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November 8, 2011

11V-544
(7 Pages)

Via Federal Express and Email

Associate Administrator for Enforcement
National Highway Traffic Safety Administration
Attention: Recall Management Division (NVS-215)
1200 New Jersey Avenue SE,
Washington, DC 20590

Re: **PART 573 NONCOMPLIANCE INFORMATION REPORT**
CFMOTO Powersports, Inc. (Agent);
Model CF250T V3/V5;
NVS-221SSe; OA-123-091204.

Dear Associate Administrator:

Enclosed please find on original and two copies of Amended Part 573 Noncompliance Information Report with Exhibits in the above-referenced matter. Also, enclosed is a copy of the revised Designation of Agent form for CFMOTO Powersports, Inc.

Please contact the undersigned with respect to any questions or requests for additional information or documentation in regard to this matter.

Sincerely,



Boris Parker
Attorney at Law

BP/sc
Enclosure

cc: CFMOTO Powersports, Inc.
Zhejiang CFMOTO Power Co., Ltd.

CFMOTO Powersports, Inc., Amended
PART 573 Defect and Noncompliance Responsibility and Report

On November 1, 2011, Zhejiang CFMOTO Power Co. Ltd., decided that a noncompliance with Federal Motor Vehicle Safety Standard No. 123 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, *Defect and Noncompliance Responsibility and Reports*.

Date this report was prepared: November 4, 2011

Furnish the manufacturer's identification code for this recall (if applicable): V3/V5-001

1. Identify the full corporate name of the fabricating manufacturer of the vehicle being recalled. If the recalled vehicle is imported, provide the name and mailing address of the designated agent as prescribed by 49 U.S.C. §30164.

Manufacturer : Zhejiang CFMOTO Power Co. Ltd. ("CFMOTO"),

Designated Agent: CFMOTO Powersports, Inc.,
Adam Tao, General Manager
3555 Holy Lane North
Suite 30
Plymouth, MN 55447

Identify the corporate official, by name and title, whom the agency should contact with respect to this recall.

Adam Tao, General Manager

Telephone Number: 763-398-2690 **Fax No.:** 763-398-2695

Name and Title of Person who prepared this report: Adam Tao, General Manager

Signed:



Adam Tao, General Manager

I. Identify the Vehicle Models Involved in the Recall

2. Identify the Vehicles Involved in the Recall, for each make and model or applicable vehicle line (provide illustrations or photographs as necessary to describe the vehicle), provide:

Make(s): CFMOTO

Model Years Involved: 2005-2009

Model(s): CF250T-3, CF205T-5 (CFMOTO V3 and V5 Automatic Motorcycles)

Production Dates: Beginning: January 1, 2005 Ending: December 31, 2009

VIN Range: Beginning: _____ Ending: _____

Vehicle Type: Scooter Body style: Motorcycle

Descriptive information which characterizes/distinguishes the recalled vehicles from those model vehicles not included in the recall:

The CFMOTO V3 and V5 Automatic Motorcycles are the only two motorcycle models manufactured by CFMOTO.

Identify the approximate percentage of the production of all the recalled models manufactured by your company between the inclusive dates of manufacture provided above, that the recalled model population represents. For example, if the recall involved Vehicles equipped with certain items of equipment from January 1, 1996 through April 1, 1997, then what was the percentage of the recalled Vehicles of all Vehicles manufactured during that time period:

Thirty (30) Percent.

II. Identify the Recall Population

3. Furnish the total number of vehicles recalled potentially containing the defect or noncompliance.

Number of Vehicles: 6,405. Please See Exhibit "A," CFMOTO V3/V5 Unit Sales Report.

Model Year Potentially Involved : 2005 to 2009.

Total Number Potentially Affected by the Recall: 6,405

4. Furnish the approximate percentage of the total number of vehicles estimated to actually contain the defect or noncompliance:

100%. All 2005-2009 CFMOTO V3 and V5 Automatic Motorcycles lack a rear wheel foot brake actuator and instead contain a left hand rear wheel brake actuator.

Identify and describe how the recall population was determined--in particular how the recalled models were selected and the basis for the beginning and final dates of manufacture of the recalled vehicles:

All 2005-2009 CFMOTO V3 and V5 Automatic Motorcycles lack a rear wheel foot brake actuator which NHTSA has determined is required for all CFMOTO motorcycles under FMVSS No. 123. All CFMOTO V3 and V5 Automatic Motorcycles that contain a left handle bar lever that acts as the rear wheel brake actuator will be subject to recall and installation of the rear wheel right foot brake actuator kit.

III. Describe the Defect or Noncompliance

5. Describe the defect or noncompliance. The description should address the nature and physical location of the defect or noncompliance. Illustrations should be provided as appropriate.

The noncompliance, for which CFMOTO filed a petition seeking an inconsequential finding from the NHTSA, is limited exclusively to the use of a left handle bar rear wheel brake actuator, rather than a right foot rear brake actuator.

Describe the cause(s) of the defect or noncompliance condition.

CFMOTO believed that it met all guidelines and NHTSA requirements under FMVSS No. 123 by certifying the CFMOTOT-3/5 vehicle models at the factory as scooters. Despite the physical appearance of the CFMOTO V3 and V5 models as Motorcycles, the engineering and mechanical design aspect of the vehicle, in particular the automatic transmission, is identical to that of the CFMOTO 250cc scooter models. It is this combination of appearance and functionality that made the CFMOTO V3 and V5 Automatic Motorcycles the best selling model vehicle for CFMOTO in the United States.

Describe the consequence(s) of the defect or noncompliance condition.

CFMOTO is not aware of any negative consequences as a result of the noncompliance. To the contrary, consumers have preferred the hand brake configuration on the CFMOTO V3 and V5 Automatic Motorcycle models. Many of CFMOTO sales were a direct result of the ease of use of the CFMOTO V3 and V5 Automatic Motorcycles. Many of the customers preferred the hand operated controls to the foot alternative, especially those individuals with disabilities, as well as consumers who were upgrading from a smaller scooter model to a "motorcycle" appearance with a higher output engine. Almost all of CFMOTO V3 and V5 model purchasers

did not want the complexities of operating a traditional motorcycle and therefore purchased this particular model for its ease of use.

Identify any warning which can (a) precede or (b) occur.

Not applicable.

If the defect or noncompliance is in a component or assembly purchased from a supplier, identify the supplier by corporate name and address.

Not Applicable.

Identify the name and title of the chief executive officer or knowledgeable representative of the supplier:

Not Applicable.

IV. Provide the Chronology in Determining the Defect/Noncompliance

If the recall is for a defect, complete item 6, otherwise item 7.

6. With respect to a defect, furnish a chronological summary (including dates) of all the principle events that were the basis for the determination of the defect. The summary should include, but not be limited to, the number of reports, accidents, injuries, fatalities, and warranty claims.

Not Applicable.

7. With respect to a noncompliance, identify and provide the test results or other data (in chronological order and including dates) on which the noncompliance was determined.

A noncompliance was determined by NHTSA by certification of the CFMOTO V3 and V5 vehicle models as Motorcycles and therefore requiring the models to have a right rear foot brake actuator pursuant to FMVSS No. 123.

V. Identify the Remedy

8. A description of the manufacturer's program for remedying the defect or noncompliance. This program shall include a plan for reimbursing an owner or purchaser who incurred costs to obtain a remedy for the problem addressed by the recall within a reasonable time in advance of the manufacturer's notification of owners, purchasers and dealers, in accordance with §573.13 of this part. A manufacturer's plan may incorporate by reference a general reimbursement plan it previously submitted to NHTSA, together with information specific to the individual recall. Information required by §573.13 that is not in a general reimbursement plan shall be submitted in the manufacturer's report to NHTSA

under this section. If a manufacturer submits one or more general reimbursement plans, the manufacturer shall update each plan every two years, in accordance with §573.13. The manufacturer's remedy program and reimbursement plans will be available for inspection by the public at NHTSA headquarters.

CFMOTO is proposing to install a rear wheel right foot brake kit on all CFMOTO V3 and V5 Automatic Motorcycles for the model years 2005 – 2009, as a recall program at the dealer level. Please Exhibit "B" hereto depicting diagrams and photographs of the proposed remedy.

9. Furnish a description of the manufacturer's remedy for the defect or noncompliance. Clearly describe the differences between the recall condition and the remedy.

The rear right foot brake actuator will replace the left handle bar brake actuator. Please see Exhibit "B."

Clearly describe the distinguishing characteristics of the remedy component/assembly versus the recalled component/assembly.

The rear right foot brake actuator will replace the left handle bar brake actuator. Please see Exhibit "B."

Identify and describe how and when the recall condition was corrected in production. If the production remedy was identical to the recall remedy in the field, so state. If the product was discontinued, so state.

All future CFMOTO V3 and V5 Automatic Motorcycles will be manufactured with a rear wheel right foot brake in accordance with FMVSS No. 123.

VI. Identify the Recall Schedule

10. Furnish a schedule or agenda (with specific dates) for notification to other manufacturers, dealers/retailers, and purchasers. Please, identify any foreseeable problems with implementing the recall.

The recall schedule is to be finalized with NHTSA. The proposed notification dates are as follows:

Notification to dealers – April 1, 2012

Notification to end users – May 1, 2012

VII. Furnish Recall Communications

11. Furnish a final copy of all notices, bulletins, and other communications that relate directly to the defect or noncompliance and which are sent to more than one manufacturer, distributor, or purchaser. This includes all communications (including both original and follow-up) concerning this recall from the time your company determines the defect or noncompliance condition on, not just the initial notification. *A DRAFT copy of the notification documents should be submitted to this office by Fax (202-366-7882) or by E-Mail to RMD.ODI@dot.gov for review prior to mailing.*

Note that these documents are to be submitted separately from those provided in accordance with Part 579.5 requirements.

Please see proposed Notification Letters to Dealers and End Users, attached hereto as Exhibit "C."