

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C.

In the Matter of:

JONWAY MOTORCYCLE (USA) CO.,
LTD., SHENKE USA, INC., JONWAY
GROUP CO., LTD., SHANGHAI SHENKE
MOTORCYCLE CO., LTD., ZHEJIANG
JMSTAR SHENKE MOTORCYCLE CO.,
LTD., and ZHEJIANG JONWAY
MOTORCYCLE MANUFACTURING CO.,
LTD.,

Respondents.

Docket No.
CAA Appeal No. 14-03

2014 SEP 19 PM 2:21
ENVIR. APPEALS BOARD

RECEIVED
U.S. E.P.A.

SUPPLEMENTAL APPENDIX TO
SUPPLEMENTAL BRIEF IN SUPPORT OF COMPLAINANT'S
MOTION FOR A DEFAULT ORDER

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¹ The final page of the Complainant's Appendix to Motion for a Default Order, dated April 7, 2014, was numbered "166." For clarity, Complainant begins page number in Supplemental Appendix with "167."



Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Articles of Incorporation for Jonway Motorcycle (USA) Co. Ltd. (file number 800441131), a Domestic For-Profit Corporation, was filed in this office on January 18, 2005.

It is further certified that the entity status in Texas has been voluntarily dissolved. The entity became inactive on September 11, 2014.

It is further certified that our records indicate XIAOTONG QI as the designated registered agent for the above named entity and the designated registered office for said entity is as follows:

1501 KELLY BLVD

CARROLLTON, TX - 75006 5524 USA

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on September 16, 2014.



NANDITA BERRY

Nandita Berry
Secretary of State

Form 651

Secretary of State
P.O. Box 13697
Austin, TX 78711-3697
FAX: 512/463-5709

Filing Fee: \$40



**Certificate of Termination
of a
Domestic Entity**

Filed in the Office of the
Secretary of State of Texas
Filing #: 800441131 09/11/2014
Document #: 567564160005
Image Generated Electronically
for Web Filing

Entity Information

The name of the domestic entity is:

Jonway Motorcycle (USA) Co. Ltd.

The entity is organized as a : **Domestic For-Profit Corporation** under the laws of Texas.

The date of formation of the entity is: **January 18, 2005**

The file number issued to the entity by the secretary of state is: **800441131**

Governing Persons

The names and addresses of each of the filing entity's governing person are:

NAME OF GOVERNING PERSON :

IF INDIVIDUAL

Qi Xiaotong

OR

IF ORGANIZATION

ADDRESS OF GOVERNING PERSON :

1501 Kelly Blvd Carrollton TX, USA 75006-5524

Event Requiring Winding Up

The nature of the event requiring winding up is:

All owners decide to close out the company

Completion of Winding Up

The filing entity has complied with the provisions of the Texas Business Organizations Code governing its winding up.

Effectiveness of Filing

☒ A. This document becomes effective when the document is filed by the secretary of state.

OR

☐ B. This document becomes effective at a later date, which is not more than ninety (90) days from the date of its signing. The delayed effective date is:

Tax Certificate

A. ☒ Attached hereto is a certificate from the comptroller of public accounts that all taxes under title 2, Tax Code, have been paid.

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B. ☐ The entity is a domestic non profit corporation and is not required to provide a certificate of account status under the provisions of the Texas Business Organizations Code.

Execution

The undersigned signs this document subject to the penalties imposed by law for the submission of a materially false or fraudulent instrument.

Date: **September 11, 2014**

Xiaotong Qi, President

Signature and title of authorized person(s)

FILING OFFICE COPY



Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Certificate of Formation for Shenke USA, Inc. (file number 800887958), a Domestic For-Profit Corporation, was filed in this office on October 23, 2007.

It is further certified that the entity status in Texas is forfeited existence. The entity became inactive on August 02, 2013.

It is further certified that our records indicate XIAOTONG QI as the designated registered agent for the above named entity and the designated registered office for said entity is as follows:

1503 KELLY BLVD.

CARROLLTON, TX - 75006 USA

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on September 16, 2014.



NANDITA BERRY

Nandita Berry
Secretary of State



Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Certificate of Formation for Nitro Powersports, LLC (file number 801429280), a Domestic Limited Liability Company (LLC), was filed in this office on May 23, 2011.

It is further certified that the entity status in Texas is in existence.

It is further certified that our records indicate QING YU as the designated registered agent for the above named entity and the designated registered office for said entity is as follows:

1501 KELLY BLVD

CARROLLTON, TX - 75006 USA

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on September 16, 2014.



NANDITA BERRY

Nandita Berry
Secretary of State



05-102
(Rev. 9-11/30)
Tax Code 13196 Franchise

Texas Franchise Tax Public Information Report

To be filed by Corporations, Limited Liability Companies (LLC) and Financial Institutions

This report MUST be signed and filed to satisfy franchise tax requirements

■ Taxpayer number

■ Report year

You have certain rights under Chapter 552 and 559, Government Code, to review, request, and correct information we have on file about you. Contact us at (800) 252-1381 or (512) 463-4600.

3 2 0 4 4 3 1 4 3 7 8

2 0 1 4

Taxpayer name NITRO POWERSPORTS, LLC				Secretary of State (SOS) file number or Comptroller file number 0801429280			
Mailing address 1942 N INTERSTATE 35E							
City CARROLLTON	State TX	ZIP Code 75006	Plus 4				

● Blacken circle if there are currently no changes from previous year; if no information is displayed, complete the applicable information in Sections A, B and C.

Principal office
Principal place of business

Please sign below!

Officer, director and manager information is reported as of the date a Public Information Report is completed. The information is updated annually as part of the franchise tax report. There is no requirement or procedure for supplementing the information as officers, directors, or managers change throughout the year.



SECTION A Name, title and mailing address of each officer, director or manager.

Name	Title	Director	Term expiration	m	m	d	d	y	y
DARRELL GREEN	DIRECTOR	<input checked="" type="radio"/> YES							
Mailing address 1944 CAMDEN WAY	City CARROLLTON	State TX	ZIP Code 75007						
QING YU	MANAGER	<input type="radio"/> YES							
Mailing address 2701 PICKWICK LANE	City PLANO	State TX	ZIP Code 75093						
QING YU	DIRECTOR	<input checked="" type="radio"/> YES							
Mailing address 2701 PICKWICK LANE	City PLANO	State TX	ZIP Code 75093						

SECTION B Enter the information required for each corporation or LLC, if any, in which this entity owns an interest of 10 percent or more.

Name of owned (subsidiary) corporation or limited liability company	State of formation	Texas SOS file number, if any	Percentage of ownership
Name of owned (subsidiary) corporation or limited liability company	State of formation	Texas SOS file number, if any	Percentage of ownership

SECTION C Enter the information required for each corporation or LLC, if any, that owns an interest of 10 percent or more in this entity or limited liability company.

Name of owned (parent) corporation or limited liability company	State of formation	Texas SOS file number, if any	Percentage of ownership
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Registered agent and registered office currently on file. (see instructions if you need to make changes) ☐ Blacken circle if you need forms to change the registered agent or registered office information.

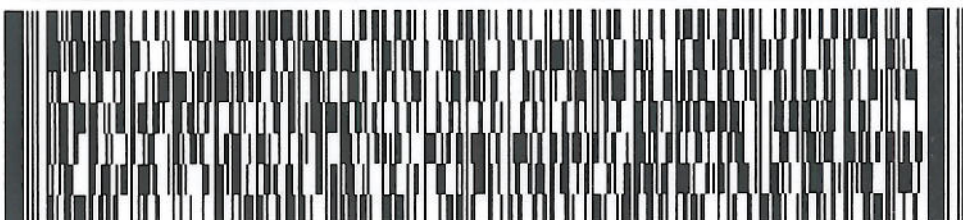
Agent: QING YU	City CARROLLTON	State TX	ZIP Code 75006
-----------------------	---------------------------	--------------------	--------------------------

The above information is required by Section 171.203 of the Tax Code for each corporation or limited liability company that files a Texas Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer, director or manager and who is not currently employed by this, or a related, corporation or limited liability company.

sign here Carl K Sun	Title Electronic	Date 03-07-2014	Area code and phone number (972) 231-0636
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Texas Comptroller Official Use Only



VE/DE	<input type="radio"/>	PIR IND	<input type="radio"/>
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**SUPPORTING DOCUMENTS FOR ENGINE FAMILY:
FSHKC.049SC1**

**CARRY OVER APPLICATION FOR 2015 MODEL YEAR
EPA CERTIFICATE
MANUFACTURE CODE: SHK
CATEGORY: HMC I-A**



**IMPORTER
SHENKE USA, INC.**

**ORIGINAL MANUFACTURER
ZHEJIANG JONWAY MOTORCYCLE
MANUFACTURING CO., LTD**

**Stanley Marketing & Consulting LLC
2014/7/31**

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Stanley marketing & Consulting LLC

9634 153A Street, Surrey, BC, V3R4H9, Canada

Phone: 425-223-3488 * Fax: 604-648-8866 * E-mail: stanleyconsult@gmail.com

Jul 5, 2014

Mr. Bruce Sdunek
Office of Transportation and Air Quality
U.S. Environmental Protection Agency
2000 Traverwood Drive
Ann Arbor, MI 48105

Re: Original Manufacture: Zhejiang Jonway Motorcycle Manufacturing Co., Ltd
Importer: Shenke USA, Inc.
2015 Model Year Application for Certification of Highway Motorcycle

Dear Mr. Sdunek ,

Shenke USA, Inc., hereinafter "Shenke ", has contracted us to prepare and submit applications for certification to the US Environmental Protection Agency and/or the California Air Resources Board. please find the enclosed designation of authorized representative letter from the Importer and OEM.

Enclosed is an application submitted on behalf of Zhejiang Jonway Motorcycle Manufacturing Co., Ltd (hereinafter "Jonway") and Shenke USA, Inc., (hereinafter "Shenke"), for a Certificate of Conformity covering a 2015 model year motorcycle, accompanied by copy of the emission test results, maintenance instructions, and technical specifications etc.

We have paid the Motor Vehicle and Engine Compliance Program fee for this engine family and a copy of the payment form is attached to the application.

The engine family name and models covered are:

Engine Family Designation: FSHKC.049SC1

Models Covered:

YY50QT-3	YY50QT-5	YY50QT-6	YY50QT-7	YY50QT-8	YY50QT-10
YY50QT-12	YY50QT-16	YY50QT-21	YY50QT-28	YY50QT-29	YY50QT-30
YY50QT-4	YY50QT-18	YY50QT-22			

Should you have any questions, please contact James Xu of Stanley Marketing & Consulting LLC by telephone 425-223-3488, or via e-mail at stanleyconsult@gmail.com

Thanks for your courtesy.

Respectfully,



James Xu/Manager
Stanley Marketing & Consulting LLC

SHENKE USA, INC.

1503 Kelly Blvd., Carrollton, TX, 75006
Tel: 972-820-7961 Fax: 972-820-7916

Jul 5, 2014

Mr. Bruce Sdunek
Office of Transportation and Air Quality
U.S. Environmental Protection Agency
2000 Traverwood Drive
Ann Arbor, MI 48105

RE: Application for Certification for Engine Family FSHKC.049SC1 (HMC I-A)

Dear Mr. Sdunek ,

We hereby apply for a Certificate of Conformity for Shenke USA, Inc. (hereinafter "Shenke") covering 2015 Model Year Highway Motorcycle.

The Original Manufacturer:

Name: Zhejiang Jonway Motorcycle Manufacturing Co., Ltd (hereinafter "Jonway")
Address: Houruan Country, Luqiao District, Taizhou City, Zhejiang Province, P.R. China

Engine Family and Vehicle Descriptions:

Engine Family Name: FSHKC.049SC1 (HMC I-A)

F	Model Year 2015
SHK	Manufacturer's Code
C	Engine Family Type – Highway Motorcycle
.049	Engine Displacement 49cc
SC1	Sequence Characters

The models covered by this engine family:

YY50QT-3	YY50QT-5	YY50QT-6	YY50QT-7	YY50QT-8	YY50QT-10
YY50QT-12	YY50QT-16	YY50QT-21	YY50QT-28	YY50QT-29	YY50QT-30
YY50QT-4	YY50QT-18	YY50QT-22			

Vehicle Description:

The Highway Motorcycle whose Certificate of Conformity is applied for herewith are powered by a single cylinder, Otto cycle engine. This is a carbureted highway motorcycle, using an automatic transmission. Information stating the technical specifications is enclosed.

Statement of Compliance:

The vehicle described herein, manufactured by Zhejiang Jonway Motorcycle Manufacturing Co., Ltd, have been tested in accordance with the provisions of Subpart E, part 86, title 40, of the Code of Federal Regulations, and on the basis of these tests, are in conformity with that subpart. All the data and records required by that subpart are on file and are available for inspection by the Administrator.

Emission Control System Warranty:

Shenke USA, Inc. will provide the warranty attached hereto in the format submitted in our application, to the retail purchaser of the vehicle.

Vehicle Emission Control Labels:

Attached is a copy of the actual VECI label. The label is attached during the production process prior to the vehicles being crated and leaving the factory. The label is permanent and cannot be removed without destroying the label and paint underneath.

Description of Manufacturing Process:

SHENKE USA, INC.

1503 Kelly Blvd., Carrollton, TX, 75006
Tel: 972-820-7961 Fax: 972-820-7916

These motorcycles are assembled at the factory located in China from components made by Jonway. The finished motorcycles are then shipped to us in United States.

The motorcycles are not further modified once they leave the factory in China.

The manufacturer uses internal memoranda including written hard copy reports as well as emails to notify the importer of any running changes made to the motorcycles. It is our policy to contact their certification consultant before any running changes is made.

Statement of Identity:

This letter will confirm that all our Model Year 2015 motorcycles are identical in all material respects to the motorcycles described in this application for certification

Statement of Conformity:

This is to confirm that all Shenke vehicles under this engine family are manufactured and assembled by Zhejiang Jonway Motorcycle Manufacturing Co., Ltd All motorcycles are fully compliant with all applicable EPA regulations at the time of final assembly. No modification following initial assembly is ever performed. The test vehicles, with respect to which data are submitted, have been tested in accordance with the applicable test procedures, that they meet the requirements of such tests, and that, on the basis of such tests, they conform to the requirements of the regulations in this part (40 CFR 86, 40 CFR 1051.)

For questions contact:

James Xu / Manager
Stanley Marketing & Consulting LLC
9634 153A Street, Surrey, BC, V3R4H9, Canada
Phone: 425-223-3488 Fax: 604-648-8866
E-mail: stanleyconsult@gmail.com

We have paid the Motor Vehicle and Engine Compliance Program fee for this Engine Family, and a copy of the payment form is attached. attached please also find the a copy of the emission tests results, a sample of the Vehicle Emission Control Information label, maintenance instructions, technical specifications for this engine family and the information requested by EPA. All vehicles will have a VIN attached, complying with 1051.135 (a).

Trusting that the information disclosed and listed will permit issue of a Certificate of Conformity for sales of vehicles described forthwith.

Respectfully,



Wei Guo/Manager
Shenke USA, Inc.



浙江永源摩托车制造有限公司

ZHEJIANG JONWAY MOTORCYCLE MANUFACTURING CO., LTD.

地址: 浙江省台州市路桥区路南后阮村 邮编: 318050 电话/传真: 86 576 82555888

Add: Houruan Village, Luqiao, Taizhou, Zhejiang 318050 Tel/Fax: 86 576 82555888

Jul 5, 2014

Mr. Bruce Sdunek
Office of Transportation and Air Quality
U.S. Environmental Protection Agency
2000 Traverwood Drive
Ann Arbor, MI 48105

Re: Designation of Authorized Representatives

Dear Mr. Sdunek ,

This letter designates:

Consultant	Importer	OEM
James Xu / Manager	Wei Guo / Manager	Changyun Yang / Manager
Stanley Marketing & Consulting LLC	Shenke USA, Inc.	Zhejiang Jonway Motorcycle Manufacturing Co., Ltd
9634 153A Street, Surrey, BC, V3R4H9, Canada	1503 Kelly Blvd, Carrollton TX 75006	Houruan Country, Luqiao District, Taizhou City, Zhejiang Province, P.R. China
Tel: 425-223-3488	Tel: 888-824-4950	Tel: 86 576 82586598
stanleyconsult@gmail.com	james@jonway.com	YANGCYUN@126.COM

as the authorized representatives for all matters relating to our applications for certification, including compliance with emission control system warranty. These individuals are authorized to deal for Zhejiang Jonway Motorcycle Manufacturing Co., Ltd with the U.S. Environmental Protection Agency and the California Air Resource Board on all matters.

Designated Primary Contact

James Xu
Changyun Yang
Wei Guo

Regarding

Certification
OEM production
Compliance and Warranty

Zhejiang Jonway Motorcycle Manufacturing Co., Ltd is the original manufacturer of the following model vehicles,. Shenke USA, Inc. is authorized to imports the following vehicles to United States.

YY50QT-3 YY50QT-5 YY50QT-6 YY50QT-7 YY50QT-8 YY50QT-10
YY50QT-12 YY50QT-16 YY50QT-21 YY50QT-28 YY50QT-29 YY50QT-30
YY50QT-4 YY50QT-18 YY50QT-22

As the Manager, I am authorized to make this designation and permission on behalf of Zhejiang Jonway Motorcycle Manufacturing Co., Ltd

Respectfully,

Changyun Yang / Manager
Jonway Motorcycle Manufacturing Co., Ltd

SHENKE USA, INC.

1503 Kelly Blvd., Carrollton, TX, 75006
Tel: 888-824-4950 Fax: 972-820-7916

Jul 5, 2014

Mr. Bruce Sdunek
Office of Transportation and Air Quality
U.S. Environmental Protection Agency
2000 Traverwood Drive
Ann Arbor, MI 48105

Re: Designation of Authorized Representatives

Dear Mr. Sdunek ,

This letter designates:

James Xu / Manager
Stanley Marketing & Consulting LLC
9634 153A Street, Surrey, BC, V3R4H9, Canada
Tel: 425-223-3488 Fax: 604-648-8866
e-mail: stanleyconsult@gmail.com

as the authorized representative for all matters relating to our applications for certification, including compliance with emission control system warranty. This individual is authorized to deal for Shenke USA, Inc. with the U.S. Environmental Protection Agency and the California Air Resource Board on all matters.

Zhejiang Jonway Motorcycle Manufacturing Co., Ltd is the original manufacturer of the following model vehicles,. Shenke USA, Inc. is authorized to imports the following vehicles to United States.

YY50QT-3	YY50QT-5	YY50QT-6	YY50QT-7	YY50QT-8	YY50QT-10
YY50QT-12	YY50QT-16	YY50QT-21	YY50QT-28	YY50QT-29	YY50QT-30
YY50QT-4	YY50QT-18	YY50QT-22			

As the Manager, I am authorized to make this designation on behalf of Shenke USA, Inc..

Respectfully,



Wei Guo/Manager
Shenke USA, Inc.

**CONTRACTUAL AGREEMENT
BETWEEN
ZHEJIANG JONWAY MOTORCYCLE MANUFACTURING CO.,LTD
AND
SHENKE USA,INC.
FOR U.S. EPA AND CARB**

Date of Execution:07/05/2014

AGREEMENT made by and between **ZHEJIANG JONWAY MOTORCYCLE MANUFACTURING CO.,LTD.** (Hereinafter the "Manufacturer"), and **SHENKE USA,INC.**, a corporation organized under the laws of USA (hereinafter referred to as the "Importer"), in reference to Environment Protection Agency and California Air Resources Board responsibilities.

WHEREAS, the Manufacturer is engaged in manufacture and sale of scooters, motorcycles, ATVs, engines and spare parts in China , and is legally constituted under the laws of China, and

WHEREAS, the Importer has agreed to serve as manufacturer's agent for the U.S.A., and

WHEREAS, the parties have reached an agreement with respect to the purchase of products by the Importer from Manufacturer for the exclusive distribution in the U.S.A., and

WHEREAS, the parties desire to define the responsibilities of each with regard to certain Federal and State emission laws and regulations:

Now THEREFORE the parties agree as follows:

1. The manufacture's brief introduction

- **Company full legal name:** Zhejiang Jonway Motorcycle Manufacturing Co.,Ltd
- **Number of year in business:** 28 years
- **The official website:**www.jonway.com
- **Number of employees:** 3500
- **Key Contact Information:**
Name/Title: Changyun Yang/Manager
Address: Houruan Country, Luqiao District, Taizhou City, Zhejiang Province, P.R. China
Tel: 86 576 82555888 **Fax:** 86 576 82555888
Email Address: yangcyun@126.com

2. The Importer's brief introduction

- **Company full legal name:** Shenke USA,Inc.
- **Number of years in business:** 4 years
- **The official website:** N/A
- **Number of Employees:** 10
- **Key Contacts Information:**
Name/Title: Wei Guo/Manager
Address: 2041 S Turner Ave,Ontario, CA 91761
Tel: 888-824-4950 **Fax:** 972-820-7916
E-mail address: james@jonway.com

3. Importer is responsible for:

- a. Obtaining Certificates of Compliance under the United States Clean Air Act, and regulations passed pursuant thereto, and obtaining Executive Orders under California laws and regulations, permitting the offering for sale and sale of all manufactures highway motorcycles (HMC), off-road motorcycles and ATVs Imported by Importer.
- b. Providing warranty service, through its dealer network, in accordance with the Emission Warranty presented to retail customers, for said vehicles.
- c. Immediately notifying Manufacturer of any recall or other action of which it is notified by the USA EPA under the provisions of 40 CFR regulations.
- d. Managing and fulfilling the terms of any such retail or notice as given in c. above.

4. Manufacturer is responsible for:

- a. Reimbursing Importer at the warranty rate agreed upon in the agreement, for such work as Importer undertakes in fulfilling this agreement.
- b. Providing, in a timely manner, such parts, engineering work, tools, and other material and labor as is reasonably needed by Importer to carry out its responsibilities under this agreement.

5. Manufacturer hereby appoints Importer as its agent for service of process, for process from the US EPA and the California Air Resources Board only, and hereby certifies as follows:

- A) This designation is in legal form required to make it binding on the manufacturer under the laws, corporate by laws, or other requirements governing the making of the designation by the manufacturer at the place and time where it was made.
- B) The designation of Importer as an agent solely for the service of process shall remain in effect until it is withdrawn or replaced by the manufacturer.
- C) Importer is authorized to import the following highway motorcycles for model year 2015:
- D)

Make	Model	Size	Type	Approx. # to be Imported
Jonway	YY50QT-5	50cc	HMC I-A	100
Jonway	YY50QT-3	50cc	HMC I-A	100
Jonway	YY50QT-4	50cc	HMC I-A	100
Jonway	YY50QT-6	50cc	HMC I-A	100
Jonway	YY50QT-7	50cc	HMC I-A	100
Jonway	YY50QT-8	50cc	HMC I-A	100
Jonway	YY50QT-10	50cc	HMC I-A	100
Jonway	YY50QT-12	50cc	HMC I-A	100
Jonway	YY50QT-16	50cc	HMC I-A	100
Jonway	YY50QT-18	50cc	HMC I-A	100
Jonway	YY50QT-21	50cc	HMC I-A	100
Jonway	YY50QT-22	50cc	HMC I-A	100
Jonway	YY50QT-28	50cc	HMC I-A	100
Jonway	YY50QT-29	50cc	HMC I-A	100
Jonway	YY50QT-30	50cc	HMC I-A	100

Shenke is responsible for supplying spare parts, technical support including warranty services to their US dealer base, which in turn will render the same services to the consumer. Shenke will establish, train and maintain the US dealer base and provide all technical materials needed to

operate a professional dealership. Customer feedback will be related to the importer by means of warranty claims, which in turn will be forwarded to the Warranty Claims Department for evaluation. Warranty Claims Department will provide Shenke with all required running changes to the manufacturing process. The information from Dealer to Manufacturer and from Manufacturer to Dealer will be channeled through the office located at the headquarters of Shenke USA, Inc. should be considered as the main contact point for all EPA related issues.

E) Any notice required by this agreement shall be in writing, sent by first class mail, or if overseas communication, by air mail or fax to the parties as follows:

F)

To Importer:

Shenke USA, Inc.
1503 Kelly Blvd, Carrollton TX 75006
Tel: 888-824-4950 Fax: 972-820-7916

To Manufacturer:

Zhejiang Jonway Motorcycle Manufacturing Co., Ltd.
Houruan Country, Luqiao District, Taizhou City, Zhejiang Province, P.R. China
Tel: 86 576 82555888 Fax: 86 576 82555888

Either party may change the address to which notices shall be sent by giving notice as provided herein.


This agreement constitutes the entire understanding of the parties and the failure of any party to require the performance of any term of this agreement or the waiver by either party of any breach under this agreement shall not prevent a subsequent enforcement of such terms, not to be deemed a waiver of any subsequent breach.

IN WITNESS WHEREOF, the parties have executed this agreement on this Jul. 5, 2014

Shenke USA, Inc.

Zhejiang Jonway Motorcycle Manufacturing Co., Ltd.


Wei Guo/ Manager
Jul. 5th, 2014


Changyun Yang / Manager
Jul. 5th, 2014



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
NATIONAL VEHICLE AND FUEL EMISSIONS LABORATORY
2565 PLYMOUTH ROAD
ANN ARBOR, MICHIGAN 48105-2498

OCT 28 2013

UPS
DELIVERY CONFIRMATION REQUESTED

OFFICE OF
AIR AND RADIATION

Mr. Xiaotong Qi, General Manager
Jonway Motorcycles (USA) Co., Ltd.
1942 N. Stemmons Freeway
Carrollton, TX 75007

Dear Mr. Qi:

This letter is to inform you that the U.S. Environmental Protection Agency ("EPA") is voiding the certificates of conformity issued to Jonway Motorcycles (USA) Co., Ltd. (hereinafter referred to as "Jonway") for the engine families listed in Attachment A to this letter. These certificates include the highway motorcycle certificates issued to Jonway in 2006, 2007, 2008, 2009, 2010, and 2011.

These certificates were issued based upon information and statements you made in your applications for certification as required by 40 CFR Part 86. In your certificate applications, you asserted full compliance with the applicable statutory and regulatory requirements. Specifically, Jonway stated in all of its applications for certificates that the test vehicle was tested in accordance with the applicable EPA test procedures, meets the requirements of such tests, and conforms to the requirements of the regulations. In addition, Jonway stated in all of its applications for certificates that all required data and records were on file and were available for inspection by the Administrator.

EPA's decision to issue the certificates of conformity was based on our review of the information and statements in your certificate applications, and most importantly, our presumption that the information and statements in the applications were true and complete. After completing our review of the applications, we concluded that the engine families met all requirements of 40 CFR Part 86 and the Clean Air Act (CAA). Consequently, we issued the certificates of conformity.

After issuing these certificates of conformity, EPA received information concerning the certification practices used by your certification consultant, System Launch Associates (SLA), including information suggesting that no testing had actually been done on your vehicles. Based on our investigation, which included repeated requests for information from Jonway, assertions from your test lab that they had not done any testing for Jonway, and your consistent lack of ability to produce any documents to verify that any testing actually occurred, it appeared to EPA that the testing referenced throughout Jonway's certificate applications never occurred. Because the testing information included with Jonway's applications appeared fabricated, it necessarily

appeared that Jonway knowingly and/or intentionally submitted false, incomplete, or inaccurate information in your applications for certification. Furthermore, because the accuracy and authenticity of testing information and supporting data was integral to our determination that your vehicles met emission standards and otherwise conformed to applicable statutory and regulatory requirements, which resulted in our decision to issue you certificates of conformity, it appeared to EPA that Jonway's certificates of conformity were issued based on the knowing and/or intentional submission of false, incomplete, or inaccurate information in your applications for certification. Additionally, it appeared that Jonway failed to maintain appropriate records, as required by the applicable regulations, contrary to the assertions in Jonway's certificate applications.

On April 9, 2013, EPA sent you a letter to inform you of these concerns pertaining to your certificates of conformity. At that time, we gave you advanced notice of those concerns – which were set forth in greater detail throughout that letter and its attachments – and provided you with an opportunity to demonstrate or achieve compliance with all of the applicable requirements governing these certificates of conformity. We specifically requested that you provide us with evidence that would support the statements of compliance made in your original certification applications.

In response, EPA received a forty eight-page letter from you on May 4, 2013. However, the May 4 response letter does not demonstrate that the statements in Jonway's certification applications were accurate or that its vehicles comply with the applicable regulations. The response letter also does not address or contradict EPA's underlying concerns regarding the apparently fabricated test information or the lack of records that Jonway was required to maintain. Your letter does not provide any evidence that the statements made in Jonway's certification applications were accurate by providing any further explanation or information regarding the testing of your vehicles. As we explained in our April 9, 2013 letter, it appears that none of your vehicles were ever tested. Your letter does not refute this finding. This demonstrates that you knowingly and/or intentionally submitted false, incomplete, or inaccurate information in your applications for certification, which is our basis for voiding these certificates under 40 CFR § 86.442-78(c).

Additionally, Jonway's May 4 response letter did not provide any emission testing records or supporting documentation to support the assertion in your certificate applications regarding your compliance with recordkeeping requirements. Instead, you state that Jonway has not maintained any records beyond what SLA may have maintained on its behalf and that Michael Johnson and SLA did not provide data that Jonway had requested on multiple occasions. As we explained in our April 9, 2013 letter, we found no evidence that SLA maintained any of the required records for Jonway. Your assurance in your certificate applications that these records would be maintained not only informed our decision to issue the certificates of conformity, which contributes to EPA's belief that Jonway knowingly and/or intentionally submitted false, incomplete, or inaccurate information in your applications for certification, but is also a separate regulatory requirement.

For the reasons set forth above and as described in greater detail in Attachment B to this letter, EPA concludes that you knowingly and/or intentionally submitted false, incomplete, or inaccurate information in your applications for certification, and that you failed to maintain the records as required by our regulations.

Therefore, EPA is voiding your certificates of conformity for the engine families listed in Attachment A, effective immediately. By voiding your certificates of conformity, the certificates are deemed void from the beginning of the applicable model year. 40 CFR § 1068.30. Accordingly, all vehicles introduced into U.S. commerce under those certificates are considered noncompliant with the applicable statutes and regulations.

Sections 203 and 213(d) of the Clean Air Act prohibit the sale of vehicles and engines unless such vehicles and engines are covered by a valid certificate of conformity. See also 40 CFR §§ 86.407-78, 1068.101(a)(1). Each introduction of a vehicle or engine into U.S. commerce under these certificates is a separate violation of sections 203 and 213 of the Clean Air Act, and you may face civil penalties up to \$37,500 per vehicle or engine, as well as criminal penalties. CAA §§ 203(a)(1), 205(a), and 213(d); 40 USC §§ 7522, 7524, and 7547; 40 CFR §§ 86.407-78 and 1068.101(a)(1).

You may request a hearing on EPA's decision to void your certificates in accordance with the procedures set forth in 40 CFR §§ 86.442, 86.443, 86.444, 86.1853-01. A request for a hearing must be in writing, signed by the certificate holder or authorized representative of the certificate holder, and include a statement, with supporting data, specifying objections to the action taken by EPA. The request must be received by EPA within 30 calendar days of your receipt of this letter and should be addressed to:

Mr. Cleophas Jackson, Director
Gasoline Engine Compliance Center
U.S. EPA, Office of Transportation and Air Quality
2000 Traverwood Drive
Ann Arbor, Michigan 48105

Please contact Mr. Cleophas Jackson of my staff at (734) 214-4824 or jackson.cleophas@epa.gov, should you have any questions.

Sincerely,



Byron Bunker, Director
Compliance Division
Office of Transportation and Air Quality

ENCLOSURES

From: UPS Quantum View [auto-notify@ups.com]
Sent: Wednesday, October 30, 2013 11:02 AM
To: Patterson, Susan
Subject: UPS Delivery Notification, Tracking Number 1ZA5401E0198412462



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***Do not reply to this e-mail. UPS and EPA-NVFEL-CD will not receive your reply.

At the request of EPA-NVFEL-CD, this notice is to confirm that the following shipment has been delivered.

Important Delivery Information

Tracking Number: [1ZA5401E0198412462](#)

Delivery Date / Time: 30-October-2013 / 9:33 AM

Delivery Location: FRONT DESK

Signed by: YANG

Shipment Detail

Ship To:

Xiaotong Qi, General Manager
Jonway Motorcycles (USA) Co., Ltd.
1942 N INTERSTATE 35E
CARROLLTON
TX
75006
US

Number of Packages: 1

UPS Service: NEXT DAY AIR

Shipment Type: Letter

Reference Number 1: Cleophas Jackson

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To: Mr. Cleophas Jackson

Director, Gasoline Engine Compliance Center

U.S. Environmental Protection Agency

Ref: EPA Mail Apr 9 2013

Dear Sir,

I was totally shocked after reading the letter I received on 4/11/2013 about the EPA certificates Jonway USA held from 2006 to 2011. I am afraid that I cannot agree with the two reasons in the "Basis for Voiding Certificates". Below are proves to show our disagreements:

1. Intentional and/or Knowing Submission of False, Incomplete, or Inaccurate Information

The "Basis for Voiding Certificates" states that "Jonway intentionally and/or knowingly submitted false, incomplete or inaccurate information (fabricated emissions test data, including emissions test results) in their certification applications.

The fact was that after establishing Jonway Motorcycle USA in 2005, one of the former directors Mr. Huaiyi Wang assigned another director Mr. Zhe Sun to make agreement with System Launch to start with the EPA testing and applications for Jonway's 50cc, 150cc and 250cc Scooters. Three Sample Scooters (one for each engine displacement) were delivered as early as 2005. According to Mr. Sun, Michael Johnson came to pick up all three samples. Moreover, according to the agreement between Jonway USA and System Launch, Jonway USA paid in January and February 2006 to System Launch two checks with \$9750.00 each for EPA testing and to EPA three checks with \$2164.00 each for the applications of three engine families (Attachment #1, Page 1, Check # 1001 to #1005). In October 2006 and January 2007, per Michael Johnson's requests, Jonway USA paid to him three checks with \$6500.00 each to finalize the EPA testing and applications and to get proved EPA certificates for the three engine families (Attachment #1, Page 2 to 4, Check #1088, #1089 from Metro Bank, check #1039 from Chase Bank). Also in October 2006 Jonway USA paid to System Launch \$5000.00 for CARB applications (Attachment #1, Page 5, check #1002 Chase Bank). And to have all EPA certificates renewed for 2007, Jonway USA paid to System Launch \$4000.00 on Jan 22, 2007 (Attachment #1, Page 6, check #1041 Chase Bank). Having got all the money listed above from Jonway USA, System Launch, specifically Mr. Michael Johnson did all the testing and applying procedures for Jonway USA to get the EPA and CARB certificates and have the certificates continuously renewed from 2007 to 2011 (Attachment #1 Page 7, Payments for renewals).

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Based on the facts and payments mentioned above, for EPA and CARB testing and first applications only, Jonway USA paid to System Launch total \$44000.00, not counting the costs for shipping the samples from China to Dallas Texas. This doesn't make any sense to Jonway USA to pay so much for "intentionally and/or knowingly submitting false, incomplete or inaccurate information (fabricated emissions test data, including emissions test results)". Jonway USA has never any intention to submit false testing data to get the certificates. Jonway USA has never done such way. All testing data and reports Jonway USA submitted later on for the investigations were provided by System Launch, specifically Mr. Michael Johnson (Attachment #2, Page 1, email from Michael Johnson on Nov 18, 2010).

Jonway USA never had any business relation with TET. Jonway USA never knew TET and its relation with System Launch and Mr. Michael Johnson. Jonway USA only worked with System Launch for the testing and applications of the three engine families (Attachment #2, Page 4, §2. Certification contacts). System Launch and Mr. Michael Johnson never mentioned when and where the testing was taken place. Mr. Michael Johnson never let us know.

2. Failure to Maintain Records

The Basis for Voiding Certificates states that Jonway was either unwilling or unable to produce all of the requested information and instead only submitted a partial response.

Jonway USA admitted that it didn't keep all testing data and reports right after all procedures had been done. But the fact was not that Jonway USA didn't want to keep all data and reports. The fact was that System Launch and Mr. Michael Johnson never gave us what we asked for hundreds of times, even several warnings of going through legal ways. Mr. Michael Johnson's reaction to our requests and warnings was always keeping silence and disappearing. The first time he mentioned about giving us the data is indicated in the Attachment #2, Page 1. In the email he replied to my request of responding the EPA request for Information as "I am working to get your data from the lab and should have it in a day or so". Later in 2012, on Feb 28, 2012 he said in his email "I have re-sent the data that I sent over a year ago" (Attachment #2, Page 11, email on Tue, Feb 8, 2012). Even if he was right about emailing Jonway USA all data one year before Feb 8, 2012, Jonway USA first received all data earliest at the beginning of 2011. Attachment #3 Page 1 through Page 7, the emails from Jonway USA to Michael Johnson requesting all EPA reports happened in April and May 2010. In the Attachment #3 Page 9, Michael Johnson said in his email "Qi: As you can see this was sent over a year ago. This is the complete data".

Based on all above mentioned facts, Jonway USA can clearly state following points:

1. From the very beginning Jonway USA invested huge amount of US dollars to conduct real EPA testing and applications. Jonway USA had never any intention to submit false,

incomplete or inaccurate information (fabricated emissions test data, including emissions test results) .

2. All EPA and CARB applications for Jonway USA were made solely by System Launch and Michael Johnson. Jonway USA was never informed and acknowledged before submitting any kind of applications. Technically there was no way for Jonway USA to submit knowingly false, incomplete or inaccurate information (fabricated emissions test data, including emissions test results).
3. Jonway USA tried its best to get all reports from its sole source - System Launch Association, specifically Mr. Michael Johnson. This effort relied solely on the corporation of System Launch and Mr. Michael Johnson. As soon as getting the requested information, Jonway USA submitted all of them to EPA without any delay and change.
4. All EPA data of Jonway USA were provided by Mr. Michael Johnson. Based on his clear statements in his emails, the data were complete.

Along with this letter, there are three sets of attachments:

Attachment #1 shows all payments Jonway USA made to System Launch to conduct EPA testing and applications and further carryovers.

Attachment #2 shows emails between Jonway USA and Mr. Michael Johnson to collect all information for EPA investigation to Jonway USA.

Attachment #3 shows efforts of Jonway USA trying to get EPA testing and application reports for business purpose prior of EPA investigation.

If you have any question, please email me at jonwayus@gmail.com.

Best regards,



Xiaotong Qi

Jonway USA

5/4/2013

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
NATIONAL VEHICLE AND FUEL EMISSIONS LABORATORY
2565 PLYMOUTH ROAD
ANN ARBOR, MICHIGAN 48105-2498

APR 09 2013

OFFICE OF
AIR AND RADIATION

Mr. Xiaotong Qi, General Manager
Jonway Motorcycles (USA) Co., Ltd.
1942 N. Stemmons Freeway
Carrollton, TX 75007

Dear Mr. Qi:

This letter is to inform you that the U.S. Environmental Protection Agency ("EPA") has serious concerns pertaining to the certificates of conformity issued to Jonway Motorcycles (USA) Co., Ltd. (hereinafter referred to as "Jonway") for the engine families listed in Attachment A to this letter. These certificates include Jonway's highway motorcycles that were issued by EPA in 2006, 2007, 2008, 2009, 2010, and 2011. As a result of our concerns, EPA may void these certificates, which would mean that each introduction into U.S. commerce of a vehicle from those engine families would be a separate violation of Clean Air Act section 203. Such violations could subject Jonway to civil penalties up to \$37,500 per vehicle or engine, as well as other sanctions.

Under statutory authority, EPA is giving Jonway advanced notice of our concerns and affording you with an opportunity to demonstrate or achieve compliance with all of the applicable requirements governing these certificates of conformity within 30 calendar days of the date on which Jonway receives this letter.

The attachments to this letter list the relevant certificates (Attachment A) and describe in detail the facts and circumstances giving rise to our concerns, the applicable requirements, and the next steps in this matter (Attachment B).

As stated in Attachment B, please contact Mr. Cleophas Jackson of my staff at (734) 214-4824 or jackson.cleophas@epa.gov, should you have any questions.

Sincerely,

Byron Bunker, Director
Compliance Division
Office of Transportation and Air Quality