



USA Motortoys, LLC, 25 North 1400 West, Lindon, UT 84042  
Ph: 801-796-7416, Fax: 801-796-7421, Contact@pitsterpro.com

Date Submitted: 12/14/2009

Renee K. Haslett  
Trial Attorney  
Division of Compliance  
Office of the General Counsel  
U.S. Consumer Product Safety Commission  
4330 East-West Highway  
Bethesda, MD 20814

PERMISSION TO  
MER/PRVLR NOTIFIED 9/24/10 GL  
COMMENTS: ☐ YES ☒ NO  
☐ OVERRULED; ☐ ATTACHED  
☐ EXCISIONS/FOIA Hxs. \_\_\_\_;  
☒ DO NOT RE-NOTIFY ☐ RE-NOTIFY

Subject: USA Motortoys, LLC ATV Action Plan

Dear Renee K. Haslett:

USA Motortoys, LLC (USAM) distributes All Terrain Vehicles (ATVs) in the United States of America. The ATVs are manufactured by USAM under the USAM PitsterPro® trademark in Lindon, UT and for USA Motortoys, LLC by ShuoPu Science and Technology Development Co., Ltd., Guangdong Providence, China. USAM sells direct and distributes through USAM's PitsterPro dealer network.

USAM 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.

#### USAM ATV Dealer Policy

USAM has implemented a dealer policy that outlines USAM dealer responsibilities: USAM sells type 1 Category Y-10+ (youth model ATV intended for children age 10 or older) ATVs. USAM and its dealer will:

- Not recommend, market or sell new adult-size ATVs for the use of persons less than 16 years old.
- USAM will comply with requirements of Section 6 of the ANSI/SVIA-1-2007 standard for ATVs for Category Y-10+ in addition to all other applicable requirements of ANSI/SVIA-1-2007.
- Stress the importance of ATV safety and responsible use of ATVs whenever USAM or its dealership staff speaks to customers and prospective customers.
- Provide "ATV Safety Alert" at the point of purchase.

- Always display the “ATV Hangtag” on all new retail USAM ATVs.
- Promote ATV safety training with its dealership staff and retail customers.
- Immediately warranty and register sold units.
- Review, complete and sign the Rider Training Certificate (RTC) with the customer and process the RTC as required on the bottom of the form.
- Provide the customer with a Ride Safe ATV safety DVD.
- Promote the ATV safety training provided by USAM through the ATV Safety Institute 1-800-887-2997.
- Refer interested consumers to the ASI safety program ATV toll free safety hotline number (800-887-2887).
- Adhere to the “1988 Consent Decrees” regarding ATV advertisement.

#### Age Recommendations:

USAM will not recommend, market, advertise, or sell new adult-sized ATVs for the use of persons less than 16 years of age. In addition, USAM will use only the maximum speed and speed limitations specified at Section 6 of the ANSI/SVIA 1-2007 Standard for the ATVs (“the ATV Standard”). USAM will use its best efforts, including monitoring dealers, to assure that USAM retail dealers do not recommend or sell ATVs for use by individuals under the minimum age.

#### Safety Alerts

USAM shall provide to dealers for dissemination to each purchaser 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 stating death and injury statistics for ATVs, Safety rules, age recommendation and basic information concerning the ATV training course including details of the incentive program provided by USAM.

#### ATV Labels and Safety Hang Tags

USAM’s labels will conform to Section 4.23 of the ATV Standard. USAM’s safety hang tags will conform to Section 4.24 of the ATV Standard and will include information about free, hands-on ATV training availability.

#### Owner’s Manual

USAM will provide an Owner’s Manual which complies with the requirements of Section 4.21 of the ATV Standard.

### Safety Video

USAM will supply its dealers an ASI Safety Video to be provided at the point of purchase to all retail purchasers of USAM ATVs. The video shall comply with all requirements described at Section H.3.b.(4)(b) and paragraphs II.A and II.C of Appendix I of the 1988 ATV Consent Decree. If at any time USAM is no longer a participating member of ASI's Safety Program, and no longer able to distribute ASI's DVD, USAM will cease to import ATVs or distribute ATVs in commerce until such time that USAM is able to supply its dealers with its own safety video which complies with all requirements described at Section H.3.b.(4)(b) and paragraphs II.A and II.C of Appendix I of the 1988 ATV Consent Decree.

### Training and Incentives

USAM is offering each first time ATV purchaser, and age appropriate members of the purchaser's immediate family, an opportunity to take free hands-on ATV training through the ATV Safety Institute ("ASI"). ASI's hands-on ATV training is offered by ASI free of charge to the consumer at the time of purchase or after purchase by USAM participation in the ASI's non-member participation agreement. After completion of the ASI course, the rider will qualify for an incentive worth \$100 paid by ASI through the USAM's non-member participation agreement with ASI. The 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 towards the purchase of new safety equipment.

Contact information concerning the Training and Incentives program will be provided as described in the "Safety Alerts" section of this document. Additionally, USAM will email purchasers with information about registering for training. Purchasers and purchaser's immediate family members, who are within the recommended age group for the ATV purchased, and who desire to register for the training course, will be registered with the ATV Safety Institute by the dealer at the point of purchase or later through ASI. Contact information for ASI Safety Institute Training registration will be provided in the "Safety Alerts" purchaser information and in a separate document providing course details and contact information for USAM and the ATV Safety Institute.

If at any time USAM is no longer a participating member of ASI's Safety Program, USAM will require all dealers to provide the registration information for the training course to the consumer at the time of purchase and will reimburse the incurred registration expense of the purchaser, upon receiving proof of completion of the course.

### Dealer Monitoring Program

USAM requires that its dealers verify the intended ATV rider's age prior to selling that rider or his/her guardian an ATV. USAM warranty registration cards require the identification of the intended rider's name and date of birth to ensure that dealers do not sell USAM ATVs to under-aged riders. USAM also requires its dealers to complete a Rider Training Certificate with the customer at the point of purchase, which reviews important safety information.

USAM will use its best efforts to obtain dealer compliance with the age recommendation requirements of the ATV Standard. USAM will conduct on-site



inspections of each of its authorized ATV dealers at least twice a year. These inspections will be conducted by means of independent, undercover investigators (also known as "secret shoppers") to ensure that these dealers follow age requirements and other safety related practices during sales or promotional functions. USAM will also modify the visitation criteria of its field support staff so that inspecting for dealer compliance becomes a normal function of the dealer visit.

When USAM learns of dealers who do not abide by the age requirements of the ATV Standard, it will arrange follow-up inspections. If USAM finds evidence of continued violations, USAM will take remedial actions, up to and including possible termination or non-renewal of the dealer's contract with USAM.

#### ATV Hotline

The hotline shall provide safety and training information including age recommendations and meet all of the requirements of Section H.4 of the 1988 ATV Consent Decree. USAM will provide the subject hot-line as a non-member participating company of the ASI Safety Program. The ATV Safety Institute (ASI) hot line number (800- 887-2887) will be included in USAM Promotional brochures and printed advertisements. USAM will notify the Consumer Product Safety Commission if it discontinues or changes participation with ASI.

USAM will send, free of charge, to each person who calls requesting copies of appropriate materials regarding ATV safety developed pursuant to the final consent decree, such as a copy of the ATV Safety Alert and ATV Ride Safe DVD.

If at any time USAM is no longer a participating member of ASI's Safety Program, USAM will cease to import ATVs or distribute ATVs in commerce until such time that USAM is able to provide a toll-free 24-hour consumer hotline, which meets all of the requirements of H.4 of the 1988 ATV Consent Decree.

#### Advertising

USAM advertising and promotional materials will include the substance of the safety messages described in Section J.1 and Appendix K of the 1988 ATV Consent Decrees and will depict ATVs in a manner consistent with safe and responsible use of the product. All riders shown in such advertisements will wear helmets and full protective gear. USAM will use its best efforts to promote dealer compliance with the advertising requirements.

#### Information/Education Efforts

USAM participates in the ASI Information and Education effort through its non-member participation agreement. The minimum annual fee for ASI non-member participation is \$5000.

Additionally, USAM will provide a minimum \$12,000 annual budget for ATV Information/Education Efforts as described below:

USAM will include in USAM ATV advertising, magazines and its web-site, ATV subject safety and age information and education.

USAM will advertise its ATV safety and age recommendations at least six times per year in ATV Rider Magazine and/or Dirt Wheels Magazine. ATV Rider Magazine and Dirt Wheels Magazine are commercial magazines willing to accept ATV related advertisements for payment. ATV Rider magazine's and Dirt Rider magazine's audience is composed of ATV enthusiast and is an ideal media to reach ATV enthusiast with the Safety and Age Recommendation message.

USAM will include an ATV Safety and Age Recommendation message with all USAM voluntary ATV advertising. The target audience will be ATV buyers.

USAM will include the subject information and education message permanently on its web-site as long as it markets ATVs. This message will be available to anyone who browses USAM's web-site. In addition USAM will not depict any ATV rider with out proper safety and protective gear or riding in an unsafe or irresponsible manner.

USAM will provide safety posters to its entire ATV dealer network each year and encourage its dealers to display the said posters in a prominent location so that all potential buyers may view the message.

USAM will always display the subject safety message at USAM ATV displays when USAM is a participating sponsor at ATV competition events by placing the subject safety posters on USAM display back drops. This safety and age recommendation information would reach ATV closed track competition riders. The scheduling of these events is not controlled by USAM and is often ad-hoc. When USAM is invited to sponsor and accepts sponsorship of an ATV competition event, USAM commits to displaying the ATV Safety and Age Recommendation message as stated.

USAM will provide promotional t-shirts and/or hats with "Wear Your Helmet when Riding" or "Ride Safely" messages. It is estimated that most ATV purchasers will wear their subject hats or shirts at various ATV events the customer attends, providing a safety message to both the customer and those who observe their attire's message.

USAM will provide subject educational materials to its ATV customers and dealer according to the requirements of this document including required safety labeling of USAM ATVs, hang tags and safety videos.

USAM will implement a ATV dealer safety education policy requiring a contractual agreement between USAM and its ATV dealers, requiring as a condition of franchise that they obtain a signed statement from the purchaser that they have read and understand the safety and age recommendations addressed in the labeling of the ATV and the availability of hands-on education.

USAM will provide ATV safety flags with each ATV sold.

USAM will conduct its Information and Education Efforts for at least ten years or as long as it sells ATVs.

USAM will notify the Consumer Product Safety Commission if it discontinues or changes its non-member participation status with ASI.

If at any time USAM is no longer a participating member of ASI's Safety Program, USAM will cease to import ATVs or distribute ATVs in commerce, until such time that USAM is able to enact its own Information and Education Program that complies with Appendix N of the 1988 ATV Consent Decree and is approved by the Office of the General Counsel of the CPSC.

#### Three-Wheel ATVs

USAM will not manufacture, market or sell three-wheel ATVs.

#### Notice

Unless otherwise indicated, USAM will maintain the above specified actions indefinitely. USAM will provide information about these activities upon receipt of reasonable requests from the CPSC. USAM will notify the agency at least sixty (60) days prior to terminating or materially changing any of these activities.

A copy of USAM's fully executed ATV Safety Institute participation agreement is enclosed.

#### Conclusion

USAM will promote safe and responsible use of its products in accordance with this ATV Action Plan.

USAM looks forward to working with the CPSC staff in the future. Please contact us if you have any questions or comments regarding USAM's ATV Action Plan.

Respectfully,



Gary Goodwin  
President, USA Motortoys, LLC

Date:

12-12-009



## ASI SAFETY PROGRAM PARTICIPATION AGREEMENT

This Agreement is entered into between the Specialty Vehicle Institute of America by and through its division, the All-Terrain Vehicle Safety Institute (ASI) and USA Motors, LLC (Participating Company). This Agreement becomes effective on the date when executed by ASI and expires on December 31, 2010 unless renewed upon mutual written consent of the parties, specifying the renewal terms.

I. ASI shall:

- A. Provide Participating Company with products and services, pursuant to the terms and conditions of this Agreement, to assist Participating Company to comply with the following elements of its ATV Action Plan:
  - 1. Age Recommendations
  - 2. Hands-On Training
  - 3. ATV Safety Video
  - 4. Safety Alert
  - 5. Toll-Free Telephone Hotline
  - 6. Information & Education Program
- B. Provide ATV training, upon request, to the retail purchaser of a Participating Company's ATV who provide a valid Vehicle Identification Number (VIN) or Product Identification Number (PIN) that has been previously reported to ASI by the Participating Company in the form of ASI's *ATV RiderCourse* or other ASI training program(s) approved by the U.S. Consumer Product Safety Commission (CPSC).
- C. Provide Participating Company and CPSC with quarterly reports of training activity in substantially the form set forth in Exhibit A, Sample Quarterly ATV Rider Training Summary Report.
- D. Identify Participating Company in select ASI publications as set forth in Exhibit B, ASI Deliverables and Costs, which is incorporated herein by reference.

II. Participating Company shall:

- A. Complete, submit and update as necessary, the ASI Participating Company Training Profile (see Exhibit C), which when completed and submitted is incorporated herein by reference.
- B. Deposit with ASI one-half of the projected annual per unit fees or \$2,500.00, whichever greater, at the time this Agreement is executed and one-half of the projected annual per unit fees or \$2,500.00, whichever greater, on or before July 1 of each year. Projected annual per unit fees shall be determined based on the prior calendar year's retail sales volume.

C. Report to ASI all units imported into, or manufactured in, the United States on or before the date they arrive in, or are completed in, the United States in the manner set forth in Exhibit D, ASI OEM Rider Training Participation Overview, which is incorporated herein by reference.

D. Pay ASI the following per unit fees for each unit imported into the United States:

- \$15.00 – if not offering an incentive payable through ASI
- \$16.25 – if offering a \$50.00 incentive payable through ASI
- \$18.00 – if offering a \$100.00 incentive payable through ASI

Provided, however, that Participating Company shall pay ASI a minimum of \$5,000.00 in fees per year regardless of the number of units imported.

1. In the event the cumulative fees owed by Participating Company (pursuant to Section I.D.) in connection with a report submitted pursuant to Section I.C. have not yet exceeded Participating Company's deposit, ASI will credit fees against the deposit.
2. In the event the cumulative fees owed by Participating Company (pursuant to Section I.D.) in connection with a report submitted pursuant to Section I.C. exceed Participating Company's deposit, ASI shall send Participating Company an invoice for fees owed, which shall be paid within 30 days.

E. Pay ASI, as applicable, for products and services set forth in Exhibit B, ASI Deliverables and Costs, which is incorporated herein by reference.

1. Note, ASI shall provide training to all persons described in Section I.B. above. Participating Company shall pay the per student tuition set forth in Exhibit B, ASI Deliverables & Costs, for any students trained pursuant to a VIN or PIN not previously reported by Participating Company to ASI pursuant to Section II.C.

F. Provide ASI with the total number of annual retail sales of Participating Company's units, through the Motorcycle Industry Council's Retail Sales Reporting System (see Exhibit E, Powersports Retail Sales Reporting System Agreement) or a certified annual accounting, no later than seven days following the end of the year.

### III. Use of ASI PROPERTY

ASI shall utilize ASI curriculum materials, including, without limitation, Instructor Guides, Range Cards, Rider Handbooks, and other printed and audio/visual training aids, and all revisions thereto, to educate and train Participating Company's customers and make other materials set forth in Exhibit B available for purchase by Participating Company (collectively, ASI PROPERTY).



- A. Participating Company shall not use or promote ASI PROPERTY in a manner which, in ASI's reasonable judgment, affects in a negative and detrimental manner ASI's business or goodwill, or tends to deceive or mislead the public, or which creates a likelihood of confusing the public. Participating Company shall discontinue any use or promotion that ASI reasonably finds to be negative or injurious to ASI.
- B. For the term of this Agreement, and thereafter, Participating Company agrees not to use ASI PROPERTY without permission of ASI or names, trademarks, or images identical with, or substantially or confusingly similar to, ASI PROPERTY.
- C. Participating Company shall not modify or adapt ASI PROPERTY in any manner without prior written permission of ASI.
- D. In the event that ASI supersedes or ceases to recommend any ASI PROPERTY in possession of Participating Company, Participating Company agrees to cease all use of such ASI PROPERTY. Participating Company may return up to a one-year supply of ASI PROPERTY in its possession (based on prior 12-month ordering history) to ASI, and ASI agrees to repurchase such ASI PROPERTY (or any successor publication) at the price paid by Participating Company.
- E. Upon termination of this Agreement, or upon non-renewal or non-replacement of this Agreement, Participating Company agrees to cease all use of ASI PROPERTY. Participating Company may return up to a one-year supply of ASI PROPERTY (or any successor publication) in its possession (based on prior 12-month ordering history) to ASI, and ASI agrees to repurchase such ASI PROPERTY (or any successor publication) at the price paid by Participating Company.
- F. The terms of this Section III shall survive termination of this Agreement.

#### IV. TERMINATION

This Agreement shall remain in full force and effect until the expiration date or until such time as the terminating party shall deliver to the other written notice of their intent to terminate this Agreement.

- A. Participating Company may terminate this Agreement, without cause, upon ninety (90) days written notice to ASI.
- B. ASI may terminate or suspend this Agreement if Participating Company materially breaches this Agreement and such breach is not cured by Participating Company within thirty (30) days after Participating Company is notified in writing or, if the matter cannot reasonably be cured within such thirty (30) day period, Participating Company does not initiate a cure within thirty (30) days and complete the cure within such longer period which is reasonably required to cure.

- C. ASI may terminate this Agreement, without cause, upon ninety (90) days written notice to Participating Company.

V. GENERAL

- A. Participating Company's status does not imply any endorsement by ASI of Participating Company or any manufacturers, distributors, retailers, equipment, ATVs or other materials.
- B. All legal action arising out of, or in any way related to, this Agreement shall be brought in either the Superior Court of the State of California for the County of Orange or the United States District Court for the Central District of California. Each party submits and consents to the jurisdiction of those courts.
- C. This Agreement shall be interpreted and governed by the substantive law of the State of California.
- D. Participating Company acknowledges that ASI has no adequate remedy under this Agreement or at law in the event Participating Company breaches the terms of this Agreement, and that ASI would, in such circumstances, be entitled to injunctive or other equitable relief, including interlocutory and preliminary injunctive relief. Participating Company also acknowledges that ASI's rights and remedies under this Agreement at law or in equity are intended to be cumulative, and not mutually exclusive.

For Participating Company

  
Authorized Signature      Date

Gary Goodwin  
Print Name

President  
Title

For Specialty Vehicle Institute of America

  
Authorized Signature      Date

Thomas S. Yager  
Print Name

Vice President  
Title



## ASI Participating Company Training Profile

Thank you for participating in the rider training provided by the ATV Safety Institute (ASI). ASI promotes the safe and responsible use of ATVs by providing a nationwide ATV rider training program, on behalf of manufacturers and distributors.

In order to provide the appropriate training services to ATV buyers, ASI must determine the unique requirements and incentive eligibility of each participating company. Upon completing the Participating Company Training Profile, ASI can accurately communicate the services and benefits available to buyers of your company's ATVs.

1. Participating Company Name

2. Participating Company Address &

Telephone

3. VIN/PIN Verification Contact

Contact Name:

Contact Email:

Contact Phone:

USA Motorbuses, LLC  
25 North 1400 West  
Linden, UT 84042  
801-796-7416

MJ Hopkins  
MJ@DillardsPro.com  
801-796-7416 Ext. 23

#### 4. Training Eligibility:

##### Individual Purchasers

ASI will provide training to the purchaser of an ATV from your company and any age appropriate family members living in the same household.

##### Business/Agency ATV purchasers

ASI will provide training for up to 3 individuals when the purchaser of the ATV is a business or agency.

*If VIN/PIN is not provided to ASI, but valid, we will train buyer then charge a per student tuition. See contract.*

#### 5. Incentive Eligibility (business/agency purchasers are not eligible for incentives):

Do you offer incentives to ATV purchasers who complete, or whose eligible family members complete, training?

\$100 cash

\$ 50 cash & \$50 merchandise certificate

Other \_\_\_\_\_

(Yes / No)

☒  
☐  
☐

If yes, please indicate which buyers are eligible to receive training incentives (check all that are eligible):

First-time purchasers without prior riding experience

First-time purchasers with prior riding experience

Experienced purchaser

If a consumer who purchases an ATV from your company does not answer the "first-time purchase" question upon enrollment, should ASI assume the answer is "yes"?

(Yes/ No)

☒  
☒  
☒

ASI can process incentives of \$100 or combination \$50 and merchandise certificate (Participating Company fulfills the merchandise certificate) upon completion of training. Do you want ASI to process your company's incentives?

(Yes/ No)

☒