

STATE OF MICHIGAN  
DEPARTMENT OF ATTORNEY GENERAL

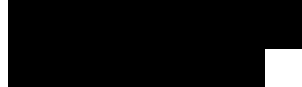


P.O. Box 30736  
LANSING, MICHIGAN 48909

DANA NESSEL  
ATTORNEY GENERAL

June 8, 2022

E & B Contracting, LLC  
c/o Zachary Tyler Brant, Registered Agent



Dear Mr. Brant:

This letter gives E & B Contracting, LLC notice of intended action in accordance with MCL 445.905(2) and directs 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 (MCPA), MCL 445.901 *et seq.* Under this Act, the Attorney General may bring injunctive actions to protect the interests of consumers. MCL 445.905. The Attorney General may also conduct formal investigations upon a showing of probable cause to a court through *ex parte* petition. MCL 445.907.

Last week, this Office received a complaint from a consumer impacted by the tornado in Gaylord on May 20, 2022. (**Attachment 1.**) One of our special agents has interviewed this consumer and obtained related documents from her.

According to the consumer, you approached her the day after the tornado regarding two uprooted trees on her property—one that had damaged her home, and another that had damaged a portion of her fence. The consumer explains that she told you she had already received a quote from a local tree company to perform the needed tree service work for \$4,200 to be billed through her insurance company; but she was planning at that time to have friends help her without charge.

According to the consumer, you told her you could do the work for less than the price that had been bid by the local company. In so doing, you persuaded her to not trouble her friends, and assured her the billing would be done to her insurance company and she would not have to pay anything out-of-pocket. You then asked this consumer to sign documents on a tablet device. Since the consumer told you she could not read the text on the screen because her glasses were broken, you made representations to her about what the documents were, as elaborated in her complaint. When the consumer asked about the price of the work, she was given to understand you would provide her with a written estimate and a copy of the contract before proceeding with the work.

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This consumer was staying with her daughter since the electricity to her home had not yet been restored. Later that evening, she learned from neighbors that you were performing the work even though E & B contracting had not supplied her with the estimate or a copy of the contract she had signed.

Days later, while an adjuster from Allstate was at her home attempting to get information about the services your company performed, the consumer received a phone call from another Allstate representative about E & B Contracting's billing. In her own words, the consumer explained that she received:

“a call from Allstate claim contact, Brittany Taylor, to see if the adjuster showed up and how I was doing. I explained to her what was going on with the Tree company and she told me they had charged Allstate [\$]33,000.00 to [r]emove my two trees. At first, I thought I miss heard her and asked her to repeat it then I repeated back in shock and she told me, correct.” [(Attachment 1)]

The billing for E & B Contracting was submitted by Canary Tree Service. This Office issued a Notice of Intended Action to Canary on May 26, 2022. A copy of that document is included as **Attachment 2** for your reference. Both this consumer and the National Insurance Crime Bureau have provided us a copy of the invoice for \$33,962.50 that was submitted to Allstate on your behalf.

This consumer's experiences, including the misrepresentations she reports having heard from you, are consistent with the evidence this Office has obtained related to other consumers served by companies that bill through Canary Tree Service. Further, like those consumers, this Gaylord resident has endured stress beyond that already caused by the storm damage because it caused her to become involved in Canary's efforts to collect from Allstate on an unconscionable invoice. This puts this consumer in a position that is both unfair and unacceptable.

If E & B Contracting is still performing work for consumers in Michigan, it must be honest in its representations about the nature of the agreements they are being asked to sign and the costs of the services being provided. To the extent E & B Contracting has already provided services to any residents impacted by the recent tornado upon a representation they would not be charged out-of-pocket costs, it should not (either directly or through a billing or collections company) apply pressure or make threats to such consumers if the insurance company does not pay the amount billed. The Attorney General will not tolerate any effort by E & B Contracting (or any entity acting on its behalf) to persist in imposing inappropriate economic stress upon the victims of the Gaylord tornado.

Based on the above, the Attorney General has probable cause to believe E & B Contracting has engaged in the following unfair business practices:

June 8, 2022

(n) Causing a probability of confusion or of misunderstanding as to the legal rights, obligations, or remedies of a party to a transaction.

(r) Representing that a consumer will receive goods or services free or without charge, or using words of similar import in the representation, without clearly and conspicuously disclosing with equal prominence in immediate conjunction with the use of those words the conditions, terms, or prerequisites to the use or retention of the goods or services advertised.

(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.

(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.

(z) Charging the consumer a price that is grossly in excess of the price at which similar property or services are sold.

(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. [MCL 445.903(1).]

Under the MCPA, this notice gives rise to an opportunity for E & B Contracting to provide an assurance of voluntary compliance. Should you wish to explore an assurance agreement, please contact us soon to schedule a meeting to be held on, or before, June 20, 2022. You are welcome and encouraged to consult with, and be accompanied by, an attorney for this discussion. As a prelude to any such agreement, you should provide this Office with information identifying all Gaylord-area consumers for whom E & B Contracting has performed work in the wake of the recent tornado, and the price being billed for such services.

We look forward to your response.

Sincerely,

A handwritten signature in blue ink that reads "Darrin Fowler". The signature is fluid and cursive, with the first name "Darrin" and last name "Fowler" clearly distinguishable.

Darrin Fowler  
Assistant Attorney General  
Corporate Oversight Division  
(517) 335-7632

# **ATTACHMENT 1**

# Michigan Office Of Attorney General Consumer Complaint Form

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Web Complaint Number: 2022-cp05301142247-A

Submitted: 5/30/2022 11:42:25 AM

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## Consumer Information

Your Last Name: [REDACTED]	First Name: Tammy	M.I.: [REDACTED]
Your Street Address: [REDACTED]	City: Gaylord	
Your State: MI	Zip Code: [REDACTED]	
Your County: [REDACTED]		
Your Home Phone: [REDACTED]	Your Work Phone: [REDACTED]	Ext.: [REDACTED]
Fax Number: [REDACTED]	E-mail Address: [REDACTED]	

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## Primary Company Or Person Your Complaint Is About

Company or Person? Company

Complainee Last Name:

Complainee First Name:

Company Name: Canary Tree Service

Street Address: 651 Salisbury Rd. Suite 400

City: Jacksonville

State: FL

Zip Code: 32256

County:

Phone: 9047100751

Fax Number:

E-mail Address:

Product Offered: Tree Removal

Web Site Address:

Primary Jurisdiction: Licensed Business/Person

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## Secondary Company Or Person Your Complaint Is About

Company or Person? Company

Complainee Last Name:

Complainee First Name:

Company Name: E And B Contracting

Street Address:

City:

State: KY

Zip Code:

County:

Phone: 2704846961

Fax Number:

E-mail Address:

Web Site Address:

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## Motor Vehicle Warranty Complaint Information

Vehicle Make, Model, and Year:

Vehicle VIN No.:

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## **Complaint Information**

Incident Date\Time: 5/21/2022 11:00:00 AM

Incident Location: [REDACTED] Gaylord, Mi 49735

Approximate Monetary Value: 33,000.00

Did you sign a contract? True

Where did you sign this contract? on my front porch

Is a court action pending? False

Do you have an attorney representing you on this matter? False

Are you willing to testify in court regarding this complaint? True

Did you complain directly to the business? True

What was the response from the business? Telling me this is how it's done and nothing on the stump removals

If no complaint was given to the business directly, why?

Was this complaint filed with any other agencies? False

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## **Complaint Detail/Inquiry Information**

A Zach Brant from E & B Contracting approached my daughter and I outside of my home on May 21st, 2022, the day after a tornado went through my neighborhood. He asked me if I had help removing a tree on my home and another on my fence. I told him Yes, that I had friends coming over to do it and I also told him that we had gotten a quote from Stuckman Tree Service for 4,200 if covered by Insurance or 3,500 if not covered. I also told him I was confused on how my insurance worked and that I didn't have any cash to get the job started so I was going with the free help of my friends because I was stressed about getting the debris cleaned up. Mr. Brant told my daughter and I that he would do me better then Stuckman quote and deal with my insurance company directly for me to help alleviate my stress after going through such a horrid situation and also that way my friends didn't have to be bothered. He pulled up a contract on a tablet of his and asked that I sign it to get the work started. I asked once again about an estimated price, and he assured me once again that it was going to be better than the previous quote I received, and he and his crew would be back later that day to access it all. I explained I might not be home because I was staying at my daughter's house, and he said would contact me. Mr. Brant said I needed to sign the contract to get started on anything. He scrolled through the contract to the points I needed to sign explaining one was to get the work started and for him to be allowed to work with my insurance company, One was for me to help him fight in court if any problems arose dealing with my insurance company payment, he stated this was standard, and the third was that they were going to deal with Allstate directly and that nothing would be coming out of my pocket and I'm not sure if I signed a 4th statement on the contract because I had been crying at the time and was overwhelmed. I asked for a copy of the contract too and was told he would email me one later. I came home later in the afternoon to find Mr. Brant and his crew at my residence looking over everything my daughter and I talked to him as he was writing things I once again asked about the cost, and he told me he'd send the estimate to my insurance company, and I would receive a copy too. I told him I was just there to pick up some things to take back to my daughters. He stated not to worry I wasn't needed to stay for what they were doing. At this time, I assumed by his words that they were getting an estimate together. I never received my copy of the contract, nor an estimate and they took the trees down while I wasn't home. They left the uprooted tree stumps that he had told us would be taken care of he just had to look into a few things. My insurance adjuster came to my home on the 26th of May, Gregg Boles from Allstate, his phone number 615 300 5635. He asked me about the two trees, and I explained to him what happen. He educated me on how it should have been done and asked me how much it cost. I told him that it was going to be less than 4200 but wasn't exactly sure because of the stumps. Mr. Boles informed me that my stumps would have never been covered by insurance because they didn't hinder construction and the contractor, Mr. Brant should have known this. He asked me for Mr. Brant's phone number and if it was alright to call him to find out what he was charging. I said, yes. He called Mr. Brant from E and B Contracting and placed it on speaker phone so I could hear also. Mr. Boyles asked Mr. Brant how much he was billing for the two trees to be removed. Mr. Brant told him he that he had just billed Allstate and it was none of his business and that his billing department was handling it. Mr. Boyles asked for his billing departments phone number and was refused this information by Mr. Brant. Mr. Boyles proceeded to explain to Mr. Brant how Insurance claims work and that he was going about it all wrong. Mr. Brant became abusive in language at this point and told Mr. Boyles that, this wasn't his first god damn rodeo and he knew what he was doing and then Mr. Brant hung up on my adjuster. Shortley right after I recieved a call from Allstate claim contact, Brittany Taylor, to see if the adjuster showed up and how I was doing. I explained to her what was going on with the Tree company and she told me they had charged Allstate 33,000.00 to Remove my two trees. At first, I thought I miss heard her and asked her to repeat it then I repeated back in shock and she told me, correct. I told Mr. Boyles how much they charged he explained to me that Allstate may choose not to pay this amount since it was definitely not a fair market price and that the company may then come after me for this amount. I started crying and very stressed at this point worrying about having to pay this company an amount that equals my yearly income. Mr. Boyles said that if it came to this he would gladly help me in court. My daughter had sent me an article on the

morning of May 28th about a Canary Tree Services receiving a Notice of Intended Action from the Michigan Attorney General for price gouging. This wasn't the company I thought I was dealing with due to the fact it was never mention by Zach Brant from E and B Contracting who cut down my trees. I also found out my Allstate insurance was not sending Mr. Brant any funds and that they had washed their hands of the situation from my adjuster. I called Mr. Brant and he immediately called me back at 7:45 pm on May 28th. I told him what happen and that he needed to deal with me now for payment. He said that the insurance company doesn't know what they are doing and are incorrect. He explained to me that if you go to the ER the hospital bills your insurance first then you are responsible for the rest after the insurance pays. He then reassured me that I wouldn't have to pay them anything because of the contract I signed. He said we would wait and see since I wasn't 100% sure and to call him back once I was sure and that he would give me the number of his billing department and I would speak to a Justine. He stated not to worry when I called that the Business Name is Canary Tree Service and to be assured that this is an affiliate of his company. At this point I became scared realizing what company I was truly dealing with. At 8:17 pm on the same day I received a phone call from a man named Justin out of Florida saying he was Mr. Brants billing department. He informed me that he was writing up an Email to my Insurance company that would be Cc'd to myself too. This Email stated, It is our understanding that you are going to be sending the payment for our services directly to the home owner. As a reminder we have a valid Assignment of Benefits and Direction to pay in place. The home owner is in agreement with us that you need to remit payment directly to us. Please send the payment to our address below. The home owner is CC'd on this email and can confirm that she is in agreement with this request. I did not agree with him about this email knowing who I was dealing with. I did ask him, so, what do you need from me? The email is from an Amanda Le Blanc canarytreeservice at jobnimbusmail.com and to; claims at claims.allstate.com; jozzy at charter.net; Justin Hartmann. It has two attachments on it a CTS W9.pdf and a Tammy [REDACTED] AOB [REDACTED].pdf that at this point I'm too scared to even open because I have heard how these people are using unlawful techniques to try and collect. I also emailed my Insurance company to let them know that I do not agree with this email. I called my mom telling her what was going on and she recommended I call my cousin Gayelord [REDACTED] who is a Senior Investigator in the Fraud Investigation unit for the State of Michigan Department of Insurance and Financial Services. I called Gayelord and explained what was going on and how I was worried having to deal with Canary Tree Service. I also told him they still hadn't taken care of the up rooted tree stumps. Gayelord recommended I fill this out, cease contact with them and to call 911 if they show up at my house and to not worry about the stumps at this time.

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[False] Check if this referral is just to give us information and you do not need us to respond to you directly.

[True] Check if you want to send documentation. After you submit this form you will be provided with a postal mail address, and facsimile number, to which you may send documents.

[True] Check if you want to sign up for the Consumer Protection Listserv.

[True] Check if you want to sign up for the AG Press Release Listserv.

[True] Check if you want to sign up for the Attorney General Opinions Listserv.

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(\*)I certify that the information on this form is true and accurate to the best of my knowledge.

(\*)I consent to releasing to the Michigan Attorney General any information or document relative to the investigation of this complaint. By checking this box, I also certify that I have had the opportunity to review the Michigan Attorney General Privacy Policy before submitting this complaint.

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# **ATTACHMENT 2**



STATE OF MICHIGAN  
DEPARTMENT OF ATTORNEY GENERAL



P.O. Box 30736  
LANSING, MICHIGAN 48909

DANA NESSEL  
ATTORNEY GENERAL

May 26, 2022

Canary Date Sculpting, Inc.  
d/b/a Canary Tree Service  
c/o Justin Hartmann, Registered Agent  
4561 Salisbury Rd., Ste. 400  
Jacksonville, FL 32256

Dear Mr. Hartmann:

This letter gives Canary Date Sculpting, Inc. d/b/a Canary Tree Service notice of intended action in accordance with MCL 445.905(2) and directs 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 (MCPA), MCL 445.901 *et seq.* Under this Act, the Attorney General may bring injunctive actions to protect the interests of consumers. MCL 445.905. The Attorney General may also conduct formal investigations upon a showing of probable cause to a court through *ex parte* petition. MCL 445.907.

During the past few months, this Office has been assembling evidence in support of an *ex parte* petition for civil investigative subpoenas pursuant to MCL 445.907. To this end, we have six, fully executed affidavits from Michigan consumers with which Canary Tree Service has interacted, and we have a variety of documents from the National Insurance Crime Bureau (NICB) related to Canary Tree Service's invoices to insurance companies based on work performed for Michigan consumers. The assembled proofs show there is probable cause to believe Canary Tree Service is violating the MCPA.

Accordingly, substantial progress had been made last week on the anticipated petition. The recent tornado in Gaylord, however, and your social media posts showing Canary Tree Service has mobilized there, compel us to issue this notice ahead of that court filing.

We understand that Canary Tree Service operates in essentially two different ways with respect to Michigan consumers. In some instances, you have met with Michigan consumers and Canary Tree Service has performed work for them directly. And, in other instances, a different tree company that Canary Tree Service

has partnered with in some way has performed the work for the consumer, but then Canary Tree Service handles the billing and collections efforts. Our evidence shows Canary's role is problematic in both dynamics. The Attorney General has probable cause to believe Canary Tree Service has engaged in a pattern of misleading consumers about the nature of the agreements they are signing, the cost of the services it is providing, the potential for financial responsibility for costs not paid for by insurance, and confusing consumers about their legal rights and obligations. Canary Tree Service also shows a pattern of charging grossly excessive prices for its tree services.

Canary Tree Service has been pursuing payment for work performed by it and other companies in Michigan during the summer of 2021. Whether by Canary or one of the entities for which Canary later billed, the consumers supplying us affidavits were all told their insurance would be billed, and they were not quoted prices for the tree debris removal services. Later, each learned that Canary had submitted absurdly high invoices to their insurance companies ranging from just over \$20,000.00 to as high as \$38,857.50. When the insurance companies refused to pay the demanded amounts, Canary then began either applying pressure on the consumers, or making outright threats of litigation or collections activity against them. The threats were made either by Canary Tree Service directly, or through a collections company.

We pause here to elaborate these concerns and supply you a glimpse of just some of the proofs that will accompany the upcoming petition. Attorney General Nessel's Consumer Protection Team received complaints from two Michigan consumers alleging that Canary Tree Service was engaged in price gouging based on clean-up work done at their homes following severe storms. (Michigan AG compls, **Exhibit 1**.) These complainants are among the six consumers who have supplied us with affidavits.

The troubling manner in which Canary Tree Service has transacted business is further illustrated with reference to two of the affidavits that will be featured in the court filing:

### **Derek W. of Farmington**

On July 7, 2021 a windstorm caused a large tree to fall in Derek's backyard. It fell across a retaining wall and damaged the limbs of another tree as it fell. (Derek W. Aff, ¶¶ 1-2; photos at pp 6-7, **Exhibit 2**).

Because the storm knocked out the power to his home, Derek and his wife and infant son went to stay with family, and Derek did not return to the property until July 12. On that day, you observed the tree lying in Derek's backyard, knocked on his door, and explained you could remove it. You identified yourself as the owner of Canary Tree Service of Jacksonville, Florida. You said that Canary

Tree Service was in town working with a local company, True Cut Tree Care, because of the extensive storm damage. (*Id.*, ¶¶ 1, 3-4).

You told Derek you would accept whatever the insurance company paid as payment in full. You said your interactions would be solely with the insurance provider. You promised Derek he would not be balance billed or obligated for any additional payment over and above what you receive from his insurance provider. (*Id.*, ¶ 4).

You told Derek that Canary could do the tree removal that evening. Although Derek did not regard the removal as an emergency, he was eager to get it done since he had not been able to connect with any other tree company to that point, and he could see Canary was doing work in his neighborhood. Derek agreed to have Canary remove the tree. You then asked Derek to sign your iPad. “The agreement on the iPad was only an assignment of the insurance claim to allow them to pay the claim directly to Canary Tree Service.” You never gave a verbal or written cost estimate, promising again that Derek “would not owe anything beyond what the insurance provider would pay.” (*Id.*, ¶ 5).

You and your crew of five workers then set to work on the tree removal for Derek. The project took approximately 2.5 hours and included use of a crane to lift the large limbs over Derek’s home to the front yard for removal. Some small debris was left that evening, but you and one other worker returned on July 17 to remove it. That additional work took about a half hour. (*Id.*, ¶ 6-7).

Canary then submitted a 115-page invoice packet to Derek’s insurer, complete with photographs of the project. *The total invoice price was \$25,747.50.* This submission was reviewed by Timothy Robbins, a certified arborist with more than twenty years of experience from ARBOMAX TREE. Robbins priced out three distinct methodologies by which the tree removal project at Derek’s home might reasonably have been conducted, averaged the costs of those three methods, and then added on an appropriate billing for the disposal of the resultant debris. Robbins concluded the appropriate average cost for the work performed for Derek would be \$6,155.56. The NICB has supplied to us both your invoice and the comparative analysis.

Next, Derek received a call from Kellie at AAA on August 30, 2021. During that conversation, Derek learned from Kellie that Canary had billed AAA \$25,747.08 for the tree removal at his home. Kellie then explained that AAA had determined the bill was excessive and that it would not pay the full amount, meaning Derek could be personally responsible for the balance. Having never received a bill or other documents from Canary, Derek asked Kellie to send him the invoice AAA had received. (*Id.*, ¶¶ 8-9).

Derek then reviewed the invoice AAA had received from Canary and found the insurance submission included a page of terms and conditions he had never agreed to. As he explains:

After receiving and reviewing the invoice, I noticed that information had been added to what I signed with Justin after the fact. The only information Justin gave me to review on his tablet was the single-page assignment of benefits included as Attachment B of this affidavit. I never reviewed, saw or agreed to anything contained on page 3 of the invoice. The first time I saw this information, which is included as Attachment C, is when the insurance company sent it to me. (*Id.*, at ¶ 10).

The previously unseen page of the invoice to which Derek refers included standardized language purporting to reserve Canary Tree Service’s right to assess late fees and finance charges for unpaid past due balances and disclaimed that any reductions, corrections, invoice adjustments, or changes of any kind by the assignee are not acts of insurance adjusting or advising of any kind. It further provided that any audit or inquiry would be subject to fees billable at a rate of \$125 per hour.

On October 11, 2021, Derek received an email from Keith Chandler at Canary. Through that message, Chandler told Derek to “follow up with me as soon as possible to avoid collections and lien proceedings.” (*Id.*, at ¶ 11; Ex 2, Attachment D.) This threat is in direct conflict with the oral representations you made in initiating the transaction, and the threat against Derek is wholly inconsistent with the assignment of benefits Derek acknowledges signing—which expressly put Canary in position of dealing directly with the insurance company.

Then, in December 2021, Derek received two phone calls and voicemail messages from Thomas at Canary. Derek did not return these calls because he finds the invoice submitted to AAA to be “outrageous.” Derek adds that he never would have authorized the work had he known Canary would try to charge his insurer such an unreasonable price. (*Id.*, ¶ 12).

### **Maria B. of Linden**

August 2021 brought another bad storm to Linden, where a schoolteacher named Maria B. and her husband Andrew live. A tree in their backyard snapped about twenty feet up and fell across their yard and that of their neighbor. It damaged power lines, lawn furniture, and the fence between the properties. (Maria B. Aff, ¶¶ 1-2, **Exhibit 3**).

On August 16, Maria spoke by phone to Alex of Holtslander and Sons, which is a tree service company here in Michigan. During this call, Alex told Maria she and her husband would not have to pay for the removal: “[w]hen I asked him about the cost of the removal, Alex assured me that Holtslander only bills our insurance

company, and that we would not be responsible for any additional costs that the insurance company did not pay.” (*Id.*, ¶ 5).

That afternoon, Alex arrived with four other Holtslander workers, along with a crane and debris hauler. (*Id.*, ¶ 6.) Then,

Alex approached me and asked that I sign a document on his tablet confirming that we hired him for tree removal. I noticed that the document listed Canary Tree Service at the top, not Holtslander, and I asked Alex why this was the case. Alex told me that Canary Tree is their third-party billing service, which is why their name is on the contract, but otherwise not to worry about it. Alex also assured me again, as he had on the phone, that all the billing was done through insurance and that we would not be responsible for any payments. [(*Id.*, ¶ 7)].

That afternoon, Holtslander and Sons cleaned up most of the tree debris—including the portion that had fallen into the neighbor’s yard. A week later, three workers returned and took care of the portion of the tree and stump that had remained. (*Id.*, ¶¶ 8-9).

Canary Tree Service then submitted an invoice for \$20,197.50 to Maria and Andrew’s insurer.

Maria and her husband did not hear from Holtslander or Canary Tree Service regarding payment during 2021. But they did receive information from their insurance company indicating that it had paid just under \$4,000 of a claim of over \$20,000 that had been made. Maria and her husband assumed this was the end of the matter. (*Id.*, ¶ 10).

But in early 2022, Maria’s husband took a phone call from someone they believe to be an attorney for Canary Tree Service seeking payment for the balance of more than \$20,000 not paid by the insurance company. Her husband told this person this was not consistent with what Alex from Holtslander had represented to Maria. Having thus refused to pay, her husband was also sent an email about the collection that same day. (*Id.*, ¶ 11.) The email to Maria’s husband threatened legal action if the sum was not paid, and read as follows:

Subject: Case#JFH97392 Canary Tree Service vs. Andrew [last name redacted] et al.

Andrew,

We are writing concerning the amount of \$20,197.50 which is due our client Canary Tree Service. Despite numerous requests for payment as

well as providing several different options to satisfy your past due balance, your account remains outstanding. All of my client's attempts to avoid litigation and resolve this matter amicably have been ignored.

If this account is not resolved voluntarily our client reserves the right to commence legal proceedings per Michigan State Law and you may be responsible for any associated legal fees or collection costs if your account is forwarded to local counsel.

If you wish to prevent this, please contact the undersigned as a matter of urgency and settle your account before any further legal actions have commenced.

Sincerely,

James Hughes  
Hughes, Martini & Associates  
Corporate Offices of MHG  
955 NW 17<sup>th</sup> Ave Bldg A  
Delray Beach, Florida 33445

[(*Id.* at pp 4-6)].

Various elements of this message, from the subject line reference to a case number and use of the familiar "vs," and "et al," to the reference to Canary Tree Service as "our client," to the threats of litigation, and the use of a firm name in the signature block that sounds like a law firm's name, have reasonably contributed to Maria and Andrew's impression that they were being threatened by an attorney for Canary Tree Service. A review of the website for Hughes, Martini & Associates, however, suggests this is simply a collections business rather than a law firm.<sup>1</sup>

Maria and her husband have not paid anything to Canary since doing so does not align with what Alex told them, and they find the price to be unreasonable for the work that was done. Indeed, had they known Canary would charge so much, Maria says they would not have accepted Holtslander's services. (*Id.*, ¶¶ 11-12).

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<sup>1</sup> Website for Hughes, Martini & Associates, available at: <http://mhg.bz/> (last accessed: May 19, 2022).

**Other Concerns:**

It was in the context of these experiences that we read with great concern your recent social media post following the tornado that has disrupted the lives of many Gaylord residents. This post stated:

Hard to believe it's been two years since I moved to Sanford Michigan for 10 weeks! Yet, here we are, on the way again. This time we are showing up with three cranes to start with. I'll bring more if we need. Gaylord Michigan, we NEVER charge out of pocket for insured work. If you don't have coverage, and are in true need, we will do it pro bono. Ask a Sanford Michigan resident, they will tell you.

Your representation here about never charging out-of-pocket costs is consistent with what you and others told Michigan consumers in the summer of 2021. But it is wholly inconsistent with the subsequent pressure and threats that have been put upon Derek, Maria, and other consumers supplying affidavits. Thus, we plan to seek subpoenas to obtain documents and testimony to better understand what Canary Tree Service is doing, the work performed and justifications for the prices it is billing, and to assess the knowledge and role of the companies for which it is billing.

In the meantime, though, let this be clear: if Canary Tree Service is going to continue providing tree services in Gaylord, it must be honest with consumers and disclose the nature of the agreements they are being asked to sign and the costs of the services being provided. To the extent Canary Tree Service has already provided services to any residents impacted by the recent tornado upon a representation they would not be charged out-of-pocket costs, it should not (either directly or through a collections company) apply pressure or make threats to such consumers if the insurance company does not pay the amount Canary Tree Service bills. And Canary Tree Service and its affiliates should cease making threats against any consumers for which tree services were performed upon such representations in 2021, including Derek and Maria. If such further threats are made and are shown to be the result of MCPA violations, the Attorney General will seek a civil fine of \$25,000 for each such violation as anticipated by MCL 445.905. The Attorney General will not tolerate any effort by Canary Tree Service to persist in imposing inappropriate economic stress upon the victims of storm damage.

And your reference to the events in Sanford, Michigan has also not gone unnoticed. You refer, of course, to the Midland-area dam that collapsed in 2020. We are aware of the news articles you showed Derek and other consumers in an effort to build trust with them, much like you do now with the residents of Gaylord. You invite us to ask a Sanford resident. As a point of fact, one of our special agents did just that a few weeks ago with a recorded interview with one of the operators of the "Sanford Strong" Facebook group. So, we are well-aware you were kicked out of

that group after its hosts learned you were collecting money for services even while using that platform to promote the free help you were offering.

We also note that responding to natural disasters as a means of revenue is part of Canary Tree Service's business model. An online search of news articles showed us Canary Tree Service's name has shown up in connection with other storms. In 2019, the North Carolina Attorney General sued Canary Tree Service for price gouging consumers in that State after Hurricane Florence.<sup>2</sup> And a 2020 article shows Canary Tree Service was present in Iowa after the Derecho windstorm that garnered national attention.<sup>3</sup>

We obtained from the Better Business Bureau (BBB) a 2020 complaint from a Louisiana resident against Canary Tree Service alleging improper billing arising out of a clean-up following Hurricane Laura. (BBB compl, **Exhibit 4.**) And the Florida Attorney General's Office has supplied this Office with complaints it has received from two consumers alleging that Canary Tree Service was price-gouging in billings it was doing for other companies in Florida and Alabama after 2020's Hurricane Sally. (Florida AG compls, **Exhibit 5.**)

Based on the above, and additional evidence that will be included with the upcoming petition, the Attorney General has probable cause to believe Canary Tree Service has engaged in the following unfair business practices:

- (n) Causing a probability of confusion or of misunderstanding as to the legal rights, obligations, or remedies of a party to a transaction.
- (r) Representing that a consumer will receive goods or services free or without charge, or using words of similar import in the representation, without clearly and conspicuously disclosing with equal prominence in immediate conjunction with the use of those words the conditions, terms, or prerequisites to the use or retention of the goods or services advertised.

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<sup>2</sup> Steelman, Ben, *State Sues Florida Tree Service for Price-Gouging*, StarNews (April 11, 2019), available at:

<https://www.starnewsonline.com/story/news/courts/2019/04/11/tree-service-sued-for-price-gouging-in-wilmington-after-florence/5462559007/>

<sup>3</sup> Stone, Eric, *Scammers Preying on Iowa Derecho Victims*, KDAT, (Aug 14, 2020), available at: [https://kdat.com/scammers-preying-on-iowa-derecho-victims/?utm\\_source=tsmclip&utm\\_medium=referral](https://kdat.com/scammers-preying-on-iowa-derecho-victims/?utm_source=tsmclip&utm_medium=referral)



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(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.

(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.

(z) Charging the consumer a price that is grossly in excess of the price at which similar property or services are sold.

(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. [MCL 445.903(1).]

Under the MCPA, this notice gives rise to an opportunity for Canary Tree Service to provide an assurance of voluntary compliance. Should you wish to explore an assurance agreement, please contact us soon to schedule a meeting to be held on, or before, June 6, 2022. You are welcome and encouraged to consult with, and be accompanied by, an attorney for this discussion.

Absent such an agreement, we will file the petition seeking authorization to proceed with the investigation referenced above.

We look forward to your response.

Sincerely,



Darrin Fowler  
Assistant Attorney General  
Corporate Oversight Division  
(517) 335-7632