

STATE OF MICHIGAN
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October 2, 2025

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This Letter Sent VIA Email Only

Re: *Sterling Hotels, LLC v Scott McKay*
Sixth Circuit Court of Appeals, Docket No. 25-1615
Eastern District of Michigan, Docket No. 20-cv-10452

Dear Senators, Representatives, and Directors:

MCL 18.1396 directs that the Attorney General notify you in the event of a settlement or consent judgment in excess of \$200,000. Accordingly, I am notifying you that, with the concurrence of the Department of Licensing and Regulatory Affairs, Bureau of Construction Codes (BCC), this case settled for \$850,000.00.

Dear Senators, Representatives, and Directors:

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This matter was brought by the Hotel against state elevator inspector Scott McKay following his sealing four elevators on November 5, 2019. The Hotel and BCC had been involved in a dispute regarding the elevators' compliance with the Elevator Code since early 2018. Pursuant to an order of the Elevator Safety Board, McKay inspected the elevators on November 5, 2019, determined they were not in compliance with the Board's order and Code, and sealed the elevators out of service for 64 days. The Hotel alleges McKay violated its procedural due process rights in providing shifting justifications for the sealing and that the Board's order did not justify McKay sealing the elevators. The Hotel originally alleged millions of dollars in damages, and its most recent settlement demand was for \$2.66MM.

After the close of discovery, and after multiple adverse rulings were received at the trial and appellate courts, resulting in the Hotel's due process claim surviving dismissal, the parties participated in facilitative mediation at the Sixth Circuit Court of Appeals.

Negotiations resulted in the \$850,000.00 settlement. Had this matter proceeded to a jury trial, damages and attorney fees considerably in excess of the settlement amount were possible.

Sincerely,

A handwritten signature in blue ink that reads "Ashley Steffen". The signature is written in a cursive, flowing style.

Ashley Steffen
Director, Office of Legislative Affairs
Michigan Department of Attorney General

/sg