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(A REGISTERED LIMITED LIABILITY PARTNERSHIP OF PROFESSIONAL CORPORATIONS)

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TEXAS BOARD OF LEGAL SPECIALIZATION

August 17, 2004

Associate Administrator for Enforcement
National Highway Traffic Safety Administration
Washington, D.C. 20590

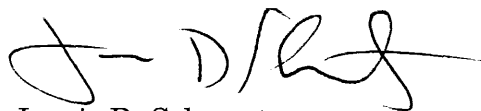
05V-199
CPA JB

Re: American IronHorse Motorcycle
Company, Inc.

Gentlemen:

Enclosed for filing is the 573 Defect Report I prepared on behalf of American IronHorse Motorcycle Company, Inc. and the attached Technical Advisory sent to dealers and service centers. A copy was faxed today to Patricia Wallace. A draft of the Owner's Notification will be forthcoming. Please contact the undersigned with any comments.

Sincerely,



Lewis D. Schwartz

Attachments

cc: Mr. David Patty

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MVS-215
2005 MAY -5 A 10:57
OFFICE OF
DEFECTS INVESTIGATION

PART 573 DEFECT REPORT

On April 27, 2005 American IronHorse Motorcycle Company, Inc. ("American IronHorse") determined that a defect which relates to motor vehicle safety exists in the motor vehicles listed below and is furnishing notification to the National Highway Traffic Safety Administration in accordance with 49 CFR Part 573.

This report was prepared April 29, 2005.

1. American IronHorse is the fabricating manufacturer of the vehicles being recalled. Progressive Suspension, Inc. ("Progressive") is the fabricating manufacturer/brand name/trademark owner of the item of original equipment being recalled, a shock absorber, Part Numbers U65000900 and U65001803, which are assembled by Progressive at its plant. Progressive's business address is 11129 G Avenue, Hesperia, California 92345 and its business telephone number is (877) 690.7411.

2. The defect is the failure of some shock absorbers, Part Numbers U65000900 and U65001803 manufactured by Progressive, that are original equipment on certain motorcycles manufactured by American IronHorse. U65000900 is a standard shock absorber that requires two for each motorcycle and U65001803 is a specialty shock absorber that requires one for each motorcycle. The defective shock absorbers have a spring plate assembly that was installed upside down by Progressive resulting in the shock absorber failing to hold the weight of the motorcycle and in some instances, could suddenly decompress while the motorcycle is in operation. The motorcycles that potentially have the defective shock absorbers were manufactured between January 17, 2005 and April 8, 2005, based on a determination by Progressive that none of the shock absorbers received by American IronHorse prior to January 17, 2005 were defective.

3. American IronHorse determined the recall population by calculating the total number of motorcycles sold that could have had a defective shock absorber installed based on the delivery dates of potentially defective shock absorbers and the motorcycles manufactured after those dates and before the defect was discovered. American IronHorse has the vehicle identification number ("VIN") of each motorcycle potentially affected. The following is a list of the models of motorcycles, all of which are 2005 model year, that could contain the defective part and the potential number of each model affected by the recall.

Model	Number Potentially Affected
Texas Chopper	163
Legend	12
Slammer	24
Total	199

4. Based on inspections of motorcycles in inventory that were manufactured during the time period that defective shock absorbers may have been installed, it is

estimated that less than one percent (1%) of the recall population would have the defective part.

5. The following is a chronology of principal events that were the basis for the determination that the defect relates to motor vehicle safety:

On or about April 7, 2005, American IronHorse discovered a motorcycle on its manufacturing floor with a failed shock absorber, causing the motorcycle to lean greatly to the side of the defective shock absorber. The shock absorber was inspected and it was discovered that the spring plate assembly was installed incorrectly causing the shock absorber to decompress under the weight of the motorcycle. Progressive was notified and a representative arrived at the American IronHorse manufacturing facility on April 8, 2005 to inspect the shock absorbers. Progressive inspectors checked approximately 370 shock absorbers on 196 motorcycles in the American IronHorse inventory and found eight (8) defective shock absorbers on eight (8) motorcycles. Progressive inspectors also checked the 1,768 new shock absorbers in the warehouse that had not yet been installed and found two (2) defective; and checked 194 new shock absorbers on the American IronHorse manufacturing floor and found none defective. On April 9 and 11, 2005, Progressive inspectors inspected the shock absorbers on the motorcycles in the American IronHorse shipping facilities in Kentucky and California. Of the 136 motorcycles total at both facilities, containing 261 shock absorbers, no defective shock absorbers were found. As of the date of this Report, there have been no reported failures of shock absorbers by owners of American IronHorse motorcycles, and all of the defective shock absorbers have been Part Number U65000900, the standard shock absorber. American IronHorse attempted to determine whether a motorcycle with such a defective shock absorber would be a safety hazard, and on April 24, 2005, after receiving information from Progressive in response to questions from its engineers, American IronHorse determined that, because some of the defective shock absorbers did not decompress initially, but may do so while the motorcycle is in operation, that there is a potential safety risk.

6. American IronHorse's plan for remedying the defect is to replace all defective Progressive U65000900 and U65001803 shock absorbers with shock absorbers which do not contain the defect. It will notify all identified owners to bring their vehicle to a dealer for a free inspection of the shock absorbers and free replacement of the shock absorbers, if necessary. Owners who paid to have the shock absorbers replaced before the defect was discovered will be reimbursed for reasonable costs they incurred in replacing the shock absorbers. The estimated date on which recall notices will be sent to vehicle owners is May 15, 2005.

7. American IronHorse has sent a notice regarding the defect to its dealers and service centers with instructions on inspecting the shock absorbers to determine if they are defective. A copy will be filed to supplement this report.

8. American IronHorse will provide the NHTSA Office of Defects Investigation with a copy of its proposed owner notification letter no fewer than five federal government business days before it intends to begin mailing it to owners.



TECHNICAL ADVISORY

April 8, 2005

To: American IronHorse® Dealers / Service Centers

From: American IronHorse® Engineering / Technical Writing Department

Subject: Progressive Shock Inspection

Softtail non-air ride motorcycles delivered after 01-15-2005 may be equipped with defective Progressive® shocks.

A defective shock can fully extend without warning creating a hazardous riding condition.

The procedure below shall be followed for identification of the defective shocks. Please refer to any figures if unclear on a specific step. This procedure must be completed prior to sale.

Required Tools:

1. 6" Dial or Digital Calipers.

Procedure:

1. With the motorcycle on floor in the upright position insert the pin from the tail end of the caliper, into one of the four (4) holes in the face of the shock (Figures 1 and 2). The measured distance to the spring plate inside the shock shall not exceed 1.2 inches.
2. If you have identified a potentially bad shock please remove this motorcycle from your available stock. **DO NOT** ride or sell this motorcycle. Contact American IronHorse Motorcycle Company at 1-888- 618-4766 and provide the VIN # of the subject motorcycle. The replacement shock(s) will be provided by the manufacturer.

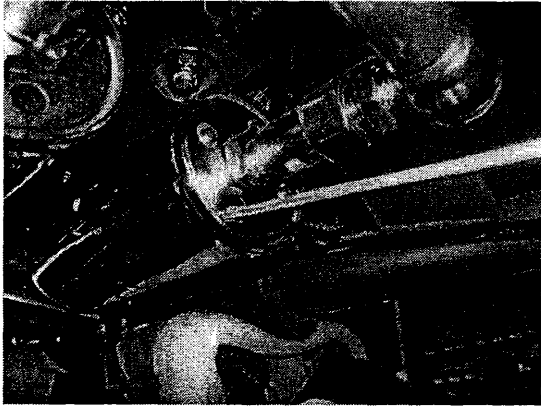


Figure 1

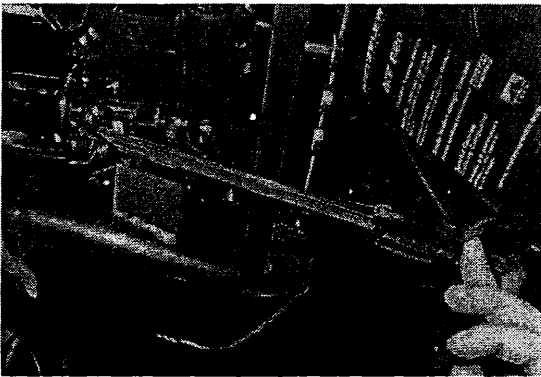


Figure 2