

AG Nessel Puts Senior Living Facilities on Notice for Charging Residents \$900 COVID-19 Fees

Cease and Desist Letters Sent to 11 Lower Peninsula Facilities

LANSING – Nearly 40 senior living facility residents, or their families, have filed complaints with the Michigan Department of Attorney General after residents were each charged \$900 COVID-19 fees potentially in violation of Michigan’s consumer protection laws, leading Attorney General Dana Nessel’s office to send cease and desist letters to the 11 senior facilities located throughout Michigan’s Lower Peninsula, along with their parent and management companies.

[The letters were sent Tuesday to Brighton-based parent company CSIG Holding Co. LLC](#), its facility management company, Senior Village Management LLC, and the facilities, which are located in Brighton, Petoskey, Plymouth, Oxford, Midland, Grand Ledge, White Lake, Rockford, Chesterfield and Saline. [A letter was also sent to Senior Living Portage LLC](#), which had a different registered agent but is part of the CSIG Holding family.

The operators have 10 days from receipt of the cease and desist letter to respond or face a formal investigation and potential legal action from the Attorney General’s office. The operators may also sign an agreement requiring they cancel and refund the \$900 fees to residents and make assurances that they will not violate the Michigan Consumer Protection Act (MCPA) again, among other terms.

“This pandemic has caused financial strain for many people and businesses in Michigan, but that does not provide companies with the right to impose unauthorized costs on their customers and clients – especially those in our senior communities and others who are already living on a fixed income,” Nessel said. “As Attorney General, I am bound by duty to ensure our laws are enforced, and it is my responsibility to protect our vulnerable populations and all Michigan residents from unlawful actions.”

Thirty-seven complaints were received by the Attorney General’s office from facility residents or their family members who filed on behalf of the residents. Thirty-seven complaints at Independence Village of Brighton (Senior Living Brighton LLC) and one at StoryPoint Portage (Senior Living Portage LLC) were filed with the Attorney General’s office stating residents had been charged a \$900 “supplemental COVID-19 fee.”

A senior official with the company told the Attorney General’s office that the one-time fee was to partially offset cost increases attributed to the COVID-19 response, including charges for meal service, personal protective equipment and cleaning services. The official also said residents who were upset by the fee and pushed back were told they did not have to pay it, bringing into question the fairness of a fee ultimately borne only by those too trusting or afraid to resist its imposition.

The Attorney General alleges the charging of this fee was inconsistent with the residents' leases, and implicates the following unfair trade practices under the MCPA:

- Causing a probability of confusion or of misunderstanding as to the legal rights, obligations, or remedies of a party to a transaction;
- 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;
- Causing coercion and duress as the result of the time and nature of a sales presentation; and
- 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.

[Click here to view a copy of the letter sent to Senior Living Portage.](#)

[Click here to view a copy of the letter sent to the other entities.](#)