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JUN 28 2022

30TH CIRCUIT COURT

STATE OF MICHIGAN  
CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT  
INGHAM COUNTY

DANA NESSEL, ATTORNEY GENERAL  
OF THE STATE OF MICHIGAN,

Petitioner,

v.

ENJO PROPERTIES, LLC; JADE  
ENTERPRISES, INC.; LIEGHIO'S  
HAMILTON INN SELECT, INC.;  
MACKINAW CITY CHAMBER OF  
TOURISM, INC.; MACKINAW CITY  
CHAMBER OF TOURISM, INC. d/b/a  
HOTEL JABBER TRAVEL ADVISOR;  
QUALITY PROPERTIES OF MACKINAW,  
INC.; QUEEN'S PROPERTIES, INC.,

Respondents.

File No.: 22-0036-CP

Hon. Joyce Draganchuk

**ASSURANCE OF VOLUNTARY  
COMPLIANCE**

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**MICHIGAN DEPARTMENT OF  
ATTORNEY GENERAL ~ CORPORATE  
OVERSIGHT DIVISION**

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Michael S. Hill (P73084)

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**PEZZETTI, VERMETTEN, &  
POPOVITS, PC**

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## **ASSURANCE OF VOLUNTARY COMPLIANCE**

Dana Nessel, Attorney General of the State of Michigan, on behalf of the State of Michigan, and Enjo Properties, LLC, Jade Enterprises, Inc., Lieghio's Hamilton Inn Select, Inc., Mackinaw City Chamber of Tourism, Inc., Mackinaw City Chamber of Tourism, Inc. d/b/a Hotel Jabber Travel Advisor, Quality Properties of Mackinaw, Inc., and Queens Properties, Inc. (collectively "Respondents"), hereby execute and agree to be bound by this Assurance of Voluntary Compliance ("Assurance" or "Agreement").

This Assurance concerns the resolution of alleged violations of the Michigan Consumer Protection Act, 1976 PA 331, as amended, MCL 445.901 *et seq.* (MCPA). Respondents agree not to contest any terms of this Assurance.

### **I. Jurisdiction**

1.1 The Department of Attorney General (the Department) claims that it has jurisdiction over the subject matter of this Assurance pursuant to MCL 445.905 and 445.910. Respondents deny that the Department has jurisdiction and claim that they are exempt from the MCPA under MCL 445.904(1)(a), and therefore from any such Department jurisdiction; but solely for purposes of this Agreement, and for no other purpose, Respondents agree to MCPA jurisdiction on the part of the Department for the limited purpose of entering into, and to be bound by, this Assurance. By doing so Respondents do not concede jurisdiction for any other purpose and expressly maintain and do not waive their position that they are exempt from the Department's jurisdiction under the MCPA.

### **II. Parties Bound**

2.1. This Assurance binds Respondents, whether acting through associates, principals, officers, directors, employees, representatives, successors or assigns, or through any other

subsidiary, corporation, assumed name or business entity. Respondents are responsible for compliance with the terms of this Assurance, and must ensure that all owners, employees, subcontractors, agents, and representatives comply with the terms of this Assurance.

2.2. Respondents further represent and warrant that they are conducting business as the following Mackinaw City Hotels and have full authority to bind each of the following Hotels to this Assurance: Crown Choice Inn & Suites Lakeview & Waterpark, The Beach House, Bayside Hotel of Mackinac, Waterfront, Bridge Vista Beach Hotel & Convention Center, Bell's Melody Motel, Bridgeview Motel, Budget Inn Mackinaw, Cabins of Mackinac, Capri Motel, Clarion Hotel Beachfront, Comfort Inn Lakeside, Days Inn Lakeview, Fairview Beachfront Inn, Hamilton Inn Select Beachfront, Mackinaw Beach & Bay, Northwinds Motel, Best Western Plus Dockside, Quality Inn & Suites, Ramada Inn Waterfront, Starlite Budget Inn Mackinaw, Super 8 Beachfront, Super 8 Bridgeview, Sunrise Beach Motel, Thunderbird Inn, Waterfront Inn, and the Welcome Inn.

2.3. Respondents further represent and warrant that Respondents own and operate the websites registered to the following domains: [www.Mackinaw-City.com](http://www.Mackinaw-City.com) and [www.HotelJabber.com](http://www.HotelJabber.com).

### **III. Definitions**

3.1. "Assurance" means this Assurance of Voluntary Compliance.

3.2. "Amenity" or "Amenities" means a good or service that helps to provide comfort, convenience, or enjoyment to consumers staying at Respondent Hotels including, but not limited to, a swimming pool, hot tub/jacuzzi, sauna, waterpark, beach access, roll-away beds, snacks and/or meals, transportation services, ferry tickets, housekeeping, scenic views from particular rooms, towels, bed linens, toiletries, balcony, private porch, onsite restaurants and/or bars, in-room appliances, and on-site exercise equipment.

3.3. “BBB” means the Better Business Bureau of Western Michigan.

3.4. “COD” means the Michigan Department of Attorney General, Corporate Oversight Division.

3.5. “Respondents” collectively refers to Enjo Properties, LLC, Jade Enterprises, Inc., Lieghio’s Hamilton Inn Select, Inc., Mackinaw City Chamber of Tourism, Inc., Mackinaw City Chamber of Tourism, Inc. d/b/a Hotel Jabber Travel Advisor, Quality Properties of Mackinaw, Inc., and Queens Properties, Inc.

3.6. “Respondent Hotels” collectively refers to those hotels named in Section 2.2 of this Assurance.

3.7. “Respondent Websites” collectively refers to websites operated, and/or managed by, or on behalf of the Mackinaw City Chamber of Tourism, Inc. and Mackinaw City Chamber of Tourism, Inc. d/b/a Hotel Jabber Travel Advisor

3.8. “Hotel” means any lodging facility where overnight accommodations are provided to consumers; and, for purposes of this Assurance, includes both multi-unit structures and single-unit structures such as cottages and cabins.

3.9. “NIA” means the Notice of Intended Action issued on February 8, 2022. *See Attachment A.*

3.10. “Parties” means the COD and Respondents, collectively.

3.11. All other terms shall have the meaning specifically defined in the MCPA.

#### **IV. Nature and Scope of this Agreement**

4.1. In entering this Assurance, the mutual objective of the parties is to resolve, without litigation, COD’s claims against Respondents related to alleged violations of the MCPA. It is also the mutual objective of the parties to resolve, without litigation, any potential investigation or claim that might be made by the Department as to any formulation and/or

presentation of content, or any material or statements within said content, on Respondents' Websites. The entry into this Agreement by Respondents is not an admission of liability with respect to the particular claims of any individual consumer, or the Department. Respondents deny any violation of law and any liability, but are entering into this Assurance to avoid the time, expense and business distraction of litigation, so that they can instead focus their time and efforts on best serving their customers.

4.2. This Agreement, and Respondents' voluntary commitments and undertakings herein, are not an acknowledgment or admission that the MCPA applies to Respondents, and Respondents expressly maintain their position that it does not, and that entering into this Agreement does not in any way waive that position or concede application of the MCPA.

**V. Implementation of Compliance Measures**

5.1. Respondents will not engage in any unfair or deceptive business practices in the State of Michigan. Respondents maintain that they have not done so in the past, but nevertheless agree not to do so going forward.

5.2. Respondents understand that this Assurance covers and resolves only the business practices and matters described herein, and conduct occurring prior to the Effective Date, and does not cover any future alleged MCPA violations. If there are future alleged MCPA violations by Respondents after the Effective Date of this Assurance, the Department may seek all available relief under the MCPA, provided that Respondents also maintain their defenses to any such action.

5.3. Respondents understand that by accepting this Assurance, the Attorney General and COD are making no representations as to their adequacy in providing good customer service, or compliance with the MCPA. In other words, this agreement should not be construed or

represented as an endorsement of Respondents' business practices, but simply an agreement to resolve the dispute between the Parties over the concerns identified in the NIA.

5.4. Respondents shall not use inaccurate or deceptive reviews in marketing their Hotels' accommodations and Amenities, including any and all content on Respondents' Websites. Respondents maintain that they have not intentionally done so in the past, but nevertheless agree not to do so going forward. Further, to the extent Respondents present customer reviews in promoting their businesses, they shall do so using websites or links to other platforms clearly stating, "this site is restricted to reviews collected by the Mackinaw City Chamber of Tourism." The presentation should in no way suggest that the reviews are presented by an independent business or organization. Any ratings from independent entities such as AAA, Trip Advisor, or other similar travel promotion websites, should be accurately displayed to consumers, and Respondents should implement measures to ensure their advertising and other promotions accurately reflect any changes in such ratings.

5.5. Whether directly or through a third-party vendor, Respondents shall not advertise or sell rooms at Hotels where accommodations and any advertised Amenities are not available, except to the extent accommodations and Amenities are unavailable solely due to unforeseen and unavoidable business exigencies, governmental order, force majeure, Acts of God, or unanticipated causes through no fault of Respondents, as to which Respondents have no responsibility or liability under this or any other provisions of this Agreement, or otherwise.

5.6. Respondents agree that if, for any reason, they cannot fulfill all the advertised accommodations and Amenities a consumer could have reasonably relied upon at the time of booking, the consumer will be allowed to fully cancel the transaction if the consumer acts promptly and before accepting possession of the guest room upon learning the accommodation and/or Amenity is not available with a full refund, or cancellation at no cost if payment has not

yet been made. This section shall not be construed to include room incidentals that a consumer specifically requests while on the Hotel premises during their stay.

5.7. Respondents agree that if, for any reason, a consumer's order, reservation, and/or confirmed reservation is canceled, or otherwise cannot be fulfilled by Respondents, Respondents shall promptly notify the consumer both verbally and in writing (if possible) and shall allow the consumer to cancel the transaction with a full refund (or at no cost if payment has not yet been made), or receive similar accommodations and included access to Amenities at a rate no higher than that originally quoted, reserved by, and/or confirmed to the consumer. If the consumer agrees to other accommodations, then all reservation restrictions including cancellation policies will apply, provided all accommodations and Amenities were accurately disclosed to the consumer. Respondents shall make all reasonable efforts to provide the consumer such similar accommodations and Amenities.

5.8. Whether directly or through a third-party vendor, all taxes, fees, and other miscellaneous charges should be clearly and conspicuously disclosed to consumer(s) prior to the consumer(s) finalizing their reservation(s).

5.9. Whether directly or through a third-party vendor, each of Respondents Hotels' available accommodations and Amenities should be accurately represented both online and in any print brochures or advertisements. If a specific accommodation and/or Amenity is advertised with a particular Hotel, but located at a different Hotel or other offsite location, the location of the accommodation and/or Amenity should be clearly and conspicuously displayed to consumers; the communication may either provide the address, the distance from the property, or say "off-site".

5.10. Consumers, whose reservations are booked prior to the 72-hour cancellation time period on the Mackinaw City Chamber of Tourism's website (Mackinaw-city.com) and not

confirmed by Respondent Hotels until they are already within the 72-hour time period in Respondent Hotels' cancellation policy, shall have 24 hours after the reservation is confirmed to cancel their reservation without charge or other penalty. Respondents represent that reservations taken by phone have always been confirmed reservations at the time the call is received, and will continue to be so in the future, and therefore there is no subsequent confirmation as to those reservations. For reservations taken by telephone within the 72-hour cancellation period, Respondents shall advise each consumer that the reservation is final and non-refundable before taking the consumer's credit card or other payment information and confirming the reservation.

5.11. Respondents have advised COD that consumers who make reservations at Respondent Hotels less than 72 hours prior to their stay shall be explicitly informed by Respondent Hotels prior to final booking of the reservation that it is effective and irrevocable immediately upon booking. The terms that a consumer must agree to on [www.Mackinaw-City.com](http://www.Mackinaw-City.com) expressly state this. Nothing in this agreement shall be construed as requiring a change to this practice.

5.12. Consumers who wish to make a complaint about a reservation or stay at any of Respondent Hotels should not be referred to Respondent Websites or the Mackinaw City Chamber of Tourism. Instead, the consumer should be directed to the appropriate manager who is available or the corporate office (manager's superior), which is available during normal office hours and has authority to address the complaint, or the BBB, or the Department of Attorney General's Consumer Protection Team.

5.13. Respondents shall make appropriate management readily available, whether onsite or on-call, to promptly receive and address consumer complaints during normal administrative office hours.



5.14. Respondents shall provide substantive, written responses to consumer complaints from the Attorney General within fourteen (14) days of receipt and shall fully investigate each complaint and take all steps necessary to ensure full compliance with this Assurance and the MCPA.

5.15. Respondents operate a website under the name Mackinaw City Chamber of Tourism. COD has requested that Respondents include some additional disclaimers and clarifying language regarding ownership of that website so that no consumer will mistake this website for one operated by an entity or organization independent from the operators of Respondents' Hotels. Respondents believe COD's concerns are unjustified; however Respondents believe in full transparency and are willing to include additional disclaimers and clarifications. Therefore, to fully and finally resolve all known disagreements among the Parties relating to Respondents' websites, the Parties agree that: (1) Respondents shall remove the words "Official seal" from the logo for the Mackinaw City Chamber of Tourism and replace that phrase with the statement "100% locally owned." This logo, including the language "100% locally owned" shall also be included at the top of the first website page; and (2) Respondents' Mackinaw City Chamber of Tourism website include the following language: "*This site and all the hotels on this site have common ownership by a 5<sup>th</sup> generation local family that has owned, developed, and personally managed Mackinaw City hotels since 1955.*" This additional language shall be conspicuously included on every website page (and in the terms of the agreement for reservations) in font height no smaller than one-half the font height of the website banner name, but in no event shall the font be smaller than 12 point and the font color shall have enough contrast with the page background so the text is easily readable. Existing printed materials may be used but shall be replaced with compliant materials when they run out.

## **VI. Financial Obligations**

6.1. Respondents will make a restitution payment of \$100.00 (one-hundred dollars) to each consumer who submitted a complaint to the Department and/or the BBB from January 1, 2017 to February 8, 2022, alleging that the consumer had booked a room in one of the hotels identified in section 2.2 (except the Thunderbird), but was redirected to a different hotel. These payments shall be made regardless of whether the consumer has otherwise been compensated by Respondents either previously or in accord with section 6.2. Within a reasonable time after execution of this Assurance, COD will supply Respondents' counsel with a list of consumers to receive restitution payments, and their addresses. Respondents shall make the restitution payment directly to each consumer within thirty (30) days of receiving the list from COD.

6.2. Upon the Effective Date of this Assurance, the Attorney General shall invite consumers who allege they booked a room in one of Respondent's hotels from January 1, 2017 through the Effective Date, but were redirected to a different hotel, to submit claims for reimbursement. Respondents agree to fully reimburse 100% of all hotel accommodation costs and Amenity charges to any consumer who can reasonably document a fully paid reservation at one of Respondent Hotels that was closed for the season, and who was subsequently transferred to a different hotel owned by Respondents. The consumer must provide documentation showing a confirmed reservation at the original hotel and then documentation showing a charge from the different Respondent hotel to which they were moved. Respondents shall accept from consumers all reasonable forms of documentation including, but not limited to, emails, screen shots, receipts, photocopies of receipts, account ledgers, and bank statements. Respondents shall cooperate with COD in resolving any questions arising from these consumer claims and will provide COD with documentation from its database, upon request, to the extent such information may reasonably assist in determining the reimbursement amount. Any documentation provided

to the Department by Respondents shall be used only for the express purpose of reasonably assisting in determining the reimbursement amount and shall not be used by COD for any other purpose. This section shall not be construed as requiring the reimbursement of charges for optional goods or services consumers purchased from Respondent Hotels during their stays. To qualify for a reimbursement under this section, COD must receive the consumer's claim and supporting documentation within ninety (90) days of the Effective Date. Respondents' maximum reimbursement obligations under Sections 6.1 and 6.2 collectively shall be capped at \$25,000. If there is any disagreement between COD and Respondents on whether a claimant should be reimbursed in accord with this section, COD's determination shall be controlling, and Respondents shall make such reimbursements as directed by COD. Should the volume of claims result in a request for reimbursements that would otherwise exceed the cap established in this Section, COD will advise Respondents of a pro-rated portion that should be paid to each qualifying claimant so that the cap is maintained. Within 30 days of the close of the 90-day period for consumers to submit claims for reimbursement, COD will provide Respondents with copies of all the claims received with supporting documentation. Within 30 days of the receipt of the final claim information from COD, Respondents shall notify COD in writing of all consumers it will be sending reimbursements, and the monetary amount of each such reimbursement. Respondents shall issue the appropriate reimbursement payment directly to each consumer within two weeks of notifying COD of the planned reimbursements. In the event there is a disagreement between COD and Respondents on whether a claim should be paid or the monetary amount for a reimbursement, Respondents shall issue the appropriate reimbursement payment directly to the consumer within 30 days of COD's final decision that a particular claim should be paid or specification of the amount of payment.

6.3. All restitution and reimbursement payments required by this Assurance shall be made directly by Respondents by sending a check payable to the consumer in the amount specified in sections 6.1 and 6.2. These payments shall be sent via the United States Postal Service in an envelope clearly identifying the sender as the Respondent Hotel each consumer receiving a payment would recognize from his or her transaction. The mailings shall be addressed to the consumers at the addresses specified by COD, or the consumer's last known address if no address is specified by COD.

6.4. Respondents shall make a payment to the State of Michigan in the amount of \$5,000.00 within fourteen days of the Effective Date. The payment shall be by certified check or money order payable to the "State of Michigan" and sent to Michael S. Hill, Assistant Attorney General, Corporate Oversight Division, P.O. Box 30736, Lansing, MI 48909.

6.5. Respondents shall make a monetary donation of \$35,000.00 to the Michigan Strategic Fund within 120 days of the Effective Date. Payment shall be made by check or money order, payable to the Michigan Strategic Fund, and shall state in the note line that it is to promote tourism in Michigan through the Pure Michigan campaign. This payment shall be sent to the following address: MEDC, 300 N. Washington Square, Lansing, MI 48913; Attn: Jill Trepkoski.

## **VII. Release**

7.1. Upon the Effective Date, the Department hereby releases and discharges Respondents, and any of their parent entities, affiliates, subsidiaries, predecessors, successors or assigns, and each and all of their past, present or future officers, directors, associates, shareholders, controlling persons, representatives, employees, attorneys, counselors, advisors, or agents, from any and all civil or administrative claims, demands, rights, actions, causes of action, and liabilities arising out of, in connection with or in relation to any of the conduct, statements, business practices and other matters covered by this Agreement. The Department further hereby

releases and discharges the Respondent Websites identified in Section 2.3 from any and all civil or administrative claims, demands, rights, actions, causes of action, and liabilities arising from any formulation and presentation of website content, or from any material or statements within said website content, prior to the Effective Date.

7.2. Notwithstanding the release given in section 7.1 of this Assurance or any other term of this Assurance, and subject to Respondent's express reservation of any and all defenses, including exemption under the MCPA, the following claims of the State, whether known or unknown, to the extent the State has any such claims or would be entitled to assert any such claims against Respondents, are specifically reserved and are not released: any liability arising under Michigan's tax law, any criminal liability, any liability to the State (or its agencies) for any conduct other than the conduct covered by this Assurance, any liability based upon obligations created by this Assurance, any liability of individuals outside those specifically released, any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services, any liability for failure to deliver goods or services due, any liability for personal injury or property damage or for other consequential damages arising from the conduct covered by this Assurance.

#### **VIII. General Provisions**

8.1. This Assurance is binding upon, inures to the benefit of, and applies to the parties and their successors-in-interest. This Assurance does not bind any other agencies, boards, commissions, or offices of the State of Michigan.

8.2. This Assurance does not create any private right or cause of action to any third party, except that any common law right of setoff would still be applicable.

8.3. This Assurance does not constitute an approval by the Department of any of Respondents' business practices and Respondents must not make any representation to the contrary.

8.4. No change or modification of this Assurance is valid unless in writing and signed by all parties.

8.5. Within three (3) business days of the Effective Date of this Assurance, COD will file a copy of this Assurance with the Ingham County Circuit Court. It is acknowledged and agreed that filing this Assurance with the Circuit Court does not in any way constitute any waiver by Respondents of any and all positions and defenses they may have in any litigation, including Respondents' position that they are exempt from the MCPA and may assert that as a defense in any future litigation.

8.6. Unless a temporary restraining order is sought, COD will make reasonable efforts to provide written notice if COD believes Respondents to be in noncompliance with any provision of this Assurance, setting forth the basis for such belief. Respondents shall then have a reasonable opportunity to respond and communicate their position on the alleged noncompliance.

#### **IX. Signatories**

9.1. Each undersigned individual represents and warrants that he or she is fully authorized by the party he or she represents to enter into this Assurance and to legally bind such party to the terms and conditions of this Assurance.

9.2. The Parties may execute this Assurance in counterparts, each of which is deemed an original and all of which constitute only one agreement.

9.3. The Parties agree that facsimile or electronically transmitted signatures may be submitted in connection with this Assurance and are binding to the same extent as an original signature.

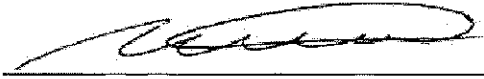
**X. Effective Date**

10.1. The effective date of this Assurance is the date upon which all Respondents have signed this Assurance.

**[SIGNATURES ON THE FOLLOWING PAGES]**

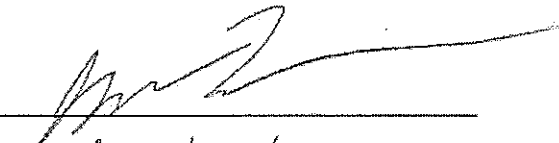
**MICHIGAN DEPARTMENT OF  
ATTORNEY GENERAL CORPORATE  
OVERSIGHT DIVISION**

Dated: June 27, 2022

By:   
Darrin F. Fowler (P53464)  
Michael S. Hill (P73084)  
Its: Assistant Attorneys General

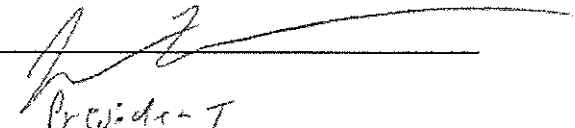
**ENJO PROPERTIES, LLC**

Dated: June 24, 2022

By:   
Its: President

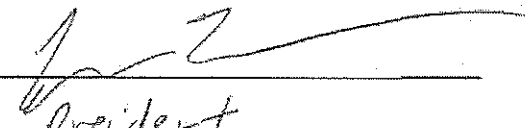
**JADE ENTERPRISES, INC.**

Dated: June 24, 2022

By:   
Its: President

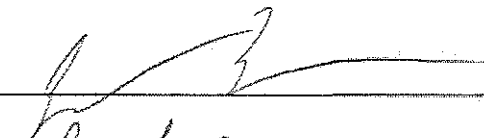
**LIEGHIO'S HAMILTON INN SELECT,  
INC.**

Dated: June 24, 2022

By:   
Its: President

**MACKINAW CITY CHAMBER OF  
TOURISM, INC.**

Dated: June 24, 2022

By:   
Its: President



**MACKINAW CITY CHAMBER OF  
TOURISM, INC. d/b/a HOTEL JABBER  
TRAVEL ADVISOR**

Dated: June 24, 2022 By: [Signature]  
Its: President

**QUALITY PROPERTIES OF  
MACKINAW, INC.**

Dated: June 24, 2022 By: [Signature]  
Its: President

**QUEENS PROPERTIES, INC.**

Dated: June 24, 2022 By: [Signature]  
Its: President

*State of Michigan v Enjo Properties, LLC, et al.;*

*Case No. 22-0036-CP*

*HON. JOYCE DRAGANCHUK*

# ATTACHMENT A

STATE OF MICHIGAN  
DEPARTMENT OF ATTORNEY GENERAL



P.O. BOX 30736  
LANSING, MICHIGAN 48909

DANA NESSEL  
ATTORNEY GENERAL

February 8, 2022

Quality Properties of Mackinaw, Inc  
d/b/a The Beach House Hotel  
c/o Joe Lieghio, Registered Agent  
701 S. Huron  
Mackinaw City, MI 49701

Queen's Properties, Inc. d/b/a Hamilton  
Inn Select Beachfront  
c/o Joe Lieghio, Registered Agent  
701 S. Huron  
Mackinaw City, MI 49701

Enjo Properties, LLC, d/b/a Crown  
Choice Inn & Suites  
c/o Joe Lieghio, Registered Agent  
701 S. Huron  
Mackinaw City, MI 49701

Lieghio's Hamilton Inn Select, Inc.  
d/b/a Hamilton Inn Select Beachfront  
c/o Joe Lieghio, Registered Agent  
701 S. Huron  
Mackinaw City, MI 49701

Re: Notice of Intended Action

Dear Mr. Lieghio:

This letter is to give you notice of intended action in accordance with MCL 445.905(2) and direct you to immediately cease and desist from engaging in the unlawful business practices described below.

As background, this Office is responsible for enforcement of the Michigan Consumer Protection Act, MCL 445.901 *et seq.* Under this Act, the Attorney General may commence investigations and bring actions to protect the interests of consumers.

During the past several months, our Corporate Oversight Division has been reviewing consumer complaints regarding various hotels, which appear to be under similar ownership, including The Beach House Hotel (The Beach House), Crown Choice Inn & Suites (Crown Choice Inn), and Hamilton Inn Select Beachfront (Hamilton Inn). The complaints allege instances where consumers book rooms at hotels that, while advertised as available and the reservations ultimately confirmed, were in fact closed without notice to the consumer. Upon arrival to the closed hotel, the consumer is directed to the Hamilton Inn and given a "substitute" room with non-comparable amenities. The complaints also allege consumers who decline to stay at the Hamilton Inn are denied refunds citing a 72-hour cancellation policy. The refunds are denied even though the consumer was not made aware of the original hotel's closure at any time prior to the consumer arriving in Mackinaw

City. We are enclosing for your reference a consumer complaint against the Beach House, and another against the Crown Choice Inn, that are illustrative of these patterns.

Further, our office has direct evidence confirming much of the course of conduct alleged in the consumer complaints.

- On November 4, 2021, one of our special agents made a reservation at the Crown Choice Inn for November 10, 2021, through a website identified as the "Official Mackinaw City Chamber of Tourism" available at [www.mackinaw-city.com](http://www.mackinaw-city.com).<sup>1</sup>
- The reservation was for a "2 Bed Queen Lakeview Balcony Room" and included "access to 17 indoor pools" and "indoor waterpark admission wristbands."
- Although the agent made the reservation on November 4, 2021, he did not receive email confirmation until November 9, 2021, the day before his stay and within the 72-hour cancellation window. In other words, the reservation wasn't confirmed until it was too late to cancel the reservation without penalty according to the cancellation policy.
- On November 10, 2021, the agent arrived to check in at the Crown Choice Inn. The agent observed the "vacancy" sign was illuminated, but it was otherwise apparent the hotel was closed as the agent observed an empty parking lot and a dark interior of the building. The agent also found the hotel entrance locked with a sign on the door directing people to check in at the Hamilton Inn.
- At the Hamilton Inn, the agent advised staff he was there to check in at the Crown Choice Inn. After being asked to wait for staff to finish the daily audit, the agent returned approximately fifteen minutes later and was advised that the Crown Choice Inn's waterpark was closed for cleaning and his reservation was moved to the Hamilton Inn. When the agent indicated he wanted to use the waterpark, staff advised that it was closed for cleaning, there were no other waterparks in the area, and it was past the point where the reservation could be canceled to receive a refund.

Against this backdrop are the provisions of the Michigan Consumer Protection Act, which exists to guard consumers against unfair, unconscionable, and deceptive business practices. Such unlawful conduct is defined to include the following:

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<sup>1</sup> According to Michigan Department of Licensing and Regulatory Affairs, you are also the Registered Agent for Mackinaw City Chamber of Tourism, Inc. and Giuseppe and Enzo Lieghio are the corporate officers.

- (a) Causing a probability of confusion or misunderstanding as to the source, sponsorship, approval, or certification of goods or services.
- (g) Advertising or representing goods or services with intent not to dispose of those goods or services as advertised or represented.
- (h) Advertising goods or services with intent not to supply reasonably expectable public demand unless the advertisement discloses a limitation of quantity in immediate conjunction with the advertised goods or services.
- (n) Causing a probability of confusion or of misunderstanding as to the legal rights, obligations, or remedies of a party to a transaction.
- (q) Representing or implying that the subject of a consumer transaction will be provided promptly, or at a specified time, or within a reasonable time, if the merchant knows or has reason to know it will not be so provided.
- (s) Failing to reveal a material fact, the omission of which tends to mislead or deceive the consumer, and which fact could not reasonably be known by the consumer.
- (u) Failing, in a consumer transaction that is rescinded, canceled, or otherwise terminated in accordance with the terms of an agreement, advertisement, representation, or provision of law, to promptly restore to the person or persons entitled to it a deposit, down payment, or other payment, or in the case of property traded in but not available, the greater of the agreed value or the fair market value of the property, or to cancel within a specified time or an otherwise reasonable time an acquired security interest.
- (y) Gross discrepancies between the oral representations of the seller and the written agreement covering the same transaction or failure of the other party to the transaction to provide the promised benefits.
- (bb) Making a representation of fact or statement of fact material to the transaction such that a person reasonably believes the represented or suggested state of affairs to be other than it actually is.
- (cc) Failing to reveal facts that are material to the transaction in light of representations of fact made in a positive manner.

[MCL 445.903(1).]

Quality Properties of Mackinaw, Inc.

Page 4

February 8, 2022

The purpose of this letter is to put you on notice as required by the MCPA that we have probable cause to believe The Beach House, Crown Choice Inn, and the Hamilton Inn have engaged in these types of unfair and deceptive practices through the pattern of conduct described above. From this point, this Office has the latitude to either commence a lawsuit after ten days or invoke a judicial process for a formal investigation through subpoenas. While we are prepared to follow one, or both, of these paths, we are willing to explore entering into an assurance of voluntary compliance—a device anticipated in the MCPA. Be advised, however, that we will need additional information from you to ultimately determine an appropriate resolution.

Please contact us soon to schedule a meeting on or before February 18, 2022. You are welcome and encouraged to consult with, and be accompanied by, an attorney for this discussion.

We look forward to hearing from you soon.

Sincerely,



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