STATE OF MICHIGAN DEPARTMENT OF ATTORNEY GENERAL



P.O. Box 30736 Lansing, Michigan 48909

DANA NESSEL ATTORNEY GENERAL

September 2, 2020

Kalamazoo Screen Printing L.L.C. <u>d/b/a Inspiring Clothing</u>

1018 Staples Avenue Kalamazoo, MI 49007

Dear

Re: Inspiring Clothing Sales

This letter is to provide Kalamazoo Screen Printing, L.L.C. and Inspiring Clothing 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.

It has come to this Office's attention that since approximately February 2020, you have conducted an online apparel business under the name "Inspiring Clothing". This online storefront sold clothing items and advertised that portions of the proceeds of each sale would be donated to charitable causes such as suicide prevention or cancer organizations. These items were advertised and sold via a Facebook page and website, www.inspiringclothing.com. Based on information the Attorney General received through consumer complaints, several consumers placed orders and never received their items after weeks of waiting. Some consumers reached out to your company asking for order updates and shipping information, and other consumers asked for a refund on their items they did not receive. These consumers had problems reaching anyone at your company or getting any answers. Records indicate that over 100 consumers complained to Inspiring Clothing, and at least 14 consumers were Michigan residents.

On June 11, 2020, 2 Investigators from the Attorney General's Office visited your home. In a conversation with Investigators, you acknowledged are were running Inspiring Clothing. You explained you hired someone named "Asim Akhtar" from the United Kingdom to do Facebook advertising for the company for

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30% of the company's profits. You stated that when the advertising generated more orders than you could fulfill, you got behind in producing and shipping orders. During the conversation on June 11, 2020, you believed there were approximately 800 orders unfulfilled.

When asked about the charitable contributions aspect of the business, you informed the Investigator that Mr. Akhtar had advertised this without your knowledge, while zero money or proceeds were being donated to charity from Inspiring Clothing sales. When you learned that Mr. Akhtar had done this, you stated that you took the information off the website and Facebook page. You also explained that Mr. Akhtar did have access to the business email account, website, and Facebook page, but no longer did at that time. Further, you told the Investigator you did not have Mr. Akhtar's personal contact information, because the two of you only communicated through a service called Discord. Upon request by the Investigator, you sent a spreadsheet of unfulfilled orders, showing 993 at that time totaling \$37,946.08. The Investigator followed up on June 17, 2020, and you informed the Investigator you were still working on fulfilling orders and they would be shipped to consumers within 3-4 days.

However, the Attorney General's Office received additional complaints in August 2020 indicating consumers placed orders from Inspiring Clothing and still were not receiving their items or refunds. Additionally, follow up with consumers who purchased items earlier in 2020 revealed several consumers still had not received items or refunds ordered many months before. Although you attempted to portray that the issues surrounding Inspiring Clothing were close to being resolved, this is simply not the case. Inspiring Clothing is still advertising clothing items for sale and consumers are not receiving the items they ordered.

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

(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.

[MCL 445.903(1).]

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. To facilitate this matter moving forward, please contact our Office by September 15, 2020. You are welcome to, and encouraged, to bring an attorney to this discussion.

We look forward to hearing from you soon.

Sincerely,

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Andrea Moua Assistant Attorney General Corporate Oversight Division (517) 335-7632

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