



U.S. CONSUMER PRODUCT SAFETY COMMISSION
4330 EAST WEST HIGHWAY
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Office of Compliance and Field Operations
Defect Investigations Division
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SEP 22 2010

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Certified Mail

John Gore, Manager
Southern Honda Powersports
1408 Workman Road
Chattanooga, TN 37407

Re: CPSC File No. PI100112
Southern Honda Powersports
Sale of Recalled ATVs

Dear Mr. Gore:

The staff of the Consumer Product Safety Commission ("CPSC") has obtained information demonstrating that Southern Honda Powersports ("SHP") sold recalled all-terrain vehicles ("ATVs") without the required recall repairs being made on the ATVs before delivery of the products to consumers. It appears that SHP sold recalled ATVs without repairs after multiple stop sale notices were issued by American Honda Motor Co., Inc. ("AHM") in the last five publicly-announced ATV recalls conducted by AHM in consultation with the CPSC. As of August 14, 2008, pursuant to section 19(a)(2)(B) of the CPSA, 15 U.S.C. § 2068(a)(2)(B), it is unlawful to sell, offer for sale, manufacture for sale, distribute in commerce, or import into the United States a product that is covered by a manufacturer's corrective action plan created in consultation with, and publicized by, the CPSC.

The CPSC staff has received copies of June 30, 2008 and July 2, 2008 letters from AHM to your dealership cautioning that you cannot sell recalled products. Information in our possession indicates that your dealership continued to sell recalled products even after you received these two letters from AHM.

The CPSC staff requests that SHP review its entire inventory and immediately stop distribution and sale of all products in its inventory that were recalled by AHM, but which did not receive the required recall repairs. In addition, the CPSC staff requests that SHP contact all customers to whom it sold unrepaired, recalled products and inform them that

the products are subject to recall and how they can avail themselves of the remedy under the recall. Finally, within 20 days of the date of this letter, the CPSC staff requests that you provide us with a detailed report of all sales of unrepaired, recalled products by SHP to consumers.

Pursuant to Section 20 of the CPSA, 15 U.S.C. § 2069, you and your firm may be liable for a civil penalty of \$100,000 for each violation of Section 19 of the CPSA, 15 U.S.C. § 2068, up to a maximum of \$15,000,000 for any related series of violations. In addition, pursuant to Section 21 of the CPSA, 15 U.S.C. § 2070, such violations could subject you and your firm to criminal penalties including imprisonment for not more than five (5) years and forfeiture of assets associated with the violation(s).

Until this matter and any related matters are resolved, there will remain the possibility of further enforcement action, including reasonably anticipated litigation. Therefore, the firm must abide by the continuing legal obligation to preserve all information, documents, records, and samples, now in existence or created hereafter, related to the subject recalled products.

If you have any questions, please contact me at 301-504-7594.

Sincerely,



Tanya L. Topka
Compliance Team Lead
Defect Investigations Division