics for ATVs, safety rules, age recommendations, and information concerning the availability of ATV training including details of the incentive program provided by Drift Hero, LLC.

Owner's Manual

Drift Hero LLC Owner's Manual will conform to section 4.21 of the ATV Standard. Drift Hero LLC's toll-free number and website will be printed in all Owner's Manuals.

Warning Labels

Drift Hero LLC will use all labels as required by Section 4.23 of the ATV Standard which includes general, age recommendation, passenger, tire pressure, and overloading labels and will ensure that all labels conform to the ATV Standard.

Hang Tags

Drift Hero LLC will provide hang tags for every ATV distributed. All hang tags will comply with the requirements of section 4.24 of the ATV Standard and will include age recommendations, vehicle category, training availability, and safety messages. Drift Hero LLC will ensure that retailer dealerships display the hang tags on new ATVs, and this will be part of Drift Hero LLC 's unannounced audits of retailer dealerships.

ATV Safety Video

Drift Hero LLC will provide to all purchasers of a Drift Hero LLC ATV a safety video as described in Section H.3.b(4)(b) and paragraphs II.A and II.C of Appendix I of the 1988 ATV Consent Decrees. The video or how to access 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 or access to the video will be given to the consumer by the retailer dealerships during the sales process. Drift Hero LLC will also place a link on Drift Hero LLC's website to the safety



video.

Toll Free Telephone Hotline

Drift Hero LLC will provide a toll free, 24-hour hotline to respond to consumer inquiries as described at Section H.4 of the 1988 ATV Consent Decrees. Agents will be trained to provide safety and training information, including age recommendations. Drift Hero LLC further agrees the hotline service will offer to send, free of charge, to every person who calls and requests, copies of the ATV Safety Guide produced for instore distribution. Drift Hero LLC 's toll-free number will be printed in all Owner Manuals, Drift Hero LLC's ATV websites, and other promotional materials.

Advertising

Drift Hero LLC's advertisements and promotional materials will show safety information and will depict ATVs in a manner consistent with safe and responsible use of the product. All riders shown will be wearing helmets and full protective gear. All marketing, promotional, and advertising materials will include the substance of the safety messages that are described in Section J.1 and Appendix K of the 1988 ATV Consent Decree. There will be an age recommendation on every model of Drift Hero LLC ATV and no advertising or marketing materials should imply that teenagers or children may ride adult sized ATVs. Drift Hero LLC will ensure their retailer dealerships comply with all rules and guidelines in this Action Plan, including the advertising and marketing requirements.

3-Wheel ATVs

Drift Hero LLC will not manufacture, market, or sell 3-wheel ATVs.

Participation in ASI's Safety Program

Drift Hero LLC shall be a participating/member company of ASI's ATV Safety Program. If at any time the Drift Hero LLC is no longer a participating/member company of ASI's Safety Program, and therefore no longer able to access ASI's training and safety materials and services, Drift Hero LLC will cease to import and distribute ATVs in commerce until Drift Hero LLC is able to provide equal or greater materials and services as described herein and these materials and services are approved by CPSC.

Voluntary Standards

Drift Hero LLC will participate in the ongoing efforts to update and revise the ATV voluntary standard. Potential technical issues identified by CPSC will be discussed and considered in good faith as part of those efforts. Drift Hero LLC will commit to advance ATV safety, including through future potential design and feature changes, that will improve safety.

Advance Notice of Changes

Drift Hero LLC intends to maintain this Action Plan indefinitely. Drift Hero LLC will provide



information about these activities upon receipt of reasonable requests from the CPSC. Drift Hero will provide CPSC a 60-day notice of its intention to terminate or materially change any commitment under this Action Plan.

Additional Assurances

In order to ensure the continued effectiveness of this ATV Action Plan, Drift Hero LLC agrees to the following:

- 1. Drift Hero LLC agrees to cooperate with CPSC regarding any alleged violations or defect determinations and to correct safety issues identified by CPSC. This includes providing responses to CPSC communications (Notice of Violation, Preliminary Determination letter, etc.) within the timeframes allotted, and correcting deficiencies within the agreed-upon timeframes.
- 2. Drift Hero LLC will report if the individual responsible for implementing its ATV Action Plan changes, including the name and compliance experience of the individual.
- 3. Drift Hero LLC agrees that it is subject to routine announced and unannounced compliance inspections by CPSC. Drift Hero LLC agrees to cooperate with any CPSC inspection or inquiry by providing all requested information in a reasonably timely manner.

Amendment and Termination Procedures

If Commission staff determines that Drift Hero LLC 's approved ATV Action Plan is no longer effective or adequate, Commission staff may take certain action, including but not limited to notifying Drift Hero LLC that its ATV Action Plan must be amended to address the effectiveness or adequacy of the plan. With that notification, Commission staff shall provide Drift Hero LLC with the text of any proposed amendment. Drift Hero LLC 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 Drift Hero LLC and Commission staff fail to reach an agreement within the designated timeframe, then Commission staff may recommend termination of the Drift Hero LLC Action Plan.

Additionally, the Commission, after Commission staff has provided the Drift Hero LLC with notice and an opportunity to respond, may terminate the ATV Action Plan, if:

- (i) Drift Hero LLC fails to comply with the obligations of this ATV Action Plan,
- (ii) Commission staff determines that Drift Hero LLC can no longer comply with the obligations of this ATV Action Plan,
- (iii) Drift Hero LLC fails to adopt a requested amendment within the timeframe specified by Commission staff,
- (iv) the ATVs imported or distributed under this Action Plan fail to comply with each applicable provision of the ATV Standard, or contain a defect which creates a substantial risk of injury to consumers,
- (v) Drift Hero LLC fails to comply with 15 U.S.C. § 2068(a)(4) to furnish information required by 15 U.S.C. § 2064(b), or
- (vi) Drift Hero LLC materially misrepresents to any officer or employee of the Commission Drift Hero LLC's compliance with the terms of this Action Plan, the compliance of the ATVs imported or



distributed under this Action Plan with each applicable provision of the ATV Standard, or the existence of a defect in the ATVs imported or distributed under this Action Plan which creates a substantial risk of injury to consumers.

(vii) Drift Hero LLC does not manufacture, import, or distribute ATVs subject to this Action Plan for a three-year period.

Drift Hero LLC may not manufacture, import, or distribute any ATV in the United States under this Action Plan after receiving a 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).

If Drift Hero LLC's action plan is terminated pursuant to the above Amendment and Termination Procedures section, any subsequent ATV Action Plan application to the Commission involving any of Drift Hero LLC's corporate officers or employees who were previously involved in such termination or CPSC noncompliance, may result in Commission staff's recommendation that the Commission deny approval of the newly proposed Plan.

Drift Hero LLC hereby agrees to take all of the actions to promote ATV safety set forth in this Drift Hero LLC ATV Action Plan, and further agrees to fulfill each of the undertakings set forth in this Plan. Drift Hero LLC understands that any failure to perform the actions, or fulfill the commitments set forth in the Plan may result in termination of the Plan.

Sincerely,

Date 05/12/25

Chris Hansen

Chris Hansen

Co-Owner

Drift Hero LLC