

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL



P.O. Box 30736
LANSING, MICHIGAN 48909

DANA NESSEL
ATTORNEY GENERAL

March 19, 2020

UPS Overnight Delivery

Norkan, Inc.
Norkan Contracting, Inc.
Registered Agent: [REDACTED]
25200 Easy St.
Warren, MI 48089

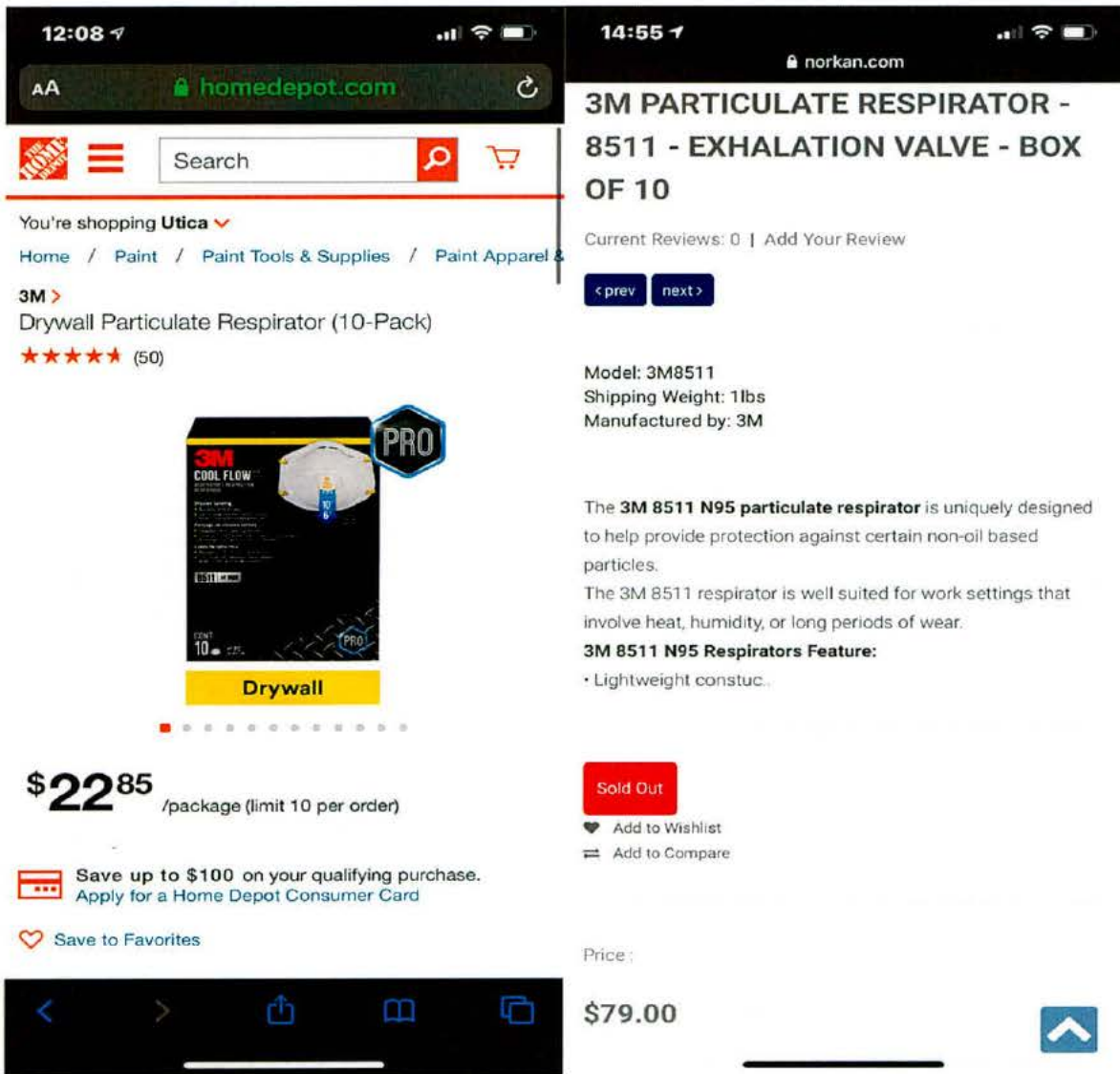
Dear Mr. [REDACTED]:

Re: Norkan Sales

This letter gives you 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, 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 seek damages on behalf of consumers residing, or injured, in Michigan. MCL 445.910(1).

We recently received a consumer complaint telling us you were selling 3M n95 face masks, model 8511, through your website for \$79.00. The consumer reporting this explained the same ten-pack of masks you were selling is available through the Home Depot website for \$22.85. The consumer provided these screen shots illustrating this price-gouging.



Following receipt of this information from the consumer, one of our investigators visited both your website and Home Depot's. The investigator gathered additional screen shots validating this concern. We also understand from the consumer that you have sold face masks both online, and through your store location in Warren.

These facts implicate the following unfair trade practices, as identified in Michigan's Consumer Protection Act:

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

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(aa) Causing coercion and duress as the result of the time and nature of a sales presentation.

[MCL 445.903(1).]

Your website presently states that the face masks in question are out-of-stock. This gives us probable cause to believe you sold the existing stock at the price advertised on your website and intend to do so again once that stock is replenished. The price you have charged, and intend to continue charging, for these face masks is grossly in excess of the price at which similar goods are sold—a point made abundantly clear through the Home Depot screen shot. The price you have applied to these masks demonstrates an intent to exploit the present public health emergency for financial gain. The poor decisions made on Easy Street have left you on a rocky road.

The purpose of this letter is to put you on notice as required by the MCPA. From this point, this Office has the latitude to either commence a lawsuit after ten days or invoke a judicial process for a formal investigation through subpoenas. While we are prepared to follow one or both of these paths, we are willing to enter into an assurance of voluntary compliance—a device anticipated in the MCPA.

We request your written response to this letter within ten days. To facilitate we will need all in-store and online sales data related to 3M face masks from March 1, 2020 through the present—this includes information both about the consumers making the purchases, and the prices they were charged.

We look forward to hearing from you soon.

Sincerely,



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

ALM/cms