

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL



P.O. Box 30736
LANSING, MICHIGAN 48909

DANA NESSEL
ATTORNEY GENERAL

February 8, 2022

Quality Properties of Mackinaw, Inc
d/b/a The Beach House Hotel
c/o Joe Lieghio, Registered Agent
701 S. Huron
Mackinaw City, MI 49701

Enjo Properties, LLC, d/b/a Crown
Choice Inn & Suites
c/o Joe Lieghio, Registered Agent
701 S. Huron
Mackinaw City, MI 49701

Queen's Properties, Inc. d/b/a Hamilton
Inn Select Beachfront
c/o Joe Lieghio, Registered Agent
701 S. Huron
Mackinaw City, MI 49701

Lieghio's Hamilton Inn Select, Inc.
d/b/a Hamilton Inn Select Beachfront
c/o Joe Lieghio, Registered Agent
701 S. Huron
Mackinaw City, MI 49701

Re: Notice of Intended Action

Dear Mr. Lieghio:

This letter is to give you notice of intended action in accordance with MCL 445.905(2) and direct 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 commence investigations and bring actions to protect the interests of consumers.

During the past several months, our Corporate Oversight Division has been reviewing consumer complaints regarding various hotels, which appear to be under similar ownership, including The Beach House Hotel (The Beach House), Crown Choice Inn & Suites (Crown Choice Inn), and Hamilton Inn Select Beachfront (Hamilton Inn). The complaints allege instances where consumers book rooms at hotels that, while advertised as available and the reservations ultimately confirmed, were in fact closed without notice to the consumer. Upon arrival to the closed hotel, the consumer is directed to the Hamilton Inn and given a "substitute" room with non-comparable amenities. The complaints also allege consumers who decline to stay at the Hamilton Inn are denied refunds citing a 72-hour cancellation policy. The refunds are denied even though the consumer was not made aware of the original hotel's closure at any time prior to the consumer arriving in Mackinaw

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City. We are enclosing for your reference a consumer complaint against the Beach House, and another against the Crown Choice Inn, that are illustrative of these patterns.

Further, our office has direct evidence confirming much of the course of conduct alleged in the consumer complaints.

- On November 4, 2021, one of our special agents made a reservation at the Crown Choice Inn for November 10, 2021, through a website identified as the “Official Mackinaw City Chamber of Tourism” available at www.mackinaw-city.com.¹
- The reservation was for a “2 Bed Queen Lakeview Balcony Room” and included “access to 17 indoor pools” and “indoor waterpark admission wristbands.”
- Although the agent made the reservation on November 4, 2021, he did not receive email confirmation until November 9, 2021, the day before his stay and within the 72-hour cancellation window. In other words, the reservation wasn’t confirmed until it was too late to cancel the reservation without penalty according to the cancellation policy.
- On November 10, 2021, the agent arrived to check in at the Crown Choice Inn. The agent observed the “vacancy” sign was illuminated, but it was otherwise apparent the hotel was closed as the agent observed an empty parking lot and a dark interior of the building. The agent also found the hotel entrance locked with a sign on the door directing people to check in at the Hamilton Inn.
- At the Hamilton Inn, the agent advised staff he was there to check in at the Crown Choice Inn. After being asked to wait for staff to finish the daily audit, the agent returned approximately fifteen minutes later and was advised that the Crown Choice Inn’s waterpark was closed for cleaning and his reservation was moved to the Hamilton Inn. When the agent indicated he wanted to use the waterpark, staff advised that it was closed for cleaning, there were no other waterparks in the area, and it was past the point where the reservation could be canceled to receive a refund.

Against this backdrop are the provisions of the Michigan Consumer Protection Act, which exists to guard consumers against unfair, unconscionable, and deceptive business practices. Such unlawful conduct is defined to include the following:

¹ According to Michigan Department of Licensing and Regulatory Affairs, you are also the Registered Agent for Mackinaw City Chamber of Tourism, Inc. and Giuseppe and Enzo Lieghio are the corporate officers.

- (a) Causing a probability of confusion or misunderstanding as to the source, sponsorship, approval, or certification of goods or services.
- (g) Advertising or representing goods or services with intent not to dispose of those goods or services as advertised or represented.
- (h) Advertising goods or services with intent not to supply reasonably expectable public demand unless the advertisement discloses a limitation of quantity in immediate conjunction with the advertised goods or services.
- (n) Causing a probability of confusion or of misunderstanding as to the legal rights, obligations, or remedies of a party to a transaction.
- (q) Representing or implying that the subject of a consumer transaction will be provided promptly, or at a specified time, or within a reasonable time, if the merchant knows or has reason to know it will not be so provided.
- (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.
- (cc) Failing to reveal facts that are material to the transaction in light of representations of fact made in a positive manner.

[MCL 445.903(1).]

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The purpose of this letter is to put you on notice as required by the MCPA that we have probable cause to believe The Beach House, Crown Choice Inn, and the Hamilton Inn have engaged in these types of unfair and deceptive practices through the pattern of conduct described above. 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 explore entering into an assurance of voluntary compliance—a device anticipated in the MCPA. Be advised, however, that we will need additional information from you to ultimately determine an appropriate resolution.

Please contact us soon to schedule a meeting on or before February 18, 2022. You are welcome and encouraged to consult with, and be accompanied by, an attorney for this discussion.

We look forward to hearing from you soon.

Sincerely,



Michael S. Hill
Assistant Attorney General
Corporate Oversight Division
(517) 335-7632
Hillm19@michigan.gov

Michigan Office Of Attorney General Consumer Complaint Form

Web Complaint Number: 2021-cp04032032041-A

Submitted: 4/3/2021 8:32:36 PM

Consumer Information

Your Last Name: [REDACTED]

First Name: Karl

M.I.: [REDACTED]

Your Street Address: [REDACTED]

City: [REDACTED]

Your State: [REDACTED]

Zip Code: [REDACTED]

Your County: [REDACTED]

Your Home Phone: [REDACTED]

Your Work Phone:

Ext.: [REDACTED]

Fax Number: [REDACTED]

E-mail Address: [REDACTED]

Primary Company Or Person Your Complaint Is About

Company or Person? Company

Complainee Last Name:

Complainee First
Name:

Company Name: Crown Choice Inn And Suites
Lakeview And Waterpark

Street Address: 720 South Huron Ave.

City: Mackinaw City

State: MI

Zip Code: 49701

County: Mackinac

Phone: 2314365929

Fax Number:

E-mail Address:

Web Site Address: <http://www.mackinaw-city.com/hotels/crownchoice/>

Product Offered: Hotel and waterpark

Primary Jurisdiction: None

Secondary Company Or Person Your Complaint Is About

Company or Person? Company

Complainee Last Name:

Complainee First
Name:

Company Name:

City:

Street Address:

Zip Code:

State: MI

Phone:

County:

E-mail Address:

Fax Number:

Web Site Address:

Motor Vehicle Warranty Complaint Information

Vehicle Make, Model, and Year:

Vehicle VIN No.:

Complaint Information

Incident Date\Time: 3/25/2021 3:00:00 PM

Incident Location: Crown choice inn and Waterpark, mackinaw city

Approximate Monetary Value: 85.47

Did you sign a contract? False

Where did you sign this contract? Unknown

Is a court action pending? False

Do you have an attorney representing you on this matter? False

Are you willing to testify in court regarding this complaint? True

Did you complain directly to the business? True

What was the response from the business? They lied to me and put me on hold then told me they would call back and didn't

If no complaint was given to the business directly, why?

Was this complaint filed with any other agencies? True

Complaint Detail/Inquiry Information

On Thursday, 3-25-21, I drove my children from my house to mackinaw city to stay at the crown choice hotel and Waterpark. I had booked this reservation through Expedia.com a few days earlier. When I arrived to crown choice the parking lot was empty. The hotel front desk entrance was locked and all the lights inside the business were turned off. There was a piece of paper taped to the door that said all reservations please check in at Hamilton Inn select hotel which was couple hundred yards down the road. When I arrived at Hamilton inn the staff were there to check me in. They advised me that I would be staying at that hotel and not at crown choice, because crown choice is only open weekends. They began the check in process and handed me my room key, I asked since I couldn't stay at crown choice how I could bring my kids to the Waterpark, and if I should drive there. They told me the Waterpark was closed because they had a pipe burst and maintenance needed the day to fix it. I told them that since they didn't have the hotel they advertised and the Waterpark they advertised that I would like my money back. They told me it was too late to cancel because thier policy says 2 days before. I told them I was not staying at a hotel that is different than I booked and doesn't have a Waterpark that was advertised. They asked for a moment to talk to manager. They came back about 7 minutes later and told me they couldn't issue refund but could transfer my reservation to the following week on Thursday again. I asked if they were going to have Waterpark open by then because my 4 and 5 year old daughters are now crying learning they won't be playing in Waterpark. The front desk staff told me the Waterpark would definitely be back in service by then, but if I was worried to call beforehand. The following Thursday I once again packed my children up and we excitedly drove the 1.5 hour drive to Waterpark at crown choice in Mackinaw city. This time I called as soon as I got in my car so I didn't waste gas and time if something happened again. I was put on hold immediately and waited for a while to speak with someone. I asked them if Waterpark was open and they said yes it was and asked for my hotel confirmation number. I told them I didn't have one but was told my staff last week that they transferred my reservation to today. The female on the phone said she would check. She came back on phone short time later and said I didn't have reservation. I told her that's not possible I was standing in their lobby when it was made. She said that they told me to call the following Thursday to see if they had an open room for free and not that I had reservation. I told her that was not what was told to me last week. She said that unfortunately there are no open rooms left. I told her that I would want a refund then. She said I could pay an additional 115 dollars for a room tonight. I told her no, they already gave 85 dollars of mine and I didn't get to set foot inside crown choice nor the Waterpark, and I would like a refund. She said she would have to speak to management and would call me back. She called me back shortly later and said she's sorry she can't issue refund and I can't stay at the hotel and that there was nothing else she could do. I asked if I could talk to management. She said she had a number for thier complaint department and please hold, I waited on hold for half an hour and when she picked back up she greeted me and asked me what my confirmation number was. I told her I still don't have one and I've been on hold for over a half hour waiting for her to get me number for complaints. She said had forgot she had put me on hold and that she didn't get the number and asked if I would wait on hold again. I asked her to please not put me back on hold and to call me back when she gets the number, she got angry and told me she's only one person handling all the phone calls and its busy. I stated I wasn't blaming her but didn't want to keep waiting on hold. She said ok she would call me back. I never received a call back from crown choice after this conversation. I next called Expedia.com to see if they could assist in resolving this matter. The Expedia associate I spoke with asked for my story and told me they would call crown choice directly and see if it could be resolved. After a short wait on hold, the associate came back and said that crown choice refused to offer refund and when he asked for the person's name on phone the man said "not a chance" and hung up on him. He said that he did confirm beforehand that crown choice was not open on weekdays according to the nameless man on the phone at crown choice. He next forwarded my information and my story to the Expedia resolution department to see if they could resolve the matter. I was emailed a few days later by them stating that crown choice told them that they would not refund my money because they are going to follow the original terms of our agreement. I don't believe they followed those terms at

all since the hotel they advertised and I paid for was not available for occupancy. And the Waterpark they advertised and I paid for was also not available for use. All of the staff at this business is unhelpful and sometimes rude. I would like my money refunded and hopefully have crown choice forced into honoring thier advertisements when customers are driving long distances to be tricked with a bait and switch tactic. Thank you for your time in this unfortunately long and disturbing rant. Have a good day.

[False] Check if this referral is just to give us information and you do not need us to respond to you directly.

[False] Check if you want to send documentation. After you submit this form you will be provided with a postal mail address, and facsimile number, to which you may send documents.

[False] Check if you want to sign up for the Consumer Protection Listserv.

[False] Check if you want to sign up for the AG Press Release Listserv.

[False] Check if you want to sign up for the Attorney General Opinions Listserv.

(*)I certify that the information on this form is true and accurate to the best of my knowledge.

(*)I consent to releasing to the Michigan Attorney General any information or document relative to the investigation of this complaint. By checking this box, I also certify that I have had the opportunity to review the Michigan Attorney General Privacy Policy before submitting this complaint.

Michigan Office Of Attorney General Consumer Complaint Form

Web Complaint Number: 2020-cp12080204097-A

Submitted: 12/8/2020 2:04:58 AM

Consumer Information

Your Last Name: [REDACTED]

First Name: Tim

M.I.:

Your Street Address: [REDACTED]

City: [REDACTED]

Your State: [REDACTED]

Zip Code: [REDACTED]

Your County:

Your Home Phone:

Your Work Phone:

Ext.:

Fax Number:

E-mail Address: [REDACTED]

Primary Company Or Person Your Complaint Is About

Company or Person? Company

Complainee Last Name:

Complainee First
Name:

Company Name: Hamilton Inn

Street Address: 701 S. Huron Ave

City: Mackinaw City

State: MI

Zip Code: 49701

County:

Phone: 2314365493

Fax Number:

E-mail Address:

Web Site Address: <http://www.mackinaw-city.com/hotels/hamiltoninnselect/>

Product Offered:

Primary Jurisdiction: None

Secondary Company Or Person Your Complaint Is About

Company or Person? Company

Complainee Last Name:

Complainee First
Name:

Company Name: The Beach House Inn

Street Address: 11490 Us23

City: Mackinaw City

State: MI

Zip Code: 49701

County:

Phone: 2314365353

Fax Number:

E-mail Address:

Web Site Address:

Motor Vehicle Warranty Complaint Information

Vehicle Make, Model, and Year:

Vehicle VIN No.:

Complaint Information

Incident Date/Time: 12/4/2020 2:00:00 PM

Incident Location: Hamilton Inn

Approximate Monetary Value: \$110

Did you sign a contract? False

Where did you sign this contract?

Is a court action pending? False

Do you have an attorney representing you on this matter? False

Are you willing to testify in court regarding this complaint? True

Did you complain directly to the business? True

What was the response from the business? Too bad you accepted the terms of the rental agreement

If no complaint was given to the business directly, why?

Was this complaint filed with any other agencies? True

Complaint Detail/Inquiry Information

I reserved a waterfront cottage at the Beach House cottages and Inn for two nights December 4th and 5th. I received confirmation of the reservation with the business knowing that the Inn was closed for the season. When I arrived at the location to check in the business was closed for the season and I was directed to check in at the Hamilton Inn. When I arrived at the inn I was informed that they would honor my reservation at the inn for my stay at the Beach House. I informed them that I had a dog and because of having a dog and the current COVID issues I rented a cottage. I told them that I was going to discuss it with my wife and let them know. There were cottages directly across the street and the vacancy sign was on. We checked online and cottages were available. We drove across the street to find that this business was also closed for the season and the same sign to come to the Hamilton inn to check in was on that door. When I went back to tell them that I was not comfortable staying in a motel that we were going to stay elsewhere, they said that I would be charged for one night's stay because the agreement said they had the right to change my room. I did not rent a room I rented a lakefront cottage. When I told them that this was a scam they just said this is your option we offered you a room. This scam is being done time and time again. You are being directed to a web site that is the Chamber of tourism to look like the chamber of commerce leading you to properties that are closed for the season. This is a deliberate misrepresentation and needs to be stopped.

[True] Check if this referral is just to give us information and you do not need us to respond to you directly.

[False] Check if you want to send documentation. After you submit this form you will be provided with a postal mail address, and facsimile number, to which you may send documents.

[False] Check if you want to sign up for the Consumer Protection Listserv.

[False] Check if you want to sign up for the AG Press Release Listserv.

[False] Check if you want to sign up for the Attorney General Opinions Listserv.

(*)I certify that the information on this form is true and accurate to the best of my knowledge.

(*)I consent to releasing to the Michigan Attorney General any information or document relative to the investigation of this complaint. By checking this box, I also certify that I have had the opportunity to review the Michigan Attorney General Privacy Policy before submitting this complaint.
