US Titan Imports, Inc. DBA US Titan inc.

8630 ROCHESTER AVE RANCHO CUCAMONGA CA 91730

TEL: 909-527-8400 FAX: 909-527-8450 wwww.supermach.com

MFR/PRVLBR NOTIFIED Permission
COMMENTS: __YES __NO to GG 4/7/10
__OVERRULED; __ATTACHED
__EXCISIONS/FOIA Hxs. __;
__DO NOT RE-NOTIFY __RE-NOTIFY

March 4, 2010

Renee K. Haslett

Trial Attorney

Division of Compliance

Office of the General Counsel

U.S. Consumer Product Safety Commission

4330 East-West Highway

Bethesda, Maryland 20814

Re: ATV Action plan of Titan Imports Inc. dba US Titan Inc.

Titan Import Inc DBA US Titan Inc ("US Titan") 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.

- **US Titan Dealer Policy:**

US Titan has implemented a dealer policy that outlines the dealer and US Titan's responsibilities as:

- US Titan sells all Type II (One or two Person Operated) Category G(General Use Model), and Type I (Single Operator and No Passenger) Category G(General Use Model), S(Sport Model), T(Transition Model), and Y (youth Model) ATVs.
- US Titan and its dealers will not recommend, market, or sell US Titan's ATVs for the use of any person below the product's recommended age limitations.

8630 ROCHESTER AVE RANCHO CUCAMONGA CA 91730

TEL: 909-527-8400 FAX: 909-527-8450 www.supermach.com

° Stress the importance of ATV safety and responsible use of ATVs whenever its dealership staff speaks to its customers and prospective customers. Review and understand all the on-product labels, owner manual and safety related materials.

° Provide ATV Safety Alert at the point of purchase.

° Always display the ATV hangtag on all new retail US Titan ATVs.

° Promote ATV safety training provided by US Titan through **All-Terrain Vehicle Safety Institute (*ASI*)** to its dealership staff and retail customers and their immediate families.

° Immediately register the units sold for warranty service. Review, complete, and sign the purchase agreement.

° Provide the customers with an ATV Safe Riding DVD at the point of purchase.

° Refer interested consumers to the US Titan toll free safety hotline (Managed by ***ASI***).

- **Age Recommendations:**

° US Titan will only recommend, market, and sell ATVs for use under the age category/speed guidelines specified in Section 6 of the ANSI/SVIA 1-2007 standard for ATVs ("the ATV Standard"). US Titan will not recommend, market, advertise, or sell new adult-sized ATVs for the use of persons less than 16 years of age.

° US Titan is well aware of the concerns regarding injuries and fatalities among persons under the age of 16, therefore US Titan will use its best efforts to ensure that its dealers comply with these requirements.

- **Safety Alerts:**

° US Titan shall provide to dealers, for dissemination to each purchaser, a "Safety Alert" containing the same substantive safety information as the Safety Alert described at H.3.b. (4)(c) and Appendix J of the 1988 ATV Consent Decree.

US Titan Imports, Inc. DBA US Titan inc.

8630 ROCHESTER AVE RANCHO CUCAMONGA CA 91730

TEL: 909-527-8400 FAX: 909-527-8450 wwww.supermach.com

° Safety messages will include injury and death statistics for ATVs, safety rules, age recommendations and information regarding the ATV training course as described in the Safety Alert in Section H.3.b.(4)(c) and Appendix J of the 1988 ATV Consent Decree.

- **ATV Labels and Safety Hang Tags:**

° US Titan labels will comply with the requirements of Section 4.23 of the ATV Standard.

° US Titan hang tags will comply with the requirements of Section 4.24 of the ATV Standard and will include information about free, hands-on ATV training availability.

- **Owner's Manual**

° US Titan's Owner's manuals will comply with the requirements of Section 4.21 of the ATV Standard.

- **ATV Safe Riding DVD:**

° ***ASI*** will provide US Titan with a Safe Riding DVD, through the SVIA ATV Safety Institute's "Manufacturer's Participation Program."

° As permitted by ASI through this participation program, US Titan will supply its dealers the Safe Riding DVD at the point of purchase, to be provided to all retail purchasers of US Titan ATVs.

° The DVD 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 US Titan is no longer a Participating member of ***ASI***'s Safety Program, and no longer able to distribute ***ASI***'s Safe Riding DVD, US Titan will cease to import ATVs or distribute ATVs in commerce until such time that US Titan 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:**

US Titan Imports, Inc. DBA US Titan inc.

8630 ROCHESTER AVE RANCHO CUCAMONGA CA 91730

TEL: 909-527-8400 FAX: 909-527-8450 wwww.supermach.com

- US Titan will pay for all ATV purchasers and members of their immediate families to attend free hands-on ATV Safety Institute (***ASI***) training, as provided through ***ASI***'s Safety Program.

- ***ASI*** authorized training institutions will conduct this training.

- US Titan will require all dealers to register their ATV purchasers for the ***ASI*** ATV Safety Training course, free of charge, at the time of purchase through a secure online Internet registration process.

- Information regarding the free hand-on ATV training and how to register for the course will also be available through the Owner's Manual, Safety Alerts, Electronic and Printed materials, on the Hangtags, and through the Toll-free Hotline.

- US Titan will follow up with purchasers via email to confirm registration has been completed, at the time of purchase, and if not provide information about how to register for the ***ASI*** training.

- If at any time US Titan is no longer a participating member of ***ASI***'s Safety Program, US Titan 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 expenses of the purchaser, upon receiving proof of completion of the course.

- 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.

- **Dealer Monitoring:**

- US Titan requires that its dealers verify the intended ATV rider's age prior to selling that rider or his/her guardian an ATV. US Titan warranty registration cards require the identification of the intended rider's name and date of birth to ensure that dealers do not sell US Titan ATVs to under-aged riders. In addition, dealers are also responsible for filling out the purchase agreement with the customer at the time of purchase, which reviews

8630 ROCHESTER AVE RANCHO CUCAMONGA CA 91730

TEL: 909-527-8400 FAX: 909-527-8450 wwww.supermach.com

important safe operation information, age recommendations, and safety training course availability and registration.

° US Titan will use its best efforts to obtain dealer compliance with the age recommendation requirements of the ATV Standard. US Titan 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. 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. US Titan 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 US Titan learns of dealers who do not abide by the age requirements of the ATV Standard, it will arrange follow-up inspections. If US Titan finds evidence of continued violations, US Titan will take remedial actions, up to and including possible termination or non-renewal of the dealer's contract with US Titan.

ATV Hot Line:

° As a member of the ***ASI*** Participation program, US Titan will contribute to the toll-free safety hotline administered by ***ASI***.

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

° The ATV hotline information will be available on US Titan's web site, promotional brochures, and print advertisements.

° US Titan's contribution to the funding of an ATV Safety Hotline will be included in the SVIA ATV Safety Institute's "Manufacturer's Participation Program" with a minimum annual fee of $5000, of which US Titan will be an active participant.

- **Advertising:**

US Titan Imports, Inc. DBA US Titan inc.

8630 ROCHESTER AVE RANCHO CUCAMONGA CA 91730

TEL: 909-527-8400 FAX: 909-527-8450 wwww.supermach.com

- All advertisements and promotional materials used or distributed by US Titan will include the substance of the safety messages as described in Section J.1 and Appendix K of the 1988 ATV Consent Decree and will depict ATVs in manner consistent with safe and responsible use of the product.

- All riders shown in such advertisements shall wear full safety gear and helmet.

- US Titan will make its best efforts to promote dealer compliance with these advertising requirements.

- **Information / Education Efforts:**

- US Titan's intent is to educate consumers and users about the age recommendations, the risk of injury or death to children and other safety-related information. The materials provided are directed primarily toward providing safety information and deterring children under the age of sixteen from operating adult-sized ATVs.

- US Titan, through a portion of the fees paid to ***ASI***, will directly help fund ***ASI***'s information and education program that promotes safety messaging that includes the ATV Safety Institute's "Golden Rules". These messages consist of: 1) Always wear a helmet and other protective gear. 2) Never ride on public roads – another vehicle could hit you. 3) Never ride under the influence of alcohol or other drugs. 4) Never carry or ride as a passenger on a single-rider ATV. 5) Ride an ATV that is right for your age. 6) Supervise riders younger than 16; ATVs are not toys. 7) Ride only on designated trail s and at a safe speed. 8) Take an ATV RiderCourse; visit www.atvsafey.org or call toll free (800) 887-2887.

- If at any time US Titan is no longer a participating member of ***ASI***'s Safety Program, US Titan will cease to import ATVs or distribute ATVs in commerce, until such time that US Titan 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.

- US Titan will help promote ATV safety messages and safety behaviors through distribution of ASI safety education materials. By promotion of ***ASI***'s ATV RiderCourse, US Titan will potentially help increase the number of students who take hands-on training.

US Titan Imports, Inc. DBA US Titan inc.

8630 ROCHESTER AVE RANCHO CUCAMONGA CA 91730

TEL: 909-527-8400 FAX: 909-527-8450 wwww.supermach.com

- Using the example described in Appendix N of the 1988 ATV Consent Decree as a guide, US Titan will use the following media campaign:

  - US Titan will provide free ATV safety material, such as posters and calendars to its dealers on an annual basis.

  - US Titan will mail safety reminder post cards to the ATV purchasers at the point of purchase and quarterly, thereafter.

  - US Titan will post safety information on its website and will update it quarterly and upon notification of any safety regulation changes.

- US Titan will also provide this safety material, free of charge, to ATV parks, schools, public libraries, or any other interested institutions upon request and annually thereafter.

- This information will be available through various forms of communication, which will include hangtags, ATV Safety Alerts, and the ATV Safety Riding DVD, along with promotional and electronic material such as posters, calendars, post cards, stickers, US Titan product brochures and the US Titan web site.

- US Titan will maintain this campaign for a minimum of 10 years and will allocate $10,000 annually toward this education effort.

- Interactive CD-ROM.

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

- 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 ATVs.

- Website

  Titan Imports Inc. will expand its' company website to the extent feasible to provide on-line access to a rendition of the CD-ROM program and other safety information. Titan Imports, Inc. will provide a capability allowing persons to download the CD-ROM program from the website.

US Titan Imports, Inc. DBA US Titan Inc.

8630 ROCHESTER AVE RANCHO CUCAMONGA CA 91730

TEL: 909-527-8400 FAX: 909-527-8450 www.supermach.com

° Print Ad

Titan Imports, Inc. will advertise its safety messages and the availability of its new CD-ROM program through monthly advertising in ATV magazines (e.g., ATV Magazine, Dirt Bike Magazine) during the first 10 years of the Information and Education Program's creation.

- **Three Wheel ATVs:**

US Titan will not manufacture, market or sell three wheel ATVs.

- **Notice**

° US Titan will continue with these actions indefinitely and will notify CPSC at least sixty (60) days in advance of terminating or materially changing any of the actions. Additionally, US Titan will provide information in response to reasonable requests from CPSC about these activities.

° In addition, enclosed along with this action plan, you will find a copy of US Titan's fully executed ATV Safety Institute "Manufacturer's Participation Program" agreement.

- **Conclusion:**

° US Titan is proud of our insistence on selling only quality and safe ATVs and looks forward to working with and maintaining a good standing relationship with the CPSC in the future.

Sincerely,

Steven Zhang
President
Titan Imports, Inc. dba **US Titan, Inc.**

US Titan Imports, Inc. DBA US Titan inc.

8630 ROCHESTER AVE RANCHO CUCAMONGA CA 91730

TEL: 909-527-8400 FAX: 909-527-8450 wwww.supermach.com

UST 2010-001

Agreement # [PC Id.] 2010 – 00X

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 Titan Imports Inc DBA US Titan (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

12/14/09

Authorized Signature Date

HONGJIE ZHANG

Print Name

President

Title

For Specialty Vehicle Institute of America

12/22/09

Authorized Signature Date

THOMAS S. YAGER

Print Name

VICE PRESIDENT

Title

ATV Safety Institute

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 Titan Imports Inc DBA US Titan Inc

2. Participating Company Address & 8630 Rochester Avenue
Rancho Cucamonga, CA 91730

Telephone 909-466-5626

3. VIN/PIN Verification Contact

Contact Name: Nathan Chen
Contact Email: nathan@ustitan.com
Contact Phone: 909-466-5626 ext. 8409

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? (Yes / No)

$100 cash ☐
$ 50 cash & $50 merchandise certificate ☐
Other $100 Check ☒

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)