

STATE OF MICHIGAN
IN THE 30TH 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,

v

AMERICAN MASTER PRODUCTS, INC,

Respondent.

No. 25-450-CP

HON. Morgan E. Cole

LeAnn D. Scott (P84053)
Darrin F. Fowler (P53464)
Assistant Attorneys General
Michigan Dep't of Attorney General
Corporate Oversight Division
P.O. Box 30736
Lansing, MI 48909
(517) 335-7632
ScottL21@michigan.gov
FowlerD1@michigan.gov

Keefe A. Brooks (P31680)
Julie L. Kosovec (P50970)
Attorneys at Law
Brooks, Wilkins, Sharkey & Turco
401 South Old Woodward
Suite 400
Birmingham, MI 48009
(248) 971-1800
brooks@bwst-law.com
kosovec@bwst-law.com

**NOTICE OF FILING ASSURANCE OF VOLUNTARY COMPLIANCE
PURSUANT TO MCL 445.906(2)**

This Office is filing the attached Assurance of Voluntary Compliance under
the Michigan Consumer Protection Act, MCL 445.906(2).

DEPT OF ATTORNEY GENERAL

FEB 05 2025

CORPORATE OVERSIGHT DIVISION

RECEIVED
FEB 03 2025
30TH CIRCUIT COURT

Respectfully submitted,

A handwritten signature in black ink, appearing to read "LeAnn D. Scott", with a long horizontal line extending to the right.

LeAnn D. Scott (P84053)
Darrin F. Fowler (P53464)
Assistant Attorneys General
Michigan Dep't of Attorney General
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RECEIVED
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30TH JUDICIAL CIRCUIT

ASSURANCE OF VOLUNTARY COMPLIANCE

Dana Nessel, Attorney General of the State of Michigan, Corporate Oversight Division, on behalf of the State of Michigan, and American Master Products, Inc., hereby execute and agree to be bound by this Assurance of Voluntary Compliance. This Assurance concerns the resolution of alleged violations of the Michigan Consumer Protection Act and the Unsolicited Merchandise Act. American Master Products, Inc. agrees not to contest any terms of this Assurance.

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). The undersigned parties agree that the entry into this Assurance by American Master Products, Inc. is not an admission of liability or agreement with respect to any legal or factual issues dealt with in this Assurance. THEREFORE, the parties agree as follows:

Jurisdiction

1.1 The Department of Attorney General has jurisdiction of the subject matter of this Assurance pursuant to MCL 445.905 and 445.910. American Master Products, Inc. waives all objections and defenses that it may have as to the jurisdiction of the Department over the matters covered by this Assurance.

Parties Bound

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

Definitions

3.1 "AMP" means American Master Products, Inc.

3.2 Assurance" means this Assurance of Voluntary Compliance.

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

3.4 “Department” means the Michigan Department of Attorney General.

3.5 “Do not contact list” refers to any registry or database listing the telephone numbers and mailing addresses of individuals and families who have requested that telemarketers not contact them. The term includes but is not limited to registries or databases maintained by the Federal Trade Commission and the Association of National Advertisers.

3.6 “Effective Date” means the date upon which a COD representative signs this Assurance.

3.7 “Informed Consent” means a consumer’s consent to the purchase through a check box, a Signature on an order card, or substantially similar method where the consumer affirmatively selects or signs to accept the negative option feature, and contains all Material Terms to a consumer transaction, including but not limited to a description of the product(s) subject to purchase, quantity, order cancellation and refund policies, party names, final product price, and terms of payment. A pre-printed card or solicitation bearing information about the consumer without such a Signature is not sufficient to establish Informed Consent, even if mailed back to AMP.

3.8 “Mailing list aggregator” means a person or entity that gathers and distributes, with or without a charge, names and addresses of potential customers.

3.9 “Material Terms” include but are not limited to a description of the product(s) subject to purchase, quantity, AMP’s order cancellation and refund policies, party names, final product price, and terms of payment.

3.10 “MCPA” means the Michigan Consumer Protection Act (MCL 445.901 *et seq.*).

3.11 “Parties” means COD and AMP collectively.

3.12 “Product” means any item, good, or service advertised, manufactured, promoted, sold, or distributed by AMP.

3.13 “Signature” means a hand-written signature, or a pre-printed sticker that a person affirmatively removes and transfers to an order card, that is used to identify a person and signify acceptance of the Material Terms of a sale.

3.14 “Unsolicited Merchandise Act” means MCL 445.131.

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

COD’s Investigation of AMP

4.1 In 2023, COD was alerted to certain consumer complaints from residents in Michigan. These complaints related to AMP’s automatic shipment service and receiving several unordered products from AMP, and the receipt of products after discontinuing the automatic shipment service.

4.2 The complaints were routed to COD. COD immediately contacted the Better Business Bureau (BBB) and requested copies of all consumer complaints filed against AMP; various complaints were forwarded in response to this inquiry, COD also consulted its internal consumer complaint database and identified several complaints against AMP. A subsequent review revealed that AMP mails postcards

to the homes of consumers offering them a “gift” and a book to preview risk-free for 21 days. COD asserts that AMP does not clearly explain that the extended product preview is a mandatory condition of receiving the gift. COD asserts that recipients of these mailings are invited to hurriedly accept these time sensitive offers by returning the postcard attached to the certificate, relying on promises they will “owe nothing.”

4.3 The books are sent by mail, along with a billing invoice. The invoice notifies consumers they will be billed for shipping and processing. The invoice also states that the customer has been enrolled in AMP’s “Book Series,” which authorizes automatic billing for additional books. The invoice also outlines fees that AMP may assess upon its receipt of an undated/unsigned check or a late payment. Overpayments may be credited to the consumer’s AMP’s account. Finally, consumers learn for the first time that their personal information might be shared with other businesses.

4.4 COD, upon reviewing available consumer complaints, had reason to believe that AMP may have used the USPS to send books with topics that may be attractive to elderly consumers. Further, COD believes AMP’s practices have perpetuated confusion among the vulnerable regarding their rights as consumers under Michigan law. These facts, if true, are indicative of unfair trade practices under the MCPA, and unsolicited goods as identified in the Unsolicited Merchandise Act. AMP denies the assertions in this paragraph.

4.5 Finding this situation concerning, COD sent Notice of Intended Action to AMP pursuant to MCL 445.905(2). The formal Notice outlined COD's concerns about the above-described business practices and stated the Department's intent to commence a formal investigation under MCL 445.907.

4.6 AMP, through its counsel, responded immediately and expressed its interest in addressing any complaints and ensuring that its current business practices are in compliance and/or are brought into compliance. AMP and COD engaged in a series of productive meetings and have worked collaboratively to address AMP's business model in response to COD's expressed concerns. AMP has already voluntarily implemented a number of new business practices and has informed COD of these ongoing efforts.

4.7 In entering into the Assurance, the mutual objective of the parties is to resolve, without litigation, COD's potential claims under the MCPA and Unsolicited Merchandise Act for preliminary and permanent injunctive relief, as well as potential claims for payment of damages and reimbursement of COD's costs and expenses related to the informal inquiry. The entry into the Assurance by AMP is not an admission of the accuracy of, or liability for, any of the particular claims of any individual consumer. AMP is offering this Assurance to avoid the time and expense of litigating the matter.

Implementation of Compliance Measures

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

5.2 AMP agrees to cancel all balances on “past due” or “overdue” consumer accounts nationwide. Such cancellation shall occur preemptively within thirty days of the Effective Date except for accounts which ordered and accepted books in the 12 months preceding the date of this Assurance through (i) Informed Consent; or (ii) those accounts which are active in a current Book Series subscription and have ordered, accepted, and paid for 2 or more consecutive Book Series products, proof of which is subject to the satisfaction of COD. A consumer’s request for balance cancellation is not a condition precedent for cancellation to occur. Should any consumer billed in accordance with this section file a complaint with the Attorney General contesting such billing, AMP will have ten days from the receipt of such complaint from COD to provide COD with documentation demonstrating the consumer’s Informed Consent. A failure by AMP to provide such documentation shall absolve the complaining consumer of any financial obligation and may be deemed by COD (at its election) as a material breach of this Assurance. At which time, AMP will send the consumer written confirmation that the consumer may keep the disputed product(s) at no charge.

5.3 If any customer contacts AMP’s Customer Service department via phone or the internet with a complaint that he or she did not order the product, AMP will immediately mark the product as “returned” so that the account will no

longer be billed for the product and advise the customer of this fact. AMP will offer to send the customer a return label so that the product can be returned if the customer wishes to do so, and agrees that it will not send any further shipments to the customer. AMP will advise the customer that any future bills for the product should be disregarded, and AMP will no longer bill the customer for the product. AMP agrees to supply to all consumers not subject to account balance cancellation information regarding how to file a consumer complaint with COD if the consumer believes the charge is unwarranted.

5.4 AMP acknowledges it has no legal department as of the drafting of this Assurance and will immediately cease suggesting otherwise through use of any reference to its "Legal Team," "Legal Department," or similar monikers in consumer communications.

5.5 AMP also acknowledges it has no "Bad Credit Division" as of the drafting of this Assurance and will immediately cease using any reference to such division through that title or any similar moniker.

5.6 AMP will ensure that as a condition of doing business with AMP, all mailing list aggregators it contracts with represent and warrant that they will refrain from contacting consumers whose names appear on "do not contact" lists.

5.7 AMP will not mail, or cause to be delivered to a consumer, any product not expressly requested as demonstrated by Informed Consent. AMP agrees that it will not ship any additional or new products to a customer under the Book Series feature unless the customer has accepted and paid for all products previously

ordered. AMP agrees that will include a notice on all invoices that accompany products shipped as part of a Book Series subscription that alerts customers that they can cancel the Book Series at any time by calling the toll-free customer service number or by visiting www.jerrybaker.com. AMP agrees to prominently display toll-free customer service phone number in bold, easy-to-read print on all invoices.

5.8 AMP will not promise gifts or advertise “free” trials of its products unless doing so in a manner that comports with both the MCPA and the Unsolicited Merchandise Act.

5.9 AMP will provide clearly and conspicuously printed Material Terms prior to obtaining a consumer’s Informed Consent and billing information. An exemplar of the mail piece used by AMP is attached hereto as **Exhibit A**.

5.10 Mail pieces sent to consumers by AMP must contain all Material Terms of the sale. All Material Terms of the sale must also be on AMP’s order forms or must appear immediately proximate to the order forms and require a consumer’s Signature to clearly demonstrate Informed Consent to Material Terms of the negative option transaction before placing an order.

5.11 AMP will obtain each consumer’s Informed Consent before billing for a product on a negative option feature of an order. In addition, AMP must refrain from using tactics that interfere with a consumer’s ability to provide Informed Consent and must retain consent verification for at least three years.

5.12 AMP will ensure that a URL, address, and telephone number for cancellations, returns, and questions appear on or accompany all products mailed to consumer homes.

5.13 AMP will immediately discontinue its Book Series automatic billing service for all consumers except for (a) customers who have demonstrated Informed Consent to the negative option transaction; and (b) customers who are active in a current Book Series subscription and have ordered, accepted, and paid for 2 or more Book Series book. A consumer's request for disenrollment in a Book Series is not a condition precedent to discontinuance.

5.14 AMP will implement a mechanism to receive and timely respond to electronic and printed requests to skip, alter, cancel shipments, or cancel subscriptions.

5.15 AMP will ensure that its customer support team is adequately servicing all customer inquiries during regular business hours, Monday through Friday.

5.16 AMP, at the time of each sale, will provide the customer with a valid telephone number, web address, and street address to contact the company for returns. AMP's website customer service portal will allow customers to cancel negative option programs and request merchandise return labels without a login by entering a customer number, order number, and zip code. AMP's call center shall also take requests for return labels which are promptly mailed. If a product shipment is disputed, and AMP is unable to supply proof of Informed Consent, AMP

will provide the customer a prepaid return mailing label at its expense, or AMP will send the consumer written confirmation that the consumer may keep the product at no charge.

5.17 AMP will timely process product returns.

5.18 AMP will timely address billing inquiries and issue full refunds when it has no record of Informed Consent in response to consumer billing disputes. A billing error will be presumed and resolved in favor of the consumer when AMP cannot produce a record of Informed Consent to resolve a billing inquiry.

5.19 AMP will verify that returns are accepted at all mailing addresses listed for the company.

5.20 AMP understands that by accepting these assurances, COD makes no representation as to the safety or efficacy of AMP's products. Nor is any representation being made about AMP's compliance with the MCPA or Unsolicited Merchandise Act beyond what has been stated in Sections 4.1 and 4.2. In other words, if COD receives a consumer complaint or other information in the future suggesting that AMP has violated, or is violating, the MCPA or the Unsolicited Merchandise Act, AMP's implementation of these assurances shall not deprive COD from taking any appropriate action described in these laws.

Financial Obligations

6.1 AMP will make a payment to COD in the amount of \$1,500. This payment will be accomplished through a check made payable to the State of Michigan. This sum will be retained by COD to compensate the residents of

Michigan for costs associated with the informal inquiry giving rise to this

Assurance. The payment shall be due to the State of Michigan by January 31, 2025

6.2 Should the payment anticipated under this Assurance not be timely made, an additional \$5 per day shall be added for each calendar day of delinquency. COD will give notice of the delinquency and resultant costs to AMP by email and first-class mail. AMP understands that COD reserves the right to commence a lawsuit for collection of the obligations under this Assurance should the payment be more than fourteen days late.

6.3 The payment to the State of Michigan anticipated by Sections 6.1 and 6.2 shall be sent to the attention of LeAnn D. Scott, Assistant Attorney General, Corporate Oversight Division, P.O. Box 30736, Lansing, MI 48909.

Release

7.1 Upon the Effective Date, COD hereby releases and discharges AMP, 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 Assurance.

7.2 Notwithstanding the release given in section 7.1 of this Assurance or any other term of this Assurance, and subject to AMP's express reservation of any and all defenses, 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 AMP 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. Nothing in this Assurance shall be construed as applying to the business and practices of Baker's Best Health Products, Inc.

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 Department other than COD. Nor does this Assurance bind any other 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 the approval by COD of any of AMP's business practices, and AMP 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 both parties.

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

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. 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. Electronic signatures, as confirmed through electronic mail messages, shall be deemed sufficient and binding for purposes of this Assurance.

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**Dana Nessel, Attorney General,
on behalf of the People of the
State of Michigan**

Dated: January 30, 2025

By: _____



LeAnn D. Scott (P84053)
Darrin F. Fowler (P53464)
Assistant Attorneys General
Michigan Dep't of Attorney General
Corporate Oversight Division
P.O. Box 30736
Lansing, MI 48909
ScottL21@michigan.gov
FowlerD1@michigan.gov

**American Master Products, Inc.
("Respondent")**

Dated: January 24, 2025

By: _____



Jeffrey Baker

Acknowledged and Reviewed:

Dated: January 24, 2025

By: _____



Keefe A. Brooks (P31680)
Julie L Kosovec (P50970)
Attorney at Law
Brooks, Wilkins, Sharkey & Turco
401 South Old Woodward
Suite 400
Birmingham, MI 48009
(248) 971-1800
brooks@bwst-law.com
kosovec@bwst-law.com