

ADDRESS: 19745 Colima Rd # 1-518, Rowland Heights, CA 91748

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January 6, 2011

Renee McCune
Trial Attorney
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 LIL PICK UP, INC

LIL PICK UP, INC 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

LIL PICK UP, INC 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.

- 1) Units that are found to be non-compliant shall be immediately and voluntarily sent back to our manufacturer for corrections.
- 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.

Age Recommendations

LIL PICK UP, INC will only recommend, market, advertise, and sell ATVs for use under the age category/speed guidelines specified at Section 6 of the ANSI/SVIA-1-2007 Standard for ATV's



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("the ATV Standard"). LIL PICK UP, INC will not recommend, market, advertise, or sell adultsized ATVs for the use of persons less than 16 years of age. LIL PICK UP, INC will use its best efforts to ensure that its dealers comply with these requirements.

ATV Labels

LIL PICK UP, INC will use all required labels and will conform to Section 4.23 of the ATV Standard.

Owner's Manuals

LIL PICK UP, INC owner's manuals will conform to section 4.21 of the ATV Standard.

Safety Video

The video shall comply with all requirements in Section H.3.b.(4)(b), and paragraphs II.A and II.C of Appendix I of United States v. American Honda Motor Co., et. al., Civ. No. 87-3525 (D.D.C. April 28, 1988) ("the 1988 ATV Consent Decree"). LIL PICK UP, INC will provide a safety video to all retail purchasers of LIL PICK UP, INC ATVs at the point of purchase.

Hang Tags

LIL PICK UP, INC 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

LIL PICK UP, INC will reimburse purchasers and members of their immediate families for the incurred registration expenses of ATV Safety Institute (ASI) hands-on training upon the purchaser presenting LIL PICK UP, INC with proof of enrollment.

Additionally, 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.

LIL PICK UP, INC will require that its dealers inform ATV purchasers at the time of purchase of how to register and be reimbursed for free ASI hands-on training and how to receive the \$100 incentive. Within two weeks of purchase, LIL PICK UP, INC will ensure that the purchaser is



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reminded of the availability of the training and the incentive for taking the training, by means of a telephone call, mail or email.

Dealer Monitoring

LIL PICK UP, INC'S dealer monitoring program is attached to this action plan as Appendix A.

Safety Alerts

LIL PICK UP, INC will supply its dealers "Safety Alert" documentation to be provided at the point of purchase to all retail purchasers of LIL PICK UP, INC 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, LIL PICK UP, INC will include the substance of the safety message described in Section J.1 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. LIL PICK UP, INC will use its best efforts to promote dealer compliance with the advertising requirements.

Toll-free Telephone Hotline

LIL PICK UP, INC 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

LIL PICK UP, INC 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:

a. Interactive CD-ROM

The CD-ROM will be designed to provide an exciting way to warn children against the use of adult-sized ATVs and to teach them about other risks associated with ATV use.



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The CD-ROM will be given to the end consumers through dealers at the point of purchase.

b. 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 LIL PICK UP, INC ATVs.

c. Safety Reminders

LIL PICK UP, INC 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. LIL PICK UP, INC will also use dealer's customer data to reach new purchasers by telephone with the safety reminders.

d. Poster

LIL PICK UP, INC will disseminate a poster with safety message for LIL PICK UP, INC's dealers to post. LIL PICK UP, INC will email safety & training reminders to dealers.

e. Website

LIL PICK UP, INC will expand its company website to provide on-line access to the CD-ROM program and other safety information.

f. Print Ad

For the next 10 years, LIL PICK UP, INC 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).

g. Program Budget Estimate

LIL PICK UP, INC will spend between \$20,000 to \$30,000 each year for the next 10 years on its Information and Education Program.



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Advance Notice of Changes

LIL PICK UP, INC 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. LIL PICK UP, INC will provide information about these activities upon reasonable requests from CPSC.

END

Sincerely,

Renfeng (Fong) Wang

CEO

LIL PICK UP, INC



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APPENDIX A

Dealer Monitoring

1. Scope and Components of Monitoring Program

Lil Pick Up, Inc. requires that its dealers verify the intended ATV rider's age prior to selling that rider or his/her parent or guardian an ATV. Lil Pick Up, Inc.'s warranty registration cards require the submission of the intended rider's name and date of birth to ensure that dealers do not sell Lil Pick Up, Inc. ATVs to under-aged riders.

Lil Pick Up, Inc. 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 by Lil Pick Up, Inc.'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, agents, or representatives to impose this duty.



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Lil Pick Up, Inc. 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. Lil Pick Up, Inc. 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 Lil Pick Up, Inc.'s independent investigators,² Lil Pick Up, Inc. 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, Lil Pick Up, Inc. 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 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 Lil Pick Up, Inc. and provided to CPSC staff during bi-annual reporting (as described in the "Reporting" section below).

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), Lil Pick Up, Inc. 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 Lil Pick Up, Inc. discovers a violation during this inspection, Lil Pick Up, Inc. will initiate the notice and training procedures outlined in this section.



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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, Lil Pick Up, Inc. 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, Lil Pick Up, Inc. will take remedial action against the dealer, up to and including possible termination or non-renewal of the dealership agreement with Lil Pick Up, Inc.³ If Lil Pick Up, Inc. elects 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, Lil Pick Up, Inc. will terminate or decline to renew the dealer's contract. In each instance, Lil Pick Up, Inc. 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.

4. Reporting

Lil Pick Up, Inc. 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 Lil Pick Up, Inc., along with dates of all follow up activities and remedial actions. Lil Pick Up, Inc. 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 Lil Pick Up, Inc. regarding the results of Lil Pick Up, Inc.'s dealer monitoring program.

5. Notice to Dealers

³ The nature of the enforcement action will be determined on a case-by-case basis, and LII Pick Up, Inc. will consider factors such as the applicable state and local laws, the circumstances of the reported violations, the length of time between reported violations, any intervening inspections in which the dealer was reported to be in compliance with the above-listed requirements, and the strength of the evidence supporting termination.



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Lil Pick Up, Inc. 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 Lil Pick Up, Inc.'s monitoring of the dealer and possible termination or non-renewal of the dealership agreement. Lil Pick Up, Inc. will provide the CPSC's Office of Compliance and Field Operations an advance copy of the notice.