

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL
CONSUMER PROTECTION DIVISION

IN THE MATTER OF:

AG No. 2006001745

**Baird Enterprises, a Michigan Limited
Liability Company, Priscilla O. Baird, and
Michael D. Baird**

Respondents
_____ /

**NOTICE OF INTENDED ACTION
AND OPPORTUNITY TO CONFER AND TO CEASE AND DESIST**

TO: Baird Enterprises, LLC
3765 11th Street
Wayland, MI 49348

Also mail to: Baird Enterprises, LLC
c/o Priscilla Baird and Michael Baird
2591 2nd Street
Wayland, MI 49348

Priscilla O. Baird
2591 2nd Street
Wayland, MI 49348

Also mail to: 475 Briggs Road, N
Middleville, MI 49333

Michael D. Baird
2591 2nd Street
Wayland, MI 49348

Michael A. Cox, Attorney General of the State of Michigan, notifies Baird Enterprises, LLC, Priscilla O. Baird, Michael D. Baird, and any of their agents, employees, servants, successors or assigns of his intent to file a lawsuit in circuit court alleging violations of the Michigan Consumer Protection Act (MPCA) 445.901 *et seq.*, if the issues

summarized in this Notice are not resolved. This Notice is required by Section 5(2) of the MCPA before the Attorney General may file an action in circuit court. Respondents are notified that they may confer with the Attorney General or his representative regarding the allegations summarized below and must immediately address these issues to avoid a lawsuit, in which the Attorney General may seek an injunction compelling Respondents to comply with the law and seeking other relief.

I. FACTUAL ALLEGATIONS

1.1 Respondents are:

(a) Baird Enterprises, LLC ("Baird LLC"), a Michigan limited liability company with offices believed to be last located at 2591 2nd Street, Wayland, Michigan. Upon information and belief the records of the Bureau of Commercial Services within the Michigan Department of Labor and Economic Growth, presently report the following status for Baird Enterprises, LLC:

"Active. But not in good standing as of 2-15-2006."

(b) Priscilla O. Baird ("Priscilla Baird") who upon information and belief is an officer and principal shareholder of Baird, LLC. Priscilla Baird is also a principal director and manager of the affairs of Baird, LLC.

(c) Michael D. Baird ("Michael Baird") who upon information and belief is an officer and a principal shareholder of Baird, LLC, and is the son of Priscilla Baird. Michael Baird is also a principal director and manager of the affairs of Baird Enterprises.

1.2 Respondents engaged in trade or commerce in the State of Michigan by advertising, soliciting, or providing goods, property, or services to Michigan consumers for their personal family or household use.

The following allegations are made upon information and belief:

1.3 Respondents engaged in a residential real estate buying and selling scheme while engaging in one or more of the following unlawful, unfair, unconscionable or deceptive acts and practices:

(a) Respondents and each of them by representations, advertisements, offers, and other promotional materials falsely represented to one or more consumers faced with

foreclosure, or with inability to meet mortgage payments, or with other factors that might cause a consumer the imminent loss of his or her residence that Respondents would buy the consumer's home

(b) Among Respondents' representations and multiple advertising flyers, leaflets, posted signs, cards, signs along roadways, and signs in the yards of houses were the following two advertisements:

WE BUY HOUSES

Any Condition, Any Location, Any Price

Do you own an unwanted house and need to sell quickly?

Facing Foreclosure? Payments Behind? Moving?	House Vacant? Need Repair? Divorce? Bad Tenants?
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These are common problems that can happen to anyone!

**We can pay cash,
take over payments, or lease option your house immediately.**

We can close quickly and handle all the paperwork.

We are not Realtors,

We do not want to list your house.... We want to buy it!

616-218-7595

WE BUY HOUSES

Any location, condition, or price

We are private Real Estate Investors

We are not Realtors

(616) 281-7595

(Front Side)

**We have several solutions
for distressed people or
distressed properties**

Are you....

Behind in payments?

Facing Foreclosure?

Divorcing?

Relocating?

House vacant?

Moving?

**These are common problems that
can happend to anyone! We can
pay cash, take over your payments
or lease option your house
immediately. We can close quickly
and handle all the paperwork.**

(Back Side)

(c) As part of their real estate scheme and representations, Respondents drafted and used (among others) one or more of the following forms for real estate transactions:

- (1) "Standard Purchase and Sales Agreement."
- (2) "Letter of Agreement and Addendum."
- (3) "Limited Power of Attorney."
- (4) "Warranty Deed To Trustee"
- (5) " Authorization To Release Information."
- (6) "Applicant Information Sheet."
- (7) "Addendum, Instruction to Closing Office."
- (8) "Promissory Note."
- (9) "Land Contract."

1.4 Respondents also represented to one or more consumers that Respondents would obtain financing for or other extensions of credit for consumers.

1.5 Without a lawful purpose, Respondents required one or more consumers to provide their personal identification information, i.e. Social Security numbers or other sensitive identifying information, by requiring consumers to sign Respondents' forms entitled:

(a) "Authorization To Release Information "

(b) "Applicant Information Sheet."

1.6 Respecting one or more consumers, Respondents engaged in the conduct, practices and activities of a credit services organization while failing to comply with the Credit Services Protection Act, MCL 445 1821 et seq

1.7 Acting upon Respondents' representations and advertisements one or more consumers contacted Respondents for Respondents' services. Representative of such consumers are Bryan and Melissa Risner (jointly the "Risners") and Robert and Sharon Burgess (jointly "Burgesses"). Respecting the Risners and the Burgesses Respondents engaged in the following conduct and practices:

(a) ***Financial Counseling:***

(a-1) ***Risners:*** The Risners contacted Respondents While engaging in the activities of a credit services organization, Respondents provided financial counseling to Risners. Additionally, Respondents offered to purchase the Risners residence located at 11497 9 Mile Road, City of Plainwell, County of Barry, and State of Michigan (hereafter "Risner Property") for \$136,834.95 falsely representing to and inducing the Risners to believe that Respondents would purchase the Risner Property and would pay and keep current the monthly mortgage payments and other obligations the Risners owed to the Risners' mortgagee

(a-2) ***Burgesses:*** The Burgesses were led to contact Respondents by the "for sale" sign Respondents had placed in the front yard of the Risner Property. The sign contained the cell phone number for Michael Baird. Upon the Burgesses' contacting the Respondents, Respondents, engaging in the activities of a credit services organization, provided financial counseling to the Burgesses. Respondents represented and offered to perform for the Burgesses the following transactions: The Burgesses to sell their residence at 3030 8th Street, Kalamazoo, Michigan ("Burgess Property") to Respondents for \$81,300.00; and the Burgesses to purchase from Respondents the Risner Property for \$154,900.00

(b) ***Standard Purchase and Sale Agreements:***

(b-1) ***Risners:*** Respondents required the Risners, as Seller, to sign Respondents' Standard Purchase and Sale Agreement. Michael Baird signed the agreement for Baird

LLC as Buyer This agreement is dated December 28, 2004. Hereafter this agreement is referred to as the "Risner Buy-Sell." The Risner Buy-Sell did not contain any meaningful terms of purchase, but contained a paragraph 1. G stating:

1. Total Purchase Price to be paid by Buyer is payable as follows:

* * *

G. Existing mortgage balance encumbering the Property to be taken subject to by Buyer (approximately) \$136,834.95.

The Risner Buy-Sell did not contain dates, times, or places for, or the manner by which Respondents would deliver the purchase money to the Risners; did not contain a date for closing; and did not mention the Letter of Agreement and Addendum form Respondents required the Risners to sign on December 28, 2004.

(b-2) **Burgesses:** Respondents required Sharon Burgess, as Seller, to sign Respondents' Standard Purchase and Sale Agreement form. Priscilla Baird signed the agreement for Baird LLC as Buyer. The agreement was signed on May 2, 2005. Hereafter this agreement is referred to as the "Burgess Buy-Sell." Respondents agreed to purchase the Burgess Property for the sum of \$81,300.00. The Burgess Buy-Sell did not contain any meaningful terms of purchase, but contained the following paragraphs stating:

1. Total Purchase Price to be paid by Buyer is payable as follows:

* * *

G. Existing mortgage balance encumbering the Property to be taken subject to by Buyer (approximately) \$81,300.00

* * *

18. Additional Terms, Conditions or Addenda (lettered A,B,C,D etc)

Buyer will pay additonal \$3,700.00 at close of resale of property.

(b-3) **Burgesses:** Respondents required the Burgesses, as Buyer, to sign Respondents' Standard Purchase and Sale Agreement form. The name of Baird Enterprises was listed as Seller for the Risner Property. The purchase price for the Risner Property was \$154,900.00. Priscilla Baird signed the agreement for Baird LLC as Seller. The agreement was signed on April 19, 2005. Hereafter this agreement is referred to as the "Baird Enterprises Buy-Sell". The Baird Enterprises Buy-Sell stated:

1H: Total Purchase Price approx. exactly \$154,900.00.

Priscilla Baird for Baird LLC, acknowledged receipt of \$1,000.00 from the Burgesses.

(c) Respondents' Letter of Agreement and Addendum form:

(c-1) Respondents' Letter of Agreement and Addendum form contains advisements to consumer sellers that their mortgage loans contain a due on sale clause; their mortgage loans will remain in their names; that buyer has no intention of assuming, and makes no promises to assume, the mortgage loan; that seller must hold buyer or assigns harmless *on the attached agreement*; that *buyer will make up any mortgage payments in arrears only upon buyer's resale of the property*; and that consumer sellers understand that if payments are not brought current their property may go into foreclosure, *in which case the buyer will be held harmless*. (Emphasis added)

(c-2) **Risners:** Respondents required the Risners to sign Respondents' Letter of Agreement and Addendum ("Risner Addendum"). The Risner Addendum did not mention the Risner Buy-Sell. The Risner Buy-Sell did not mention an addendum. Further, it does not appear that the Risner Addendum was firmly attached to the Risner Buy-Sell.

(c-3) **Burgesses:** Respondents required Sharon Burgess to sign Respondent's Letter of Agreement and Addendum ("Burgess Addendum"). The Burgess Addendum did not mention the Burgess Buy-Sell. The Burgess Buy-Sell did not mention any addendum. Further, it does not appear the Burgess Addendum was firmly attached to the Burgess Buy-Sell.

(d) Respondents Obtained Consumers' Personal Identification Information:

(d-1) **Risners:** Respondents required the Risners to sign Respondents' "Authorization To Release Information" form. Bryan Risner and Melissa Risner were each required to provide to Respondents their personal identification information, i.e. their Social Security numbers. Respondents obtained said information without a lawful purpose.

(d-2) **Burgesses:** Respondents required Sharon Burgess to sign Respondents' "Authorization To Release Information" form. Sharon Burgess was required to provide to Respondents her personal identification information, i.e. her Social Security number. Respondents obtained said information without a lawful purpose.

(d-3) **Burgesses:** Respondents' required each Robert Burgess and Sharon Burgess to complete and sign Respondents' "Applicant Information Sheet". Each of the Burgesses

were required to provide to Respondents their personal identification information including, but not limited to, date of birth, Social Security number, driver's license number and home telephone number. Respondents obtained said information without a lawful purpose.

(e) Respondents' Limited Power of Attorney form:

(e-1) Respondents' "Limited Power of Attorney" form contained the following pertinent statements:

The Limited Power of Attorney is given to _____ for the purpose of Closing, Insurance, Mortgage Payments, or any other matters that pertain to the following described real property.

This limited Power of Attorney shall become valid as of the date signed below and be in force thereafter.

POWER OF ATTORNEY GIVEN TO _____

(e-2) **Risners:** Respondents required the Risners to sign Respondents' Limited Power of Attorney form. The initial part of the form purported that the Risners had given Baird LLC a Limited Power of Attorney to represent the Risners in matters regarding the Risner Property. But later, in the same form, Respondents' Limited Power of Attorney purported that the Risners had given Michael Baird their Limited Power of Attorney. Further, the form purported to be duly notarized by Vicki Dole. But the notarization is deficient and failed to meet the statutory requirements of MCL 55.287 (applicable on December 29, 2004) by, among others, failing to meet the requirements of MCL 55.287 (2) (b). Michael Baird falsely represented to the Risners that, as their agent, attorney-in-fact, and fiduciary he would act in the Risners' best interests.

(e-3) **Burgesses:** Respondents required Sharon Burgess to sign Respondents' Limited Power of Attorney form. This form purported that Sharon Burgess had given Priscilla Baird a limited power of attorney to represent Sharon Burgess in matters regarding the Burgess Property. This form purported to be duly notarized by Tori R. Barber but the notarization is deficient. It failed to meet the statutory requirements of MCL 55.287 (applicable on May 2, 2005) by, among others, failing to meet the requirements of MCL 55.287 (2) (b). Priscilla Baird falsely represented to the Burgesses

that, as Sharon Burgess' agent, attorney-in-fact, and fiduciary she would act in the best interests of Sharon Burgess.

(e) Respondents' Addendum-Instruction to Closing Office:

(e-4) Respondents required Sharon Burgess to sign Respondents' form entitled "Addendum Instruction to Closing Office." Sharon Burgess appears to have signed this document on May 2, 2005. It directed an unnamed closing officer to "pay all proceeds due, over and above my costs from the sale of 3030 8th St., Kalamazoo, MI 49009" to Baird LLC. Respondents falsely represented and implied that there would be an event of "closing" for the sale of the Burgesses property to Respondents. Respondents did not provide Sharon Burgess a closing statement and did not provide a name and address for the closing office or closing officer.

(f) Respondents Warranty Deed to Trustee form:

(f-1) **Risners:** Respondents required the Risners, as grantors, to sign Respondents' "Warranty Deed to Trustee" form. Respondents' form document purported that the Risners conveyed the Risner Property to the "11497 9 Mile Road Middleville Trust, Michael Baird as Trustee and not personally under the provisions of a trust agreement dated the 29th day of December 2004 known as Trust Number 11497". Hereafter this document is referred to as the "11497 9 Mile Road Deed." Among other failures in Respondents' drafting of the 11497 9 Mile Road Deed, Respondents stated the Risner Property was situated in Allegan County. In fact, the Risner Property is in Barry County. Also the notarization is deficient in that the requirement of MCL 55 287 (2) (b) were not met.

(f-2) **Burgesses:** Respondents required Sharon Burgess, as grantor, to sign Respondents' form document entitled "Warranty Deed to Trustee" on May 2, 2005. Hereafter this document is referred to as the "3030 8th Street Deed." By the 3030 8th Street Deed, Respondents' purported to have the Burgess Property conveyed to "Priscilla Baird as Trustee and not personally under the provisions of a trust agreement dated the 2nd of May 2005, known as Trust Number 3030."

(g) Respondents' Land Contract form:

(g-1) Respondents required the Burgesses, as purchaser of the Risner property, to sign Respondents' Land Contract form wherein Respondents purported that Baird Enterprises, LLC, as seller, had the authority to agree to and to sell to the Burgesses, the

Risner Property for the sum of \$154,900.00 at 9% per annum interest with monthly payments of \$1,125.67. Hereafter this document is referred to as the "Land Contract." Paragraph 1(b) of the Land Contract dated May 15, 2005 states:

That the full consideration for the sale of the land to Purchaser is: (\$154,900.00) One hundred fifty-four thousand nine hundred dollars, of which the sum of (\$15,000.00) Fifteen thousand dollars has been paid to Seller prior to the delivery hereof, the receipt of which is hereby acknowledged and the additional sum of (\$139,900.00) One hundred thirty-nine thousand nine hundred dollars, is to be paid to Seller, with interest on any part thereof at any time unpaid at the rate of (9.0%) Nine per cent per annum while Purchaser is not in default. Such purchase money and interest is to be paid in monthly installments of (\$1125.67) One thousand one hundred twenty-five dollars and sixty-seven cents each or more at Purchaser's option on the first day of each month beginning July 1, 2005; such payment to be applied first upon interest and the balance on principal. *All of the purchase money and interest shall however, be fully paid within One year from the date hereof, anything herein to the contrary notwithstanding.* (Emphasis added)

Respondents also falsely represented, in paragraph 2(g), of the Land Contract that the Burgesses were supplied a commitment for title insurance issued by Lawyers Title Insurance Corporation. Further, Respondents knowing the Land Contract contained a balloon clause, i.e. the last two sentences of Paragraph 1 (b), provided the Burgesses a sheet entitled "Mortgage Loan Calculator Results" representing to the Burgesses that the monthly payments needed to pay for the total amount of the land contract were equivalent to the monthly payments for a thirty year mortgage payable at the rate of 9.0% (nine percent) per annum.

(h) Respondents' Promissory Note form:

(h-1) Respondents required the Burgesses, as borrower, to sign Respondents' form "Promissory Note" promising to pay Baird LLC, as lender, the amount of \$15,000.00 with interest at 10% per annum payable at 472 Briggs Road, N Middleville, MI in consecutive monthly installments of \$1250.00 on the first day of each month beginning June 1, 2005.

The Promissory Note is dated May 15, 2005. Respondents' Promissory Note form contained the following first paragraph:

For Value Received, the undersigned Borrower(s), Robert L. and Sharon K. Burgess promise(s) to pay Baird Enterprise, LLC hereinafter known as Lender, or order, the principal sum of \$15,000.00 with interest on the unpaid principal balance from the date of this Note, Until paid, at the rate of 10.0% per annum. Principal and interest shall be payable at 472 Briggs Road, N-Middleville, MI 49333 or such other place as the Note holder may designate, in consecutive monthly installments of a minimum of \$1250.00 on the first day of each month beginning June 1, 2005. Such monthly installments shall continue until the entire indebtedness evidenced by this Note is fully paid, *except that any remaining indebtedness, if not sooner paid, shall be due and payable on November 1, 2005* (Emphasis added)

Respondents did not lend \$15,000.00, in cash or by check, to the Burgesses.

(k) Events Occurring after the Documents were signed:

(1) After the Risners signed the 11497 9 Mile Road Deed, Respondents, by deceptions, induced the Risners to believe Respondents had "purchased" the Risner property, and were making the monthly and other payments to the Risners' mortgagee or its servicer (hereafter the term "Risners' mortgagee" includes the mortgagee's servicer).

(2) In early June 2005, the Risners received notice from the Risners mortgagee that the May 2005 mortgage payment for the Risner Property had not been made. The Risners contacted Respondents. Priscilla Baird falsely promised the Risners there would be no further late payments, that Respondents would, timely, pay the Risners' mortgagee.

(3) When the Risners became aware that Respondents had made false representations to the Risners and practiced other deceptions and misconduct the Risners demanded that the Respondents make no alterations to the 11497 9 Mile Road Deed and not record the deed with the register of deeds. Respondents gave assurances to the Risners that Respondents would not record the 11497 9 Mile Road Deed without notice to Risners or their counsel. But after the Risners demand, Respondents did make alterations to the 11497 9 Mile Road Deed. Among the alterations, Respondents changed the county name from Allegan to Barry; added a legal description by attaching a second sheet having on it the legal description for the Risner Property; attempted to cure the notary deficiency by adding the notary's stamp; and inserted the name and address of Michael Baird as the preparer. The altered 11497 9 Mile Road Deed is hereafter referred to as the "Altered Deed."

(4) Respondents, by deceptions, induced the Burgesses to believe Respondents had the authority to sell the Risner Property. Thus, the Burgesses signed the Land Contract and occupied the Risner Property in mid-May 2005. The Burgesses, timely, paid Respondents the monthly Land Contract payments until learning of the Respondents' deceptions practiced on the Risners.

(5) In early July 2005 the Risners received a further notice from the Risners' mortgagee that the fire/homeowner's insurance for the Risner Property had expired. The Risners contacted Respondents telling Respondents they were in breach of the Risners' and Respondents' agreement. Priscilla Baird responded that she would pay for the insurances and otherwise would pay and reinstate the mortgage and bring payments current. Priscilla Baird also advised the Risners that other persons now occupied the Risner property.

(6) In mid-July 2005 the Risners received notice from the Risners' mortgagee that a further mortgage payment for the Risner Property was overdue. Thereafter, the Risners consulted legal counsel.

(7) In August 2005, the Risners withdrew permissions given to Respondents and demanded Respondents not make any alterations to the 11497 9 Mile Road Deed, or attempt to record it. Respondents agreed not to record.

(8) By this time, the Risners had contacted the Burgesses and advised the Burgesses of the defaults of Respondents. The Risners also advised the Burgesses that Respondents' actions and inactions were causing the Risners loss of creditworthiness and the possibility that the Risners' mortgagee of the Risner Property would commence foreclosure.

(9) Respondents also failed to timely make one or more of the mortgage payments that came due on the Burgess Property.

(10) The Burgesses consulted the same legal counsel as the Risners had consulted. Thereafter, the Burgesses commenced making their monthly Land Contract payments for the Risner Property, directly, to the Risners, and secured their own fire/homeowner's insurance for the Risner Property.

(11) The Burgesses then obtained a mortgage lender's promise of mortgage financing for payoff of their obligations owed the Risners. But shortly before the

Burgesses were to close with the promising mortgage lender and the Risners, the following actions of Respondents caused the lender to withhold mortgage financing:

(12) On March 6, 2006 without the consent of the Risners, the Respondents recorded the Altered Deed with the Barry County Register of Deeds attempting to obtain title to the Risner Property in the name of 11497 9 Mile Road Middleville Trust, Michael Baird as Trustee and not personally under the provisions of a trust agreement dated the 29th day of December 2004 known as Trust Number 11497".

(13) In early May 2006 Priscilla Baird represented to the Attorney General's Consumer Protection Division that "Baird Enterprises LLC is no longer actively doing business."

(14) In mid-August 2006 Baird LLC and Michael Baird sent or served the Burgesses a purported "Forfeiture Notice" pertaining to the Land Contract.

II. VIOLATIONS OF LAW

The Respondents' conduct alleged above constitutes unfair, unconscionable or deceptive methods, acts or practices in the conduct of trade or commerce, and is unlawful and in violation of section 3 (1) of the Michigan Consumer Protection Act, which provides in part:

Unfair, unconscionable, or deceptive methods, acts, or practices in the conduct of trade or commerce are unlawful and are defined as follows:

(b) Using deceptive representations or deceptive designations of geographic origin in connection with goods or services

* * * *

(g) Advertising or representing goods or services with intent not to dispose of those goods or services as advertised.

* * * *

(m) Causing a probability of confusion or of misunderstanding with respect to the authority of a salesperson, representative, or agent to negotiate the final terms of a transaction.

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

* * * *

(o) Causing a probability of confusion or of misunderstanding as to the terms or conditions of credit if credit is extended in 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.

(t) Entering into a consumer transaction in which the consumer waives or purports to waive a right, benefit, or immunity provided by law, unless the waiver is clearly stated and the consumer has specifically consented to it.

(u) Failing, in a consumer transaction that is rescinded, cancelled, 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.

(v) Taking or arranging for the consumer to sign an acknowledgement, certificate, or other writing affirming acceptance, delivery, compliance with a requirement of law, or other performance, if the merchant knows or has reason to know that the statement is not true.

(w) Representing that a consumer will receive a rebate, discount, or other benefit as an inducement for entering into a transaction, if the benefit is contingent on an event to occur subsequent to the consummation of the transaction.

(x) Taking advantage of the consumer's inability reasonably to protect his or her interests by reason of disability, illiteracy, or inability to understand the language of an agreement presented by the other party to the transaction who knows or reasonably should know of the consumer's inability.

(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.

* * * *

(hh), by requiring a consumer to disclose his or her social security number as a condition to selling or leasing goods or providing a service to the consumer.

III. ATTORNEY GENERAL'S AUTHORITY

The Attorney General proceeds under section 5 of the Michigan Consumer Protection Act, which provides in part:

(1) When the attorney general has probable cause to believe that a person has engaged, is engaging, or is about to engage in a method, act, or practice which is unlawful pursuant to section 3, and upon notice given in accordance with this section, the attorney general may bring an action in accordance with principles of equity to restrain the defendant by temporary or permanent injunction from engaging in the method, act, or practice. The action may be brought in the circuit court of the county where the defendant is established or conducts business or, if the defendant is not established in this state, in the circuit court of Ingham county. The court may award costs to the prevailing party. For persistent and knowing violation of section 3 the court may assess the defendant a civil penalty of not more than \$25,000.00.

(2) Unless waived by the court on good cause shown not less than 10 days before the commencement of an action under this section the attorney general shall notify the person of his intended action and give the person an opportunity to cease and desist from the alleged unlawful method, act, or practice or to confer with the attorney general in person, by counsel, or by other representative as to the proposed action before the proposed filing date. The notice may be given the person by mail, postage prepaid, to his usual place of business or, if the person does not have a usual place of business, to his last known address, or, with respect to a corporation, only to a resident agent who is designated to receive service of process or to an officer of the corporation.

IV. RESPONDENTS' OPPORTUNITY TO COMPLY WITH MICHIGAN LAW

4.1 Within ten days of receiving this Notice, Respondents have the opportunity to cease violations of the MCPA and to inform the Attorney General in writing of their decision. If Respondents decide to comply with Michigan law, the Attorney General will consider that decision in determining whether to take further action.

4.2 Within ten days of receiving this Notice, Respondents may request an opportunity to confer with a representative of the Attorney General regarding the proposed lawsuit.

4.3 Instead of filing a lawsuit against Respondents, the Attorney General may accept a formal assurance, in accordance with section (6) of the MCPA, that Respondents will stop violating the act. The assurance may provide for payment of the costs of investigation, restitution to aggrieved persons, and other relief

V. CONSEQUENCES OF RESPONDENTS' VIOLATIONS

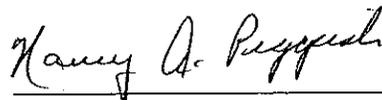
5.1 After Respondents have been provided with an opportunity to confer, and unless an Assurance of Discontinuance is accepted, or it is determined that there is no cause for action, the Attorney General will be authorized to file a lawsuit.

5.2 A lawsuit under the MCPA may result, among other things, in an injunction and the imposition of civil penalties of up to \$25,000 as provided in section 5 of the MCPA.

5.3 If Respondents decide to exercise the opportunity to confer with the Attorney General or his representative before a lawsuit is filed, Respondents must contact the undersigned Assistant Attorney General within ten days after receiving this Notice.

Michael A. Cox
Attorney General

Dated: September 25, 2006



Nancy A. Piggush (P28801)
Assistant Attorney General
Consumer Protection Division
P.O. Box 30213
Lansing, MI 48909
(517) 335-0855; Fax: (517) 335-1935