

STATE OF MICHIGAN  
DEPARTMENT OF ATTORNEY GENERAL



P.O. Box 30736  
LANSING, MICHIGAN 48909

DANA NESSEL  
ATTORNEY GENERAL

March 27, 2020

DiaMedical USA Equipment, Inc.  
Registered Agent: Jeffrey Ambrose  
7013 Orchard Lake Rd. Suite 110  
Bloomfield Hills, MI 48322

Dear Mr. Jeffrey Ambrose:

*Re: DiaMedical 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 informing us your company is selling 3M n95 face masks, model 8210, through your website for \$99.95 for a box of 10. The consumer reported that the same 3M 8210 model mask is typically \$1.50 per mask, or \$15.00 for a box of 10. The consumer provided a website URL where your company is selling these masks:  
[https://diamedicalusa.com/?s=n95&post\\_type=product](https://diamedicalusa.com/?s=n95&post_type=product)

Following receipt of this information from the consumer, we searched the URL provided. The URL linked directly to your website, selling boxes of 10 3M n95 face masks for \$99.95. The product is listed as currently out of stock. Upon further investigation, it was discovered that several suppliers sell the same face masks for much less. Grainger, a commercial supplier, sells the same 3M 8210 masks for \$21.94 for a box of 20. Additionally, Home Depot sells boxes of 10 3M 8210 masks for \$23.97. It is apparent the prices reflected on your website are substantially higher than other suppliers.

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.

(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 intend to sell the masks at this price once that stock is replenished. The price you intend to charge for these face masks is grossly in excess of the price at which similar goods are sold—a point made abundantly clear when compared with Home Depot and Grainger's prices. The price you have applied to these masks demonstrates an intent to exploit the present public health emergency for financial gain. Furthermore, it is especially troubling to this Office that DiaMedical is a supplier of products and equipment for the healthcare industry. Given the publicized shortage of protective products for medical professionals during this crisis, it appears you intend to exploit hospitals and clinics who are especially in desperate need of these supplies.

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,

/s/Andrea Moua

Andrea Moua

Darrin Fowler

Assistant Attorneys General

Corporate Oversight Division

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