



July 31, 2013

Ms. Kerry Kolodziej  
National Highway Traffic Safety Administration  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Transmitted by Email

Re: MY 2008 Zap Xebra Recall  
NHTSA Recall Nos. 09V-177, 09V-385, 12V-230, and 12V-363

Dear Ms. Kolodziej,

This report and attachments are submitted to NHTSA in compliance with the Consent Decree ("Decree") for the above-referenced recall.

Per paragraph 7 of the Decree, ZAP mailed the attached Owner Notification Letter and Refund Request Form to owners of MY 2008 Xebras on July 24, 2013. The letters were mailed to registered owners based upon State motor vehicle registration records obtained by a commercial vendor ("R. L. Polk") and were sent by Polk by certified mail, return receipt requested.

Per paragraph 8 of the Decree, ZAP mailed to MY 2008 Xebra Dealers on July 31, 2013 the attached Dealer Notification Letter. Copies of the Owner Notification Letter and Refund Request Form were included in the mailing to the dealers. The letters were sent by certified mail, return receipt requested.

Per paragraph 9 of the Decree, enclosed is a list of the names, addresses, and VIN numbers ("VIN") to which each Owner Notification Letter and Refund Request Form were mailed on July 24, 2013. Each VIN on this list fall into one of the following categories:

1. Non-California owners to which Polk completed a mailing (name and address shown).
2. California owners to which Polk completed a mailing (shown as "C/O R.L. Polk" under "Name" column; address not shown).
3. VIN numbers for which Polk could find not find a record and to which Polk did not complete a mailing (no name shown under "Name" column; no address shown).
4. Wrong VIN# (shown as "Wrong VIN Number" under "Name" column).
5. MY 2008 Xebras in ZAP inventory and under ZAP control (shown as "Inventory" under "Name" column).
6. MY 2008 Xebras no longer in ZAP inventory and under control of Steve Schneider (shown as "In S. Schneider's Possession" under "Name" column).

ZAP, 501 Fourth Street, Santa Rosa ⚡ CA 95401 USA  
tel: (707) 525-8658 • fax: (707) 525-8692 • web site: [www.zapworld.com](http://www.zapworld.com)  
e-mail: [zap@zapworld.com](mailto:zap@zapworld.com) • Stock Symbol: ZP

Upon closer inspection of ZAP's internal records, ZAP has determined that three VIN numbers of MY 2008 Xebras were duplicates, resulting in a revised total of 688 vehicles (not 691 vehicles) imported into the U.S. by ZAP.

With respect to 2. above, ZAP has requested Polk send to NHTSA the names and addresses of vehicle owners in California to which Polk completed a mailing. However, Polk is not allowed to provide to ZAP those names and addresses until ZAP obtains a Commercial Requestor's License from the California Department of Motor Vehicles ("CA DMV"). ZAP has applied to the CA DMV for the license. The processing of the application will proceed when ZAP provides to the CA DMV evidence of an insurance bond. ZAP has applied for a bond and expects to receive it and forward it to CA DMV shortly. Upon receiving the Requestor's License, ZAP will forward the necessary information to Polk, obtain the names and addresses of the California owners to which Polk completed a mailing, and provide those names and addresses to NHTSA.

With respect to 3. above, ZAP's reasonable efforts to locate and contact the owners of these vehicles will include the following:

- a) ZAP will search its internal records (including product warranty cards returned to ZAP by purchasers of MY 2008 Xebras) for the names and addresses of purchasers of MY 2008 Xebras for whom Polk was unable obtain records and did not complete a mailing. ZAP will send an Owner Notification Letter and Refund Request Form to those purchasers by certified mail, return receipt requested.
- b) ZAP will send a letter to MY 2008 Xebra dealers with a list of VIN's to whom no mailing was completed by Polk. The letter will request the dealer search its records and provide ZAP with the names and addresses of vehicle owners with those VINs. ZAP will send an Owner Notification Letter and Refund Request Form to the owners for whom ZAP has received the name and addresses from the dealers. The mailings will be sent certified mail, return receipt requested.

ZAP will complete the two actions above by August 14 and will update NHSTA on the results in ZAP's first monthly report submission to NHTSA.

With respect to 4. above, one VIN number is incorrect. ZAP will send the correct VIN number to Polk and have Polk pull that record and complete a mailing to the registered owner if the record is available.

With respect to 6. above, in late September or early October of 2012, and again sometime between December 31, 2012 and January 20, 2013, Steven Schneider, former Co-CEO and current Director of ZAP, without the authorization of ZAP's Board of Directors, removed new MY 2008 Xebras from ZAP's inventory. ZAP has sent to Mr. Schneider several written demands for the return of the vehicles, along with requests for their location, and notification that these vehicles are subject to a recall and cannot be legally transferred. Mr. Schneider, who is currently being sued by ZAP and who has filed a cross complaint, will provide no information regarding these vehicles and, at the present time, ZAP has no control of or knowledge of the whereabouts or ownership status of these vehicles. NHTSA will be notified if there is a change of status of these vehicles.

Per paragraph 10 of the Decree, a list of the name and address for each dealer to which ZAP mailed a Dealer Notification letter is attached.

ZAP wishes to re-iterate its commitment to both driver and vehicle safety.

Please contact us with any questions or requests for additional information.

Sincerely,

**ZAP**

A handwritten signature in cursive script, appearing to read "Chuck Schillings".

Chuck Schillings  
Co-CEO

cc: Priscilla Lu, Chairperson ZAP  
Alex Wang, Co-CEO ZAP  
Michael Ringstad, Controller ZAP  
Chris Grigorian, Foley & Lardner