

STATE OF MICHIGAN  
IN THE 30<sup>TH</sup> JUDICIAL CIRCUIT COURT FOR THE COUNTY OF INGHAM

DANA NESSEL, ATTORNEY GENERAL OF  
THE STATE OF MICHIGAN, *ex rel*  
The People of the State of Michigan,

Petitioner,

No. 20-39-CP

HON. WANDA STOKES

v

KALAMAZOO SCREEN PRINTING, L.L.C.  
d/b/a INSPIRING CLOTHING & SPENCER  
[REDACTED], in his individual capacity,

Respondents.

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Andrea Moua (P83126)  
Attorney for Petitioner  
Michigan Department of Attorney General  
Corporate Oversight Division  
P.O. Box 30736  
Lansing, MI 48909  
(517) 335-7632

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**ASSURANCE OF VOLUNTARY COMPLIANCE AND DISCONTINUANCE**

Dana Nessel, Attorney General of the State of Michigan, on behalf of the State of Michigan, and Spencer [REDACTED], on behalf of himself and Inspiring Clothing (hereinafter collectively referred to as “Inspiring Clothing”), hereby execute and agree to be bound by this Assurance of Voluntary Compliance (“Assurance”).

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

The parties agree that the entry into this Assurance by Inspiring Clothing is not an admission or agreement with respect to any legal or factual issues dealt with in this Agreement.

THEREFORE, the parties agree as follows:

**I. Jurisdiction**

1.1 The Department of Attorney General (“the Department”) has jurisdiction over the subject matter of this Assurance pursuant to MCL 445.905 and 445.910. Inspiring Clothing waives all objections and defenses that it may have as to the jurisdiction of the Department over the matters covered by this Assurance.

**II. Parties Bound**

2.1 This Assurance binds Inspiring Clothing, whether acting through associates, principals, officers, directors, employees, representatives, successors or assigns, or through any other subsidiary, corporation, assumed name or business entity. Inspiring Clothing is responsible for compliance with the terms of this Assurance, and must ensure that all employees, contractors, subcontractors, agents and representatives comply with the terms of this Assurance.

**III. Definitions**

3.1 “Inspiring Clothing” refers to Inspiring Clothing, or Kalamazoo Screen Printing, L.L.C., and all employees; agents; representatives; and contractors for Inspiring Clothing, including but not limited to, Spencer [REDACTED], and also includes Spencer [REDACTED] in his individual capacity.

3.2 “Assurance” means this Assurance of Voluntary Compliance.

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

3.4 “Parties” means COD and Inspiring Clothing, collectively.

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

#### **IV. COD’s informal inquiry related to Inspiring Clothing.**

4.1 In early June 2020, the Attorney General learned of the existence of Inspiring Clothing through a Better Business Bureau (BBB) of Western Michigan referral. Inspiring Clothing, registered under LARA as Kalamazoo Screen Printing, L.L.C., sells apparel online. The online storefront stated that portions of proceeds of each item would be donated to charitable causes such as suicide prevention or cancer organizations. The BBB forwarded to the Attorney General approximately 100 complaints from customers of Inspiring Clothing. Many of the complaints stated that the customer had placed an order from the company’s website, [www.inspiringclothing.com](http://www.inspiringclothing.com), and had not received their order. After waiting for weeks, customers were unable to reach anyone at the company to get information or the location of their order. Some customers requested refunds but did not receive any refund or item. Some customers included documentation displaying as such with their complaints. Additionally, several customers attached email documentation to their complaints, showing responses from a person claiming to work for Inspiring Clothing named “Asim”. Further research into the company showed that Inspiring Clothing is owned by Spencer [REDACTED].

4.2 COD investigated Inspiring Clothing, which included contacting Spencer [REDACTED]. [REDACTED] told COD Investigators that he was the owner of Inspiring Clothing. He also told COD his online advertising success generated more orders than he could timely fulfill. He also stated that no proceeds from Inspiring Clothing apparel sales were donated to charity and instead, Asim, who he hired to do online advertising, put that content on the website without his permission. [REDACTED] indicated he was caught up on all orders at that time, notwithstanding that consumers continued to file complaints. Further, [REDACTED] told COD Investigators that he used a fake name and online stock image of a woman holding a baby, who he referred to as “Becky Watts”, when communicating with consumers. He stated Becky Watts is not a real person and was a tactic used for marketing the business.

4.3 On September 2, 2020, COD issued a Notice of Intended Action (“NIA”) to Inspiring Clothing detailing concerns with the business practices. The practices described above implicate the Michigan Consumer Protection Act. In relevant part, section 1 of the Michigan Consumer Protection Act prohibits:

(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.

After the NIA was issued, [REDACTED] contacted COD and provided documentation that he says shows he caught up on and/or resolved, to the satisfaction of his customers, all orders and refund requests. [REDACTED] stated he learned from his mistakes and has no intention of falling behind again.

4.4 In entering into the Assurance, the mutual objective of the Parties is to resolve, without litigation, COD's potential claims under the MCPA for preliminary and permanent injunctive relief, as well as the potential claims for payment of damages and reimbursement of the Department's costs and expenses related to the informal inquiry. The entry into this Assurance by Inspiring Clothing is not an admission of liability with respect to the particular claims of any individual consumer. Inspiring Clothing is offering this Assurance to avoid the time and expense of litigating this matter.

## **V. Implementation of Compliance Measures**

5.1 To the extent that Inspiring Clothing may have engaged in any unfair or deceptive business practices in the State of Michigan, including any violations of the MCPA, Inspiring Clothing shall immediately cease and desist such practices.

5.2 Inspiring Clothing will not sell to any Michigan consumer any product or clothing item for one year from the Effective Date of this Assurance. Additionally, under no circumstance will Inspiring Clothing represent the involvement of “Becky” or “Becky Watts” or any other non-existent person in the business. Except to fulfill outstanding orders or make necessary refunds and payments under this Assurance, Inspiring Clothing will not engage in any additional sales activities for one year from the Effective Date of this Assurance.

5.3 This Assurance does not prohibit Respondents Spencer [REDACTED] or Inspiring Clothing from screen-printing clothing for donation to local sports teams or organizations in the Kalamazoo, Michigan area. Additionally, this Assurance does not prohibit Respondents Spencer [REDACTED] or Inspiring Clothing from screen-printing clothing for employee uniforms at B.L. [REDACTED], located in Kalamazoo, Michigan. No monies or payments shall be exchanged for any clothing made under this Section.

## **VI. Financial obligations**

6.1 Inspiring Clothing will make a payment to the Attorney General’s COD in the amount of \$1,000. This payment will be accomplished through a certified check

or money order made payable to the State of Michigan. The sum of \$1,000 will be retained by the Attorney General to compensate the citizens of Michigan for costs associated with the informal inquiry giving rise to this Assurance. The \$1,000 payment is due to COD within 21 days of the Effective Date of this Assurance.

6.2 In addition to the sum described in paragraph 6.1, Inspiring Clothing agrees to pay a total of \$200.00 per consumer if any consumer produces proof by December 31, 2020, that the consumer purchased an item from Inspiring Clothing and did not receive the order within 30 days of placing the order. Inspiring Clothing and Respondent [REDACTED] shall be responsible for payments due under this section jointly and severally. This section includes consumer orders that were listed by Inspiring Clothing and/or represented by Respondent [REDACTED] as resolved in his email to COD on Friday, September 18, 2020. This section also includes any outstanding or unfulfilled orders Inspiring Clothing failed to list in his email to COD on Friday, September 18, 2020. Such payments shall be paid within one month (30 days) after COD provides [REDACTED] with written notice of the consumer's claim. Such payments shall be split evenly between COD and consumers, with Inspiring Clothing paying \$100.00 to the consumer directly and \$100.00 per consumer to COD.

6.3 If Inspiring Clothing and/or Respondent [REDACTED] are late in making the above payments, Inspiring Clothing and/or Respondent [REDACTED] agree to pay \$10.00 per day for each calendar day after the due date. Such late fees shall be paid to COD. If the payment is more than thirty (30) calendar days late, Inspiring Clothing and/or Respondent [REDACTED] agree to compensate the Attorney General for any litigation costs

and attorney fees associated with any action brought to enforce the terms of this Assurance.

6.4 The payment of \$1,000 to the Attorney General required by Section 6.1 shall be made within 21 days of the Effective Date, by check payable to the “State of Michigan.” The payments and any other information shall be sent to Andrea Moua, Assistant Attorney General, Corporate Oversight Division, P.O. Box 30736, Lansing, MI 48909.

## **VII. Release**

7.1 Upon the Effective Date, the COD hereby releases and discharges Inspiring Clothing and any of its parent entities, affiliates, subsidiaries, predecessors, successors or assigns, and each and all of its past or present 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, of any kind or nature whatsoever, that are based directly or indirectly on the COD’s informal inquiry into activities that Inspiring Clothing has explained were undertaken prior to the Effective Date. Nothing herein shall be construed as a waiver or release of claims asserted or that may be asserted by individual consumers.

## **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 Division of the Michigan Department of the Attorney General other than COD. Nor



does this Assurance bind any other departments, agencies, boards, commissions or offices of the State of Michigan.

8.2 This Assurance does not affect, expand or limit the rights of any private party to pursue any available remedy or remedies pursuant to applicable law, except that any common law right of set off would still be applicable. Further, this Assurance does not create any private right or cause of action to any third party.

8.3 This Assurance does not constitute an approval by the Attorney General of any of Inspiring Clothing's business practices and Inspiring Clothing 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 business days of the Effective Date of this Assurance, COD will file a copy of this Assurance, as well as a notice with the Ingham County Circuit Court in the above-captioned matter stating that the investigation has been completed.

8.6 Unless a temporary restraining order is sought, COD will make reasonable efforts to provide written notice in the event that COD believes Inspiring Clothing to be in noncompliance with any provision of this Assurance, setting forth the basis for such belief.

## **IX. Signatories and Electronic Signatures**

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. If this Assurance is signed by a corporate officer or representative, by signing you acknowledge that you have had the opportunity to consult with an attorney acting on behalf of the corporation before executing this document.

9.2 This Assurance may be executed in counterparts, each of which is deemed an original hereof, but which together constitute one and the same instrument and agreement, and that facsimile or electronically-transmitted signatures may be submitted in connection with this Assurance and are binding on that Party to the same extent as an original signature.

**X. Effective Date**

10.1 The effective date of this Assurance is the date upon which the COD representative signs this Assurance.

Dated: October 12, 2020 By: *Andrea Moua*  
Andrea Moua (P83126)  
Assistant Attorney General  
Michigan Dep't of Attorney General  
Corporate Oversight Division

Dated: 10/9/2020 By: *Spencer [redacted]*  
Spencer [redacted]  
On behalf of Inspiring Clothing

Dated: 10/9/2020 By: *Spencer [redacted]*  
Spencer [redacted]  
In his personal and individual capacity