

Equipment Safety Recall Quarterly Report Information¹

Required per 49 CFR Part 573.7

Report Date: 10/31/2012 calendar Quarter: 3rd Qtr 2012

Safety Recall Quarterly Report from 07/01/2012 through 09/30/2012

Manufacturer: QingQi Group Motorcycle CO. Ltd

Report Author: Michael Ringstad Phone: (707) 525-8658 x104

Recall Subject: ZAP XEBRA ALL ELECTRIC MOTORCYCLE

1. NHTSA Safety Recall Campaign Number 09V385/ 12V363

Also, for completeness, if your company has assigned a code number to this campaign, please provide your code: N/A

2. (a) The date notification to purchasers began: 01/2010 /10/08/2012

(b) The date notification of purchasers was completed: CONTINUING
ZAP contracted with R.L. Polk to do a DMV search of all registered MY 2008 vehicles. They Found 459 registered vehicles in the United States. R.L. Polk mailed a recall notice on October 8, 2012. We are currently matching our warranty list to R.L. Polks list to identify What customers and dealers who have vehicles but are not currently registered, so a recall notice can be sent to them.

3. The Total Number of Items of Equipment Involved: 691 – amended per schedule sent to DOT

The total number of items involved in the subject campaign (including all items sold or distributed to purchasers, dealers, distributors, and similar entities beyond the immediate control of the manufacturer/importer).

Number of Items Returned from Inventory or Remedied Prior to Sale: 51 amended to 62

Includes (a) the total number of items returned from Manufacturer, Distributor, Dealer or Retailer inventory or (b) otherwise remedied prior to sale to consumers.

4. (a) Total Number Inspected & Remedied: 109 /amended to 0

Total number of items which were inspected and/or otherwise repaired or remedied.

ZAP has developed a remedy that is currently being tested by Karco. At the time of this report, the MY 2008 Zebra has passed the first effectiveness testing and is currently having the brakes burnished for the second test to meet the needs of this recall. We are amending this amount that we previously stated were remedied and will report in the 4th quarter or before, the results of the current testing so we can begin shipping the remedy to our customers.

(b) Total Number Inspected & NOT REQUIRING REMEDY: 0

Total number of items involved in the recall and inspected, but determined to NOT REQUIRE REMEDIAL or recall repair work.

5. Items Determined to be Unreachable

Total Number Exported: 6

Total Number Stolen: 0

¹Any questions please contact Mrs. Kelly Schuler or Ms. Jennifer Timian at (202) 366-5227 or by FAX at (202) 366-7882 or email to rmd.odi@dot.gov.

Total Number in inventory 62 _____

Total Number sold not shipped 15 _____

Total Number Scrapped: 17 _____

Total Number Unable to Notify: 45 amended to 116

Of the 691 vehicles, when we subtract what was exported, number of vehicles in inventory, vehicles sold, but not shipped due to hold on shipping until a remedy is approved and the number scrapped, we have not been able to notify 132 customers. We are now comparing R.L. Polk's registered owners list to our warranty list to identify owners whose vehicles are no longer registered.

Total Number Otherwise Unreachable: 59 amended to 16

Of the 459 mailing done by R.L. Polk, 16 letters came back in addresses that were no longer valid. We have sent this list back to R.L. Polk for a new address search.

Describe Other: