

STATE OF MICHIGAN
IN THE 22ND JUDICIAL CIRCUIT

ELI SAVIT, PROSECUTING ATTORNEY FOR
WASHTENAW COUNTY, *ex rel.* the People of
the State of Michigan;

COMPLAINT

and

KAITLIN HALL and KYESHA FORD,
on behalf of themselves and
all others similarly situated,

Plaintiffs,

Case No. 26-26-000080-CP-CP

v.

Hon. JUDGE PATRICK J. CONLIN, JR.

LOW CREDIT RENTS, LLC d/b/a INNOVATIVE
APARTMENT GROUP; HOT PERKS MI, LLC
d/b/a INNOVATIVE APARTMENT GROUP;
MIKE O'DOWD; THOMAS WILTGEN;
and VELO ASSOCIATES PLC,

Defendants.

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Civil actions between these parties or other parties arising out of the transactions or occurrences alleged in the complaint have been previously filed over a period of years in dozens of courts across the State of Michigan where they were given hundreds of case numbers and assigned to dozens of judges. Most of the actions are no longer pending (the cases being eviction and/or collection matters filed from 2019-present); some actions remain pending.

Civil actions between Plaintiff Kaitlin Hall and parties arising out of the transaction or occurrence alleged in the complaint have been previously filed in 41st District Court, Macomb County, where they were given case numbers 2023-US23-5521-LT, 2023-US23-5823-LT, and 2025-25-04179-GC, and were assigned respectively to Judge Douglas P. Shepherd, Judge Douglas P. Shepherd, and Judge Michael Femminineo, Jr. The first two actions are no longer pending; the final action remains pending.

A civil action between Plaintiff Kyesha Ford and parties arising out of the transaction or occurrence alleged in the complaint has been previously filed in 41-B District Court, Macomb County, where it was given the case number 2025-25-01293-GC and was assigned to Judge Jacob Michael Femminineo, Jr. The action is no longer pending.

COMPLAINT

Plaintiff Eli Savit, Prosecuting Attorney for Washtenaw County, on behalf of the People of the State of Michigan, and Plaintiffs Kaitlin Hall and Kyesha Ford, on behalf of themselves and all others similarly situated, complain against Defendants Low Credit Rents, LLC, Hot Perks MI, LLC, Mike O'Dowd, Thomas Wiltgen, and Velo Associates PLC. Plaintiffs allege that Defendants have created a predatory subleasing and debt collection scheme to target and exploit vulnerable families who are desperate for housing.

INTRODUCTION

1. Low- and moderate-income renter households across the United States, including in Michigan, face a severe housing shortage. The scarcity of housing is exacerbated by landlord-created artificial barriers to housing, such as the use of non-predictive credit scores to screen tenants out of housing opportunities.

2. This case is about a predatory subleasing and debt collection scheme that takes advantage of this context by targeting families who have the ability to pay a reasonable rent, but who are saddled with low credit scores and are therefore struggling to find a place to live.

3. In this scheme, Defendant Low Credit Rents, LLC (which has assumed the name of and transacts business as Innovative Apartment Group) and Defendant Hot Perks MI, LLC (which has also assumed the name of and transacts business as Innovative Apartment Group), with their associated natural persons, Defendant Mike O'Dowd and Defendant Thomas Wiltgen (collectively referred to herein as the "Sublease Defendants"), hold themselves out as helping families to get placed in safe and secure housing, while improving the families' credit so that they can build toward a better life.

4. In reality, they do just the opposite, acting as extractive middlemen between traditional landlords and families who need housing. Sublease Defendants avoid the risks and obligations of actually being a landlord while still pocketing inflated profits from tenants.

5. To do this, Sublease Defendants first lease a rental home from a traditional landlord and then sublease the rental home to families who believe they are likely to struggle to find housing because of their low credit scores, but who have the ability to make regular rental payments ("Real Tenants").

6. With this sublease, Sublease Defendants impose grossly excessive fees and upcharges on tenants—housing costs that were not disclosed in their advertising. This renders housing costs unaffordable for many tenants and puts them in a position to struggle to pay their rent, to be evicted, and to come out of the rental with less money and a worse rental and credit history than they started with.

7. Sublease Defendants further fail to timely and appropriately transmit rental payments from Real Tenants to the traditional landlord, thus placing their housing at additional risk.

8. Despite promising to help families to obtain stable housing, Sublease Defendants have filed hundreds of eviction cases across the State of Michigan—against the very families they claim to be helping.

9. In addition to eviction proceedings, Sublease Defendants and their debt collection attorneys, Defendant Velo Associates PLC, engage in aggressive debt collection tactics, including collection lawsuits, garnishment, and negative credit reporting, making it even harder for families to secure a new place to live and to maintain stable housing moving forward.

10. Even the families who have been able to pay the inflated costs of the subleases do not see the benefit of Sublease Defendants' promises to improve their credit scores. Instead, the only impact on Real Tenants' credit is the negative tradelines Defendants report when they engage in collections, lowering tenants' credit scores—an impact that will last for the next seven years.

11. Although Sublease Defendants justify the inflated costs they impose on tenants by claiming that they bear additional “risk,” Sublease Defendants structure their scheme to insulate themselves from risk and to profit off of the transaction regardless of how long the family is able to stay in their subleased rental home.

12. The real risks fall on the Real Tenants: faced with grossly excessive rent and fees and Sublease Defendants' confusing and deceptive organization and tactics, tenants risk losing their homes and facing yet another housing search—with less money and worse eviction histories and credit scores than when they started.

13. Thus, any purported “help” that Sublease Defendants claim to provide is largely illusory—the costs and negative impacts for Real Tenants far outweigh any services that Sublease Defendants purportedly provide. Instead, Sublease Defendants set families up to fail.

Sublease Defendants know that a huge number of Sublease Defendants' customers end up in eviction and debt collection actions—because Sublease Defendants are the ones pursuing these actions. But they keep this vital information from prospective Real Tenants, instead seeking to lure them into Sublease Agreements and extracting as much money as possible from them. Michigan law protects Michiganders by prohibiting Defendants from engaging in this deceptive and illegal conduct.

14. This is a civil action filed under the Michigan Consumer Protection Act, Credit Services Protection Act, Regulation of Collection Practices Act, and Occupational Code, to stop Defendants' illegal sublease and debt collection operation, as well as for actual, statutory, punitive, and exemplary damages, interest, penalties, costs, attorneys' fees, and other relief for all tenants harmed by Defendants' illegal scheme.

PARTIES

Plaintiffs

15. Plaintiff State of Michigan is acting through (“*ex rel.*”) the duly elected Washtenaw County Prosecutor (“The People”), pursuant to the Prosecutor’s constitutional, statutory, and common law authority. See, e.g., Const 1963, art 7, § 4; MCL 49.153; MCL 445.915; MCL 445.1824. Prosecuting attorneys are expressly empowered to “appear for the state or county and prosecute or defend in all the courts of the county, all prosecutions, suits, applications, and motions whether civil or criminal, in which the state or county may be a party or interested.” MCL 49.153. The Michigan Consumer Protection Act provides prosecuting attorneys the authority to protect consumers. MCL 445.915 (“A prosecuting attorney may conduct an investigation pursuant to this act and may institute and prosecute an action under this act in the same manner as the attorney

general.”). The Credit Services Protection Act authorizes prosecuting attorneys to act to protect buyers of credit services. MCL 445.1824 (“a county prosecutor . . . may bring an action”).

a. The People act to recover damages using a public enforcement class action mechanism that is different from the traditional private enforcement class action mechanism.

b. The private enforcement class requirements of MCR 3.501 (e.g., typicality, motion for certification, etc.) do not apply to this public enforcement class action brought under the Michigan Consumer Protection Act, MCL 445.910. *Nessel ex rel Michigan v AmeriGas Partners, LP*, 954 F3d 831, 837 (CA 6, 2020).

c. The *AmeriGas Partners* holding applies equally to suits initiated by the Attorney General or by a Prosecuting Attorney, because the MCPA expressly provides that a Prosecuting Attorney “may institute and prosecute an action under this act in the same manner as the attorney general.” MCL 445.915.

d. The *AmeriGas Partners* rationale applies to other public enforcement causes of action, including the Credit Services Protection Act. MCL 445.1824 (“a county prosecutor . . . may bring an action”).

16. Plaintiff Kaitlin Hall is a single mother who currently resides in Clinton Township, Michigan, with her two young children. From early 2023 through early 2024, Ms. Hall lived in the Stonehaven apartment complex in Shelby Township, Michigan, through a sublease agreement with Sublease Defendants. Ms. Hall remains subject to Defendants’ debt collection activities.

17. Plaintiff Kyesha Ford currently resides through a direct lease agreement at the Brittany Park Apartments in Harrison Township, Michigan, with her partner and her two young

children. Previously, Ms. Ford resided at the Brittany Park Apartments through a sublease agreement with Sublease Defendants. Ms. Ford remains subject to Defendants' debt collection activities.

18. Plaintiffs Hall and Ford file this suit as a representative class action on behalf of themselves and all others similarly situated, pursuant the requirements of MCR 3.501. Plaintiffs Hall and Ford seek relief for members of the class inclusive of relief that is not otherwise available to the State of Michigan.

Defendants

19. Hot Perks MI, LLC, d/b/a Innovative Apartment Group ("Hot Perks")

a. Defendant Hot Perks MI, LLC, d/b/a Innovative Apartment Group is a Michigan Limited Liability Company organized in October 2015, with an address listed variously as 1925 Eastern Ave. SE, Grand Rapids, MI 49507 or 2850 Thornhills Ave., Ste. 118, Grand Rapids, MI 49546.

b. Hot Perks has worked under the registered assumed name of Innovative Apartment Group since April 2019.

c. Hot Perks' resident agent is Tom Wiltgen and its General Manager is Mike O'Dowd.

d. As of December 3, 2025, Defendant Hot Perks had not filed its 2024 or 2025 annual reports.

e. Hot Perks routinely enters into residential lease agreements with Traditional Landlords and subleases them to tenants like Plaintiffs, using variations of the Hot Perks or Innovative Apartment Group names.

20. Low Credit Rents, LLC, d/b/a Innovative Apartment Group (“Low Credit Rents”)

a. Defendant Low Credit Rents is a Michigan Limited Liability Company organized in May 2018, with an address of address 2850 Thornhills Ave., Ste. 118, Grand Rapids, MI 49546.

b. Low Credit Rents has operated under the assumed name of Innovative Apartment Group since in or around April 2019. Low Credit Rents also operated under the assumed name of Low Credit Repair from February 2019 through the end of 2024.

c. Low Credit Rents has the identical registered agent (Tom Wiltgen) and general manager (Mike O’Dowd) as Hot Perks.

d. As of December 3, 2025, Defendant Low Credit Rents had not filed its 2023, 2024, or 2025 annual reports, and was not in good standing in the State of Michigan (annual report filing was due February 15, 2023).

e. Low Credit Rents holds itself out as a collection agency for Hot Perks.

f. Low Credit Rents does not engage in any activity or function in the management of the subleased apartments other than to collect debts purportedly owed to Hot Perks through various means, including commencing eviction proceedings to gain leverage over the tenants who allegedly owe money to Hot Perks as a mechanism of debt collection.

g. Notwithstanding its business as a collection agency, Low Credit Rents is not licensed under Michigan law as a collection agency pursuant to the Michigan Collection Practices Act, Mich. Comp. Laws 339.901 *et seq.*

21. Innovative Apartment Group

a. “Innovative Apartment Group” is the assumed name of both Hot Perks and Low Credit Rents.

b. Innovative Apartment Group is the consumer-facing name of both Hot Perks and Low Credit Rents, including the scheme’s consumer-facing website, its social media account, the name used on payment processors, and the signature line in the emails of its employees, obscuring the identities and different roles and legal responsibilities of the entities sharing the assumed name.

22. Defendant Mike O’Dowd is the general manager, resident agent, and member of the related business entities operating as Innovative Apartment Group (i.e., Hot Perks and Low Credit Rents), and is responsible for and has control over the operations of the business entities. According to public records, Michael O’Dowd resides at 864 E. Michigan Avenue, Marshall, MI 49068.

23. Defendant Thomas Wiltgen is the resident agent and member of related business entities operating as Innovative Apartment Group (i.e., Hot Perks and Low Credit Rents), and is responsible for and has control over the operations of the business entities. Defendant Wiltgen signs Sublease Agreements with Real Tenants on behalf of Sublease Defendants. According to public records, Thomas Wiltgen resides at 1925 Eastern Ave SE, Grand Rapids, MI 49507.

24. Collectively, Hot Perks, Innovative Apartment Group, Low Credit Rents, O’Dowd, and Wiltgen are referred to herein as the “Sublease Defendants.”

a. Sublease Defendants have entered agreements with one another with the intention to undertake a joint venture, that is, the subleasing of properties and related debt collection activities. See also MCL 450.4206(5) (“[t]he same name may be assumed by 2

or more limited liability companies . . . participating together in a partnership or joint venture.”).

b. Sublease Defendants participate in this joint undertaking of this single project for profit.

c. Sublease Defendants share in the profits and losses of the enterprise.

d. Sublease Defendants each contribute their skills and/or property in the furtherance of their joint subleasing enterprise.

e. Sublease Defendants shared interest and control over the subject matter of the enterprise.

f. As a result, Sublease Defendants were and are engaged in a joint venture.

g. Further, Sublease Defendants had a single plan and/or engaged in concerted action to engage in the unlawful practices set forth below.

h. Sublease Defendants engaged in overt acts in furtherance of this conspiracy.

i. Sublease Defendants therefore were and are engaged in a civil conspiracy.

25. Velo Associates PLC d/b/a Velo, Velo Collect, Velo Group, Velo Law, Velo Law Office, and VLO (“Velo Law”)

a. Velo Law is a debt collection law firm located at 1750 Leonard St. NE, Grand Rapids, Michigan.

b. After the Sublease Defendants assert that a tenant is in default, they retain Velo Law to collect on delinquent amounts through dunning letters and calls, civil actions for money damages, eviction actions, and negative credit reporting.

c. Velo Law is retained as the collection attorney for Low Credit Rents. Defendant Velo Law has denied having an attorney-client relationship with Defendant Hot Perks.

d. Velo Law regularly collects or attempts to collect debts asserted to be owed or due to Low Credit Rents, the collection agency, by representing Low Credit Rents in eviction proceedings against tenants of Hot Perks where rent is allegedly owed to Hot Perks.

JURISDICTION AND VENUE

26. This Court has subject matter jurisdiction. See, e.g., Const 1963, art. 6, § 13 (“circuit court shall have original jurisdiction in all matters not prohibited by law”); Revised Judicature Act of 1961, MCL 600.601 (circuit court power and jurisdiction), MCL 600.605 (circuit court original jurisdiction); Michigan Consumer Protection Act, MCL 445.905 (“The action may be brought in the circuit court of the county where the defendant is established or conducts business”).

27. This Court has general personal jurisdiction over the defendant business entities because they are domestic companies that formed under the laws of this state, and the subleasing and debt collection activities are the “carrying on of a continuous and systematic part of [their] general business within the state.” MCL 600.711 (corporations). This Court has general personal jurisdiction over the individual defendants because their domiciles are in Michigan. MCL 600.701(2).

28. In addition, this Court has limited personal jurisdiction over all Defendants because they transacted business within the state; owned, used, or possessed real property within the state; and entered into contracts for services to be performed in the state. MCL 600.715(1), (3), (5)

(corporations); MCL 600.705(1), (3), (5) (individuals). In addition, this Court has limited personal jurisdiction over the individual defendants because they acted as a director, manager, trustee, or other officer of the domestic business entities with principal places of business in Michigan. MCL 600.705(6).

29. Venue is proper in this Court because Defendants leased and subleased rental properties in Washtenaw County, sought and received government payments for Washtenaw County rental properties, filed evictions and otherwise attempted to collect debts in Washtenaw County, and this case involves the determination in any form of rights or interests in real property. Defendants have conducted business in Washtenaw County; Plaintiff Washtenaw County Prosecutor resides and has a place of business in Washtenaw County; and injuries occurred in Washtenaw County. See, e.g., MCL 600.1621(a) (county in which a defendant conducts business); MCL 600.1629(1) (county where injury occurred and defendant conducts business); MCL 600.1641(1).

FACTUAL ALLEGATIONS

Background on Credit Reports and Rental Housing

30. As is true across the country, there is a severe shortage of housing in Michigan—especially for affordable housing for low- and moderate-income households. The 2024 Michigan Statewide Housing Needs Assessment found that “[t]he demand for safe, stable, and affordable housing often surpasses available resources, leaving many residents vulnerable to evictions, foreclosures, and homelessness.”¹

31. In this context of high demand for limited numbers of apartments, landlords have increasingly relied on credit reports as a mechanism for screening potential tenants.

¹ Melika Belhaj et al, MSHDA & HSHE, *Michigan Statewide Housing Needs Assessment* (2024), at 6, available at <https://www.urbanh3.com/_files/ugd/9d463d_02fdfe4f619f4adf885a96677c710479.pdf>.

32. Credit scores, however, have little to no predictive value regarding whether a prospective tenant will regularly pay rent or comply with their tenancy obligations.²

33. This is true for several reasons, including that many consumers pay their housing costs before paying other bills; credit scores do not reflect ability to pay rent, including because they do not consider a consumer's assets or income; and credit reports are likely to contain erroneous data.³

34. Tenants of color disproportionately suffer as a result of the use of credit scores in tenant screening. As found by the U.S. Department of Housing and Urban Development (HUD), "Black and Brown persons are more likely to have inaccurate credit reports or have had experiences that resulted in low or no credit scores."⁴

35. HUD determined that, based on these disparities and the substantial limitations of credit scores as a predictor of likelihood to pay rent, "overreliance on credit history poses a significant risk of having an unjustified discriminatory effect based on race or other protected characteristics."⁵

36. Despite the lack of reliability or predictive nature of credit reports on rental payments and despite the racially discriminatory impact, Michigan landlords routinely use credit reports to bar prospective tenants, such as the named individual Plaintiffs and class members, from housing.

37. Moreover, prospective tenants who believe that they *might* be screened out of housing due to their credit history are often deterred from even inquiring about housing availability

² See U.S. Dept. of Housing & Urban Dev, *Guidance on Application of the Fair Housing Act to the Screening of Applications for Rental Housing* (2024), at 16-19, available at <https://library.nclc.org/sites/default/files/field_media_file/2025-01/FHEO_Guidance_on_Screening_of_Applicants_for_Rental_Housing.pdf>.

³ See *id.*

⁴ *Id.* at 16.

⁵ *Id.* at 18.

to avoid wasting money on costs such as application fees, when they believe they will be denied anyway. Some of these tenants would qualified for housing if they applied; even more of them would be able to afford the rent even if with limited or poor credit.

38. This context creates an opportunity for Defendants to prey on families who desperately need housing.

39. Further, the need for rental housing creates an opportunity to exploit consumers by imposing surprise fees. The Federal Trade Commission (FTC) recently explained that failing to include *all* fees in the price of advertised rental housing, prior to application or inquiry, was unfair, deceptive, and otherwise illegal.⁶

The Predatory Sublease Scheme

Sublease Defendants Falsely Market Themselves as “Helping” People with Bad Credit

40. Traditional subleases happen when an existing tenant must move or otherwise cannot remain in the apartment for the full length of lease. The original tenant then finds a replacement tenant, someone to make the lease payments for the remainder of the term.

41. Sublease Defendants’ operation is nothing like a typical subleasing arrangement.

42. Instead, it is a pre-planned, deceptive sublease—a method for Sublease Defendants to extract money from vulnerable consumers by charging thousands of dollars in unjustified junk fees and upcharges.

43. A landlord without rental properties of their own, Sublease Defendants target people screened out of opportunities to rent housing due to poor credit scores, promising to

⁶ See FTC, “Are you managing a rental property? Lessons from the FTC’s lawsuit against Greystar” (Dec. 8, 2025), available at <<https://www.ftc.gov/business-guidance/blog/2025/12/are-you-managing-rental-property-lessons-ftcs-lawsuit-against-greystar>>.

“help” people blocked from housing due to “bad credit” and to place them “in affordable housing.”

44. On their website homepage, using the domain name innovativeapartmentgroup.com, Sublease Defendants target families looking for help, using language that has remained substantially similar over time:

HAVE YOU RECENTLY BEEN DENIED HOUSING BECAUSE OF
BAD CREDIT, IF SO, WE MIGHT BE ABLE TO HELP

We specialize in placing people with a hiccup in their credit into apartments all over lower Michigan. We accept referrals and add new property selections every day. We are honest, dedicated, and sincere in placing you in affordable housing. Everyone qualifies based on income. No hidden agenda.

SCHEDULE A CALL NOW⁷

45. The website promotes its alleged goal – to help people with rebuilding their lives:

Started in 2018, Innovative Apartment Group was founded with the idea of helping people struggling to rebound from divorce, bankruptcy, loss of a loved one, and unemployment to secure safe apartment housing while rebuilding their life. Over the last 6 years we have successfully placed close to 1,000 people into new apartments.⁸

46. Under “Learn More,” the website prompts consumers to fill out a form “if you are interested in booking a quick call to learn more about how we help people who are struggling from bad credit to secure apartments.”⁹

47. The website does not disclose any of the fees or costs that Sublease Defendants ultimately impose on tenants.

⁷ Innovative Apartment Group MI <<https://www.innovativeapartmentgroup.com/>> (accessed November 24, 2025).

⁸ Innovative Apartment Group MI, *About Us* <<https://www.innovativeapartmentgroup.com/about>> (accessed November 24, 2025).

⁹ Innovative Apartment Group MI, *Learn More* <<https://www.innovativeapartmentgroup.com/contact-1>> (accessed November 24, 2025).

48. The Sublease Defendants also advertise on rental sites such as showmojo.com, where they list various apartments and state:

WORRIED THAT BAD CREDIT MAY HOLD YOU BACK FROM RENTING, WE CAN HELP!

CALL US FIRST – EVERONE QUALIFIES BASED ON INCOME – SCHEDULE YOUR CALL TODAY¹⁰

49. These advertisements set forth the purported monthly cost of housing, but do not include the variety of mandatory upcharges, fees, and costs that Sublease Defendants impose. As a result, prospective tenants cannot effectively budget or otherwise determine the cost of renting through Sublease Defendants.

50. Sublease Defendants further represent that working with them will help their customers improve their credit.

51. For example, an Instagram post promises: “We provide second chances for families in need that are struggling with their credit and their finances. Find a good home, repair your credit, build financial freedom!”¹¹

52. Similarly, an advertisement on Facebook stated: “We provide effective credit repair and show people with a hiccup in their life’s journey the chance to build credit and how to improve their credit score . . . We offer a cosign program giving you access to a safe place near school or work with effective credit repair services. . .”

53. Another had a graphic stating “RENT & REPAIR Your Low Credit” with the text: “Don’t let the financial setbacks you’ve experienced rob you of your future! We’ll help you get back on your feet, find a good place to live, and repair your credit!”

¹⁰ ShowMojo, *Innovative Apartment Group* < <https://showmojo.com/9105186073/l> > (accessed November 24, 2025) (actively listing an apartment at Valley Ranch Apartments in Washtenaw County).

¹¹ Instagram, *Innovative Apartment Group* (Jan. 10, 2022).

54. Another advertisement promised: “START YOUR PATH TO OWNERSHIP . . . REPAIR YOUR CREDIT WHILE YOU RENT.”

55. Sublease Defendants, however, do not “help” as they claim, nor do they repair Real Tenants’ credit. Rather, they exploit and profit from families’ need for housing.

56. Sublease Defendants do so by first entering into a lease with a Traditional Landlord (the “Traditional Landlord”) to rent a housing unit for a fixed monthly rental amount and related deposits and fees (the “Traditional Lease”).

57. The Traditional Lease is signed by Defendant Hot Perks, either using its own name or the name Innovative Apartment Group.

58. Meanwhile, Sublease Defendants advertise to individuals and families seeking housing, as described above. When a person contacts Sublease Defendants, Sublease Defendants refer the person to housing that is already subject to a Traditional Lease; Sublease Defendants also allow the person to identify a different rental unit that Sublease Defendants will enter a new Traditional Lease for.

59. Then, Sublease Defendants enter a second standard form contract (the “Sublease Agreement”) to sublease the unit to the Real Tenant.

60. The Sublease Agreement requires rental payments from the Real Tenant that grossly exceed the actual monthly rent and fees that exceed those charged by the Traditional Landlord in the Traditional Lease. For example, Sublease Defendants charged Plaintiff Kaitlin Hall an extra \$283.50 per month more than the rent charged by the Traditional Landlord.

61. Sublease Defendants simultaneously enter a separate agreement with the Real Tenant that imposes a “risk fee” on the Real Tenant (the “Risk Fee Agreement”).

a. Over time, this fee has varied from \$999 to \$1,197.

b. Sublease Defendants impose the Risk Fee on Real Tenants annually. The Risk Fee is typically paid in three equal installments over the first three months of the lease, and again over the first three months of any subsequent lease renewal.

c. For example, Plaintiff Kaitlin Hall paid \$399 each month for the first three months of her Sublease Agreement, totaling \$1,197.

d. Plaintiff Kyesha Ford paid \$333 each month for the first three months of her Sublease Agreement, totaling \$999. When Ms. Ford remained in the Sublease Agreement one year later, she paid an additional \$399 each month for the first three months of the new lease year, totaling an additional \$1,197.

e. This Risk Fee makes it more likely that the Real Tenant will fail early in the term and that Sublease Defendants will deploy collections to extract even more money from the Real Tenant through default and other fees.

62. The Sublease Agreement disclaims all responsibility to maintain the property or otherwise comply with the duties of a landlord.

63. The Traditional Landlord is not a party to the Sublease Agreement.

64. As a result of this, Sublease Defendants reap all the benefits of being a landlord while bearing few of the risks, obligations, or costs.

65. Despite representing that they are dedicated to placing credit-challenged people into affordable housing, Sublease Defendants do the opposite by charging Real Tenants considerably higher rent and adding exorbitant fees making the Real Tenants' overall monthly financial obligations difficult, if not impossible, to meet.

66. As a matter of routine practice, Sublease Defendants fail to timely or appropriately transmit rental payments made by Real Tenants to Traditional Landlords, thus

placing their housing at risk. Because Real Tenants are not parties to the Traditional Lease, they do not have access to the Sublease Defendants' rental history with Traditional Landlords, and are thus unable to monitor when and how payments are being transmitted.

67. For example, even though Plaintiff Kyesha Ford had paid her rent to Sublease Defendants, Ms. Ford's family received a notice to vacate from the Traditional Landlord because Sublease Defendants did not pay the Traditional Landlord timely. Ms. Ford had had no idea that her rent was not being paid.

68. If a Real Tenant falls behind on payments, Defendants (through Low Credit Rents and Velo Law) engage in aggressive debt collection efforts, including threatening evictions, acquiring judgments of possession and money judgments in Michigan district courts, garnishing wages and intercepting state tax refunds, and negatively reporting Real Tenants as in default to the major credit reporting agencies.

69. Because people of color are disproportionately impacted by poor credit, they are also more likely to be harmed by Sublease Tenants product and practices.

70. Sublease Defendants exploit and deceive Real Tenants by (1) charging inflated rent and exorbitant, duplicative fees that are disproportionate to the amount of risk the Sublease Defendants bear and not reasonably related to the actual costs incurred; (2) creating confusion about the legal rights and obligations of the different parties; (3) deceptively advertising Sublease Defendants' services; (4) using deceptive, unfair, and unconscionable means to collect debts asserted to be owed.

**Sublease Defendants Charge Real Tenants Grossly Excessive, Duplicative, and Deceptive
Rent and Fees**

Sublease Defendants Bear Limited, if Any, Financial Risk

71. Sublease Defendants' scheme is designed to insulate them from financial risk and to guarantee a profit from all transactions.

72. Sublease Defendants confirm the amount and source of a prospective Real Tenant's income and ability to pay rent before entering into any agreement with that person.

73. Sublease Defendants pass all expenses and costs they incur related to renting housing units—including rent, security deposits, and other fees and costs—to the Real Tenant(s), often at an increased amount.

74. Through the Sublease Agreement, Sublease Defendants disclaim all responsibility for the maintenance of the premises in habitable condition or the routine obligations of a landlord in managing the property; rather, the Traditional Landlord bears those costs and obligations.

75. Sublease Defendants pay themselves before paying the Traditional Landlord, even when that leads to Defendant Hot Perks (often using the name Innovative Apartment Group) violating the Traditional Lease.

76. If a Real Tenant fails to pay the Risk Fee, Sublease Defendants will apply the tenant's rental payment first to the Risk Fee, fail to remit rent to the Traditional Landlord, and place the Real Tenant's housing at risk.

77. If an individual Real Tenant fails to pay rent to Sublease Defendants, Sublease Defendants stop paying rent to the Traditional Landlord.

78. Sublease Defendants do not pay out of their own funds to cover any expenses on behalf of the Real Tenant.

79. If a Traditional Landlord seeks to evict or obtain a judgment against Defendant Hot Perks and/or Innovative Apartment Group, Sublease Defendants take one of two actions.

a. At times, they will take a passive role, bearing little to no costs related to the eviction by failing to contest the eviction or termination of tenancy.

b. At other times, they deploy Low Credit Rent and Velo Law in a separate legal action to evict the Real Tenant and/or seek and collect a judgment from the Real Tenant(s).

80. When Defendant Hot Perks (using its own name or the name Innovative Apartment Group) defaults on its lease agreement with the Traditional Landlord, it is almost never subjected to a claim or judgment for money damages. That is, the Traditional Landlord just retakes possession of the property and does not sue Defendant Hot Perks for any past due rent.

81. However, when Real Tenants default on the Sublease, Sublease Defendants routinely seek and acquire money judgments against Real Tenants, in addition to judgments for possession. That is, Sublease Defendants retake possession and pursue debt collection against Real Tenants.

82. Sublease Defendants often do not even bear the relatively low cost of evictions, instead taking a passive role while the Traditional Landlord files eviction actions.

83. Low Credit Rents has acquired over \$400,000 in money judgments against Real Tenants.

84. Upon information and belief, if a Real Tenant fails to pay rent and is evicted, Sublease Defendants often fill the now-vacant apartment with a new Tenant, who pays the Sublease Defendants an additional Risk Fee and upcharged rent and other fees. Thus, when a

Real Tenant defaults, Sublease Defendants can make *more* rather than less money in a given year, through the collection of multiple Risk Fees and other fees.

85. As a result, the Sublease Defendants experience extremely limited (and sometimes no) financial cost or liability, whether or not the Real Tenant(s) pays rent.

86. Similarly, Sublease Defendants bears no risk in relation to the security deposit it pays to the Traditional Landlord. Sublease Defendants collect the full amount of the security deposit from the Real Tenant, plus upcharges. Sublease Defendants pay the security deposit required by the Traditional Landlord to the Traditional Landlord from Real Tenant funds, while retaining all upcharges for themselves. Therefore, Sublease Defendants do not risk losing money if the Traditional Landlord keeps part or all of the security deposit.

Sublease Defendants Deceptively Charge Grossly Inflated Fees, Charges, and Rent

87. In every Sublease Agreement, Sublease Defendants charge the Real Tenant(s) a substantial upcharge over the amount it is obligated to pay to the Traditional Landlord (the “Rental Upcharge”).

88. Sublease Defendants charge the Risk Fees via a written agreement that is separate and apart from the Sublease Agreement.

89. The Risk Fee bears little relationship to actual risk, as indicated by several factors, including:

- a. Sublease Defendants charge a Risk Fee for each year the Real Tenant continues to sublease, regardless of whether the Real Tenant has paid rent on time during the prior year, thus presenting little to no additional “risk.”

b. Because the Risk Fee is paid over the first three months of every Sublease Agreement year, the Sublease Defendants are paid the Risk Fee before meaningful risk of potential delinquency by the Real Tenant.

c. If a Real Tenant does not pay rent and is evicted, Sublease Defendants can then charge the next Real Tenant of the same apartment another Risk Fee in the same year, thereby recouping any losses.

90. The cost to the Real Tenant of frontloading the Risk Fee is substantial: In addition to bearing the costs of the Rental Upcharge, the Tenant's rent is increased by at least \$333 per month for the Risk Fee. This results in monthly rental payments that grossly exceed the market rate for rent of these units and dramatically increase the payment burden for the Real Tenants, increasing their likelihood of failing early in the lease term.

91. Sublease Defendants also upcharge the Real Tenant for various fees in excess of the fees assessed to Hot Perks in the Traditional Lease.

92. For instance, in addition to late fees, Sublease Defendants charge the Tenant a "liquidated damages" fee of \$100 per month for late payments.

93. Sublease Defendants also charge the Real Tenant a fee of \$25 for the purported cost of preparing a form letter notifying the Tenant that they have breached the lease or are late on rent. Sublease Defendants require this fee while simultaneously avoiding the cost of postage and printing by requiring all Tenants to agree to electronic service of all documents.

94. These charges and fees are unnecessary, disproportionate, and not reasonably related to the actual costs incurred by Sublease Defendants.

95. Sublease Defendants seek to justify the Rental Upcharge, recurring Risk Fees, and other junk fees as being necessary to protect it from risk.

96. The Rental Upcharge, Risk Fee, and the other junk fees are not based on any meaningful calculation of any purported risk that Sublease Defendants incur or expect to incur.

97. Indeed, as described above, Sublease Defendants incur *de minimus* risk—including by passing along costs of maintenance, tenant management, and most evictions to Traditional Landlords; entering contracts in the name of a limited liability company; and building debt collection into the profit model by charging and collecting additional fees for late payments and evictions.

98. As a result, the recurring Risk Fee, the Rental Upcharge, and the other fees and charges—taken together or separately—are not related to any actual risk incurred by the Sublease Defendants.

Sublease Defendants Create Confusion About the Legal Rights and Obligations of the Parties

99. This sublease operation creates confusion about the legal rights and obligations of the parties (a) by creating confusion about the landlord-tenant relationship, rights, and responsibilities and (b) by utilizing the name Innovative Apartment Group to sow confusion. This confusion benefits Sublease Defendants.

100. Sublease Defendants create confusion about the landlord-tenant relationship, rights, and responsibilities by disclaiming responsibilities of a landlord and placing all such responsibilities on the Traditional Landlord, even though the Real Tenant has no contractual relationship with the Traditional Landlord.

101. The scheme creates confusion about the legal rights of Real Tenants to ensure proper maintenance and habitability of the premises. This is because the Sublease Agreement refers Real Tenants to the Traditional Landlord for all maintenance of the premises. However, the Traditional Landlord is not a party to the Sublease Agreement and does not sign it, such that

the Sublease Agreement has the likelihood of creating confusion for Real Tenants about whether they have a right to assert tenancy rights, such as adequate maintenance of the property, against the Traditional Landlord.

102. The scheme creates confusion about the status of rental payments. This is because the Sublease Agreement requires the Real Tenant to pay all rental payments and fees directly to Sublease Defendants. Defendant Hot Perks is separately obligated to pay rent to the Traditional Landlord, through the Traditional Lease, to which the Tenant is not a party. The Real Tenant cannot access information about payments to the Traditional Landlord or the Traditional Landlord's actions (including assessment of fees and eviction) if Sublease Defendants fail to timely pay rent.

103. The scheme creates confusion in housing court and with respect to the eviction process. This is because, when Defendant Hot Perks fails to comply with the terms of the Traditional Lease such as by failing to timely pay rent to the Traditional Landlord, the Traditional Landlord can start eviction proceedings in housing court solely against Defendant Hot Perks and, as a non-party to the Traditional Lease, the Real Tenant may have no practical way to protect their rights to continued tenancy.

104. The scheme further creates confusion regarding the rights and responsibilities of the parties through Defendant Hot Perks' and Defendant Low Credit Rents' collective use of the name Innovative Apartment Group. The collective use of this name obfuscates the roles and rights of each entity and the relationship between them, including obscuring which entity is advertising credit repair services, which entity is in contractual privity with the Traditional Landlord and the Tenant, and which entity is engaged in collections and on whose behalf the collection action is being taken.

105. Real Tenants suffer harm as the result of this confusion. The scheme in general, and both Hot Perks' and Low Credit Rents' use of the name Innovative Apartment Group, makes it difficult for Real Tenants to understand who has the right to demand or collect payments, such that Real Tenants at times pay the Traditional Landlord, but are subjected to collection actions by Sublease Defendants. Or, alternatively, Real Tenants pay Sublease Defendants who do not properly transfer these funds, such that the Traditional Landlord begins eviction proceedings. Further, all of this makes it difficult for Real Tenants to defend themselves in these eviction and collection actions and avoid money judgments and loss of housing. In short, this confusion causes delinquencies and puts Real Tenants' housing at risk.

Sublease Defendants Deceptively Advertise the Product

106. Sublease Defendants, using the name Innovative Apartment Group, use online platforms, including websites and social media platforms, to advertise to and target prospective Real Tenants, including those as described above in paragraphs 16-17.

107. Through advertisements and otherwise, Sublease Defendants have routinely represented to prospective Real Tenants that credit repair was included in their sublease program.

108. Sublease Defendants similarly lead prospective Real Tenants to believe that entering the Sublease Agreement will later enable a prospective Real Tenant to obtain housing independent of the Sublease Defendants, because the arrangement will improve their credit.

109. Sublease Defendants further routinely represent that they will provide secure and/or affordable housing.

110. Sublease Defendants' advertisements do not disclose and/or affirmatively misrepresent the actual cost of obtaining housing through Sublease Defendants, by failing to disclose mandatory fees such as the Risk Fee.

111. The advertisements provide a phone number that rings to an entity that identifies itself as Innovative Apartment Group, without clarification. When a prospective Tenant calls the number, they are directed to begin the process to enter into a Sublease Agreement.

112. As a matter of routine practice, Sublease Defendants reiterate and bolster their promises to provide credit repair and to provide secure housing when speaking to prospective Tenants.

113. However, Sublease Defendants do not provide the promised credit repair services or credit-related benefits.

114. Real Tenants' renting of housing through Sublease Defendants does not improve their credit scores, despite representations to the contrary.

115. Sublease Defendants knew or should have known that their subleases would not improve Real Tenants' credit scores.

116. Rather than assisting Tenants with improving their credit, Defendants only take actions that *negatively* impact Real Tenants' credit, by negatively reporting the purported "debts" of current or former Real Tenants who they claim are in "default" to credit reporting agencies.

117. Sublease Defendants know or should have known that their subleases do not create secure housing, since they are aware of the rates of evictions and debt collection actions to which they are a party—information to which a prospective Real Tenant is not privy.

118. Indeed, Sublease Defendants do not provide the promised secure housing to Real Tenants. Instead, through their practices, including the imposition of excessive fees, their failure to properly transmit rental payments properly, and their aggressive debt collection conduct, Sublease Defendants interfere with Real Tenants' ability to maintain their housing.

119. Reasonable consumers would and did rely on the above representations, such as promises to improve credit, financial stability, and secure affordable housing, when entering into the Sublease Agreements.

120. Sublease Defendants' deceptive advertising of credit benefits and provision of secure housing, as well as their failure to disclose the true costs of housing, are material to prospective tenants as they consider entering the Sublease Agreement.

Defendants Use False, Deceptive, Misleading, Unfair, and Unconscionable Means to Collect Debts

121. Defendant Low Credit Rents acts as Sublease Defendants' collection agent, including by collecting payments on behalf of Defendant Hot Perks, by threatening eviction actions and retaining eviction counsel.

122. Defendant Low Credit Rents threatens to bring eviction cases against Real Tenants as a means of gaining leverage over and intimidating Real Tenants in an effort to collect payments asserted to be due to Defendant Hot Perks.

123. Defendant Low Credit Rents hires Defendant Velo Law to collect purported debts from Real Tenants through collections activity and lawsuits.

124. Lawsuits are filed in the name of Low Credit Rents even when it is not the real party in interest and has no privity with either the Real Tenant or the Traditional Landlord.

125. Defendants' collection activity includes phone calls, written communications, credit reporting, filing eviction actions, filing actions for money judgments, and seeking to collect money judgments through garnishments and other means.

126. In each of these activities, Defendants attempt to collect from Real Tenants amounts that are not permitted by law; that are not owed by the Real Tenant; that are not owed to

Defendant Low Credit Rents; and that are deceptive, unfair, and unconscionable, including but not limited to:

a. Above-market rent and the Risk Fee, each of which are grossly excessive, unreasonable, deceptive, and unjustifiable because they are grossly disproportionate to the risk that Sublease Defendants bear and are not included in Sublease Defendants' advertisements; and

b. Disproportionate, unreasonable, and excessive junk fees.

127. Defendants attempt to collect on debts not actually owed and misrepresent the character, amount, and legal status of debts asserted to be owed, including through eviction and civil court proceedings.

128. Defendants attempt to collect amounts allegedly due under the separate Risk Fee Agreements by falsely characterizing such amounts as "rent" in eviction proceedings. As a result, these amounts are improperly included in the amount required to be paid to avoid eviction, thereby adding to the Real Tenant's financial burden and making eviction more likely.

Washtenaw County Operations

129. In Michigan, a preliminary review of public records shows at least 311 lawsuits filed by Low Credit Rents, LLC against the very families they claim to be helping—259 eviction cases (LT) and 52 general civil (GC) cases—with lawsuits in over 40 different district courts.

130. Not a single case in Michigan was filed by Hot Perks MI, LLC, as plaintiff against anyone.

131. In Washtenaw County in particular, Defendant Low Credit Rents has filed five (5) eviction lawsuits against Real Tenants in the 14A District Court, three (3) eviction lawsuits against Real Tenants in the 14B District Court, and one (1) eviction lawsuit against Real Tenants

in the 15th District Court, with serial evictions against particular households. “Innovative Apartment Group” has also filed one (1) eviction lawsuit in 14A District Court against Real Tenants.

*Table 1 – Defendant Low Credit Rents Evictions Against Washtenaw County Real Tenants
(Ordered by Case ID)*

Court	Case ID	Case Title
14A	2019-194C1906-LT	LOW CREDIT RENTS LLC V SAVERECOOL
14B	2020-20C-1742-LT	LOW CREDIT RENTS LLC V SCRIBBLING-ELMORE
14B	2021-21C-0311-LT	LOW CREDIT RENTS LLC V SCRIBBLING-ELMORE
14A	2021-211C-1603-LT	LOW CREDIT RENTS LLC V MCDANIEL
14B	2021-21C-3664-LT	LOW CREDIT RENTS LLC V SCRIBBLING-ELMORE
15	2021-21-4218-LT	LOW CREDIT RENTS LLC V SAVERCOOL
14A	2022-221C1034-LT	LOW CREDIT RENTS LLC V BROADNAX
14A	2022-221C3760-LT	LOW CREDIT RENTS LLC V MCDANIEL
14A	2022-221C0706-LT	LOW CREDIT RENTS LLC V MCDANIEL
14A	2024-241C2795-LT	INNOVATIVE APARTMENT GROUP V MCLIN

132. In Case ID 2022-221C0706-LT, for example, Low Credit Rents secured a \$3,716.74 default money judgment on June 7, 2022, secured a writ of eviction on July 19, 2022, and has been continuing to pursue the judgment and actively securing writs to garnish income tax refunds and other potential funds of the former Real Tenant, with garnishment filings in each year since the judgment (2023, 2024, and 2025).

Table 2 – Traditional Landlord Washtenaw Evictions Against Defendant Hot Perks

133. Traditional Landlords have filed four (4) eviction lawsuits against Defendant Hot Perks in Washtenaw County.

Court	Case ID	Case Title
14A	2023-231C2837-LT	THE HAVEN V HOT PERKS MI LLC, CARTER BRANDON
14A	2022-221C4019-LT	HAMPTONS OF CLOVERLANE V HOT PERKS
14A	2022-221C2648-LT	VALLEY RANCH APTS V HOT PERKS LLC
14A	2022-221C1608-LT	VALLEY RANCH APTS V HOT PERKS LLC

134. The overlapping contracts have led to overlapping lawsuits for a Real Tenant—requiring the assistance of a legal services lawyer to try to decipher the rights and remedies of each party and for that lawyer to represent the Real Tenant in two different lawsuits.

a. With Case ID 2022-221C1034-LT, *Low Credit Rents, LLC v. Broadnax*, on April 11, 2022, Defendant Low Credit Rents, represented by Defendant Velo Law, filed an eviction lawsuit against the Real Tenant—seeking a standard eviction judgment for possession and filing a supplemental complaint seeking a money judgment.

b. With Case ID 2022-221C1608-LT, *Valley Ranch Apts v. Hot Perks LLC*, on May 17, 2022, the Traditional Landlord, Valley Ranch Apartments, filed an eviction lawsuit against Defendant Hot Perks for possession of the same apartment as the Real Tenant occupied in 2022-221C1034-LT, *Low Credit Rents, LLC v. Broadnax*. The Traditional Landlord did not file a supplemental complaint seeking a money judgment.

c. On July 22, 2022, the 14A District Court ordered that the Real Tenant of the property at issue in both eviction actions was permitted to intervene in the eviction case the Traditional Landlord filed against Defendant Hot Perks.

d. On July 22, 2022, the Traditional Landlord filed a dismissal of the eviction case.

Named Plaintiffs' Experiences

Kyesha Ford

135. Plaintiff Kyesha Ford has worked as a medical assistant with the same employer since around 2019. In late 2022, she was living with her partner and their two children when her then-landlord sold the property she lived in, so they had to move.

136. Ms. Ford applied for an apartment at a complex and was advised that she did not qualify because of her credit, but that she could find an apartment through Innovative Apartment Group. The complex stated that Innovative Apartment Group worked with people with low or no credit, and that while that apartment complex did not work with Innovative Apartment Group anymore, others did.

137. Ms. Ford called Innovative Apartment Group and spoke with an Innovative Apartment Group representative who told her that Innovative Apartment Group helps people with little to no credit find housing. The representative also represented to Ms. Ford that working with them would help her improve her credit. The representative told her to go on the Innovative Apartment Group listing website to look for housing and let him know what she found.

138. Ms. Ford looked at Subleasing Defendants' listing website as instructed, saw the prices, and reached out to Traditional Landlords until she located an apartment.

139. The prices listed on the website did not include all of the mandatory costs that would eventually be imposed by Sublease Defendants.

140. As instructed by the Innovative Apartment Group representative, Ms. Ford completed the application process by sending her paystubs and ID to Innovative Apartment Group.

141. On or around January 13, 2023, Ms. Ford signed the Sublease Agreement, deceptively titled “Residential-Lease Agreement”, which was countersigned that same day by Defendant Wiltgen.

142. In addition to the financial terms of the agreement, it provided that the agreement was month-to-month; included a provision that Ms. Ford agreed to electronic service of any notices to her email address; and included a disclaimer of any responsibilities to Ms. Ford.

143. Ms. Ford was further instructed to sign an additional Risk Fee Agreement.

144. Defendant Hot Perks separately signed a one-year lease agreement with the Traditional Landlord. This document was not provided to Ms. Ford.

145. The terms of the Sublease Agreement with Ms. Ford were considerably costlier than the lease that Defendant Hot Perks had with the Traditional Landlord, including (for example) the following:

	Ms. Ford’s Lease with IAG	Hot Perks’ Lease with Brittany Park	IAG’s Excess Charge to Ms. Ford
Rent	\$1099/month	\$915.83/month	\$183.17/mo. (20%)
Risk Fee	\$999 payable over first 3 months of tenancy	\$0	\$999
<i>In addition to late fees:</i> “Liquidated Damages” for late rent (per month)	\$100	\$0	\$100
Administrative fee for sending notices	\$25	\$0	\$25

146. Innovative Apartment Group drafted its agreement to extract unreasonable, unfair, and excessive fees through every term. Pursuant to the terms of the agreement, over the first year IAG would extract \$3197.04 (more than \$250 per month) above the regular cost of rent from Ms. Ford based solely on the Rental Upcharge and the Risk Fee—amounts that would be charged regardless of any purported delinquency.

147. At the end of 2023, Sublease Defendants stated that they would renew Ms. Ford's lease if she was current on her rent payments.

148. At that time, Ms. Ford renewed her lease with Innovative Apartment Group, with rent continuing to total the apartment rental rate, plus the 20% upcharge; and payment of another, increased Risk Fee of \$399 each month, for the first three months of the renewal.

149. Ms. Ford was not provided any new lease documents.

150. In February 2024, Ms. Ford received an eviction notice from the Traditional Landlord, even though Ms. Ford was current on her payments to Sublease Defendants.

151. On or about May 21, 2024, the Traditional Landlord sent a letter addressed to "Innovative Apartment Group and all other Occupants" at Ms. Ford's address stating that it was ending the lease agreement and that all occupants were required to vacate the apartment by June 30. When Ms. Ford called the Traditional Landlord, it explained that it was having problems with Innovative Apartment Group paying the rent.

152. After Ms. Ford provided the Traditional Landlord with all of her rent receipts, it allowed her to continue renting directly from it, without Innovative Apartment Group as the middleman. Ms. Ford and her family continue to live in the same apartment complex without incident.

153. On or around January 24, 2025, Low Credit Rents, represented by Velo Law, filed suit against Ms. Ford for damages of \$4,676.50 for “housing/property management services,” plus attorney fees, court costs, and interest. The complaint does not set forth a factual basis or accounting for the sum requested.

154. Ms. Ford disputes that she owes these purported amounts.

155. Defendants have attempted to collect funds from Ms. Ford that she does or should not owe, including fees and upcharged rent, through debt collection telephone calls, written communications, and legal action as described above.

156. As of January 6, 2026, Defendant Velo Law was reporting to, at minimum, Equifax (one of the Big Three nationwide consumer reporting agencies) that Ms. Ford was delinquent on a debt of \$4,676 owed to itself, with the original creditor listed as Defendant Low Credit Rents.

157. Upon information and belief, these reports have contributed to lowering Ms. Ford’s credit score.

158. At no point did Defendants take any action to improve Ms. Ford’s credit. Rather, including the improper delinquent debt harmed her credit.

159. Ms. Ford reasonably relied on the Sublease Defendants’ representations that entering a Sublease Agreement would help her by helping to improve her credit score, improving her financial situation, and providing secure housing when she agreed to enter the transaction.

160. Had Ms. Ford known the Sublease Defendants would not improve her credit or financial situation or provide secure housing, she would not have entered the IAG Agreement or paid the fees and other amounts required by Hot Perks.

Kaitlin Hall

161. In the spring of 2023, Plaintiff Kaitlin Hall had steady paid work as a caregiver for adults with mental health disabilities. She lived with her two young children and her then-domestic partner when, in around April 2023, she needed to quickly locate different housing.

162. Ms. Hall was concerned that her credit score and a previous eviction would make it difficult for her to secure rental housing when she learned of Innovative Apartment Group.

163. After reviewing the Innovative Apartment Group website, Ms. Hall believed that the company would be able to assist her in securing housing and improving her credit.

164. As a result, and based on the representations on the website, Ms. Hall decided to move forward with Innovative Apartment Group, and contacted it.

165. Innovative Apartment Group's representative stated that Ms. Hall could improve her credit by entering into a sublease agreement with Innovative Apartment Group.

166. Innovative Apartment Group's representative advised Ms. Hall to complete an application and confirm her income. At her instructions, Ms. Hall provided her social security number, driver's license, proof of employment, proof of income, and other information requested. Ms. Hall also paid the \$100 "Admin fee" required to begin the process.

167. After Ms. Hall was approved, Innovative Apartment Group advised Ms. Hall to select an apartment from its listings on showmojo.com. The Innovative Apartment Group representative advised Ms. Hall that she should tell Traditional Landlords that she was working with Defendant Hot Perks, so that she would not be denied housing based on her credit.

168. Ms. Hall looked at Subleasing Defendants' listing website, as directed, saw the prices, reached out to the Traditional Landlords, and ultimately located an apartment.

169. The prices listed on the website did not include all of the mandatory fees and upcharges assessed by Defendant.

170. Defendant Hot Perks, acting under the name Innovative Apartment Group, then emailed Ms. Hall documents to electronically sign.

171. On or around May 5, 2023, Ms. Hall signed the Sublease Agreement, deceptively titled “Residential-Lease Agreement,” which was countersigned that same day by Defendant Wiltgen.

172. In addition to the financial terms of the agreement, it provided that the agreement was month-to-month; included a provision that Ms. Hall agreed to electronic service of any notices to her email address; and included a disclaimer of any responsibilities for maintenance of the property to Ms. Hall, instead referring her to the Traditional Landlord.

173. Ms. Hall was also presented with an additional document titled “Delinquency Acknowledgement/Summary Agreement” that required her to agree to pay an additional \$125 court filing fee and “more to come if not resolved before court” if she paid rent beyond the seven-day notice to pay or quit. This document was also signed on May 5, 2023, by Defendant Wiltgen on behalf of Innovative Apartment Group.

174. Separately, Ms. Hall was instructed to sign an additional document Risk Fee Agreement that stated that she would pay a fee in the amount of \$999 to IAG through three separate instalments of \$333. This document was also signed on May 5, 2023, by Defendant Wiltgen on behalf of Innovative Apartment Group.

175. Despite this signed document, Ms. Hall was actually charged three monthly installments of \$399 for the Risk Fee, totaling \$1197.

176. That same day, Defendant Hot Perks, using the name Innovative Apartment Group, signed a one-year lease agreement with the Traditional Landlord.

177. The terms of the Sublease Agreement with Ms. Hall were considerably costlier than the terms of the lease between Defendant Hot Perks and the Traditional Landlord, including (for example) the following:

	Ms. Hall's Lease with Sublease Defendants	Hot Perks' Lease with Stonehaven	Sublease Defendants' Excess Charge to Ms. Hall
Rent	\$2173.50/month	\$1890/month	\$283.50/mo. (15%)
Risk Fee	\$1197 payable over the first 3 months of tenancy ¹²	\$0	\$1197
<i>In addition to late fees:</i> "Liquidated Damages" for late rent (per month)	\$100	\$0	\$100
Administrative fee for sending notices	\$25	\$0	\$25

178. Innovative Apartment Group drafted its agreement to extract unreasonable, unfair, and excessive fees through every term. Pursuant to the terms of the agreement, over the first year Innovative Apartment Group would extract \$4,599 (nearly \$400 per month) above the regular cost of rent from Ms. Hall, based solely on the Rental Upcharge and the Risk Fee—amounts that would be charged regardless of any purported delinquency.

179. On or around October 19, 2023, Defendant Low Credit Rents, represented by Defendant Velo Law, filed suit against Ms. Hall and her then-partner for possession for purported nonpayment of rent, asserting that rent had been paid only through August 1, 2023, and that the total amount due was \$4,248.00 (the "Low Credit Rents Suit").

¹² The contract stated that she would pay \$999.

180. Meanwhile, on or around October 24, 2023, the Traditional Landlord filed a complaint for possession for nonpayment of rent against Ms. Hall, her then-partner, “Hot Perks MI, LLC d/b/a Innovative Apartment Group and d/b/a Low Credit Rents, LLC and all other occupants” asserting that rent had been paid through September 1, 2023, and that the total amount due was \$1,940.00 (the “Traditional Landlord Suit”).

181. On or around December 1, 2023, Ms. Hall vacated her apartment at Stonehaven for personal reasons.

182. On February 2, 2024, in the Traditional Landlord Suit, the court entered a default judgment granting the Traditional Landlord possession of the property. No money judgment was entered.

183. On or around February 14, 2024, in the Low Credit Rents Suit, the court granted Ms. Hall a conditional dismissal, provided she remove all of her belongs from the apartment by February 18, 2024.

184. After receiving an extension from the Traditional Landlord, Ms. Hall removed her remaining belongings from the apartment on or around February 20, 2024.

185. On February 29, 2024, Low Credit Rents represented by Velo Law filed an affidavit of non-compliance in the Low Credit Rents Suit stating that as of that date the property was not vacated. This was false; in fact, Ms. Hall had vacated the property on or around February 20, 2024, and her ex-partner had vacated the apartment earlier. On May 14, 2024, a judgment for possession was entered against Ms. Hall in the Low Credit Rents Suit. No money judgment was entered.

186. Nearly a year later, on or around April 10, 2025, Low Credit Rents filed suit against Ms. Hall, again represented by Defendant Velo Law, asserting breach of contract and

seeking \$14,251.60 in damages for “housing/property management services,” plus attorney fees, court costs, and interest. The complaint does not set forth a factual basis or accounting for the sum requested.

187. Defendants have attempted to collect funds from Ms. Hall that she does or should not owe, including fees and upcharged rent, through debt collection telephone calls, written communications, and legal action as described above.

188. As of January 8, 2026, Defendant Velo Law was reporting to, at minimum, Experian, Transunion and Equifax (the Big Three nationwide consumer reporting agencies) that Ms. Hall was delinquent on a debt of \$14,251 owed to, variously, itself or Low Credit Rents.

189. Upon information and belief, these reports have contributed to lowering Ms. Hall’s credit score.

190. At no point did Defendants take any action to improve Ms. Hall’s credit . . . Rather, including the improper delinquent debt harmed her credit.

191. Ms. Hall reasonably relied on the Sublease Defendants’ representations that entering a Sublease Agreement would help her by helping to improve her credit score, improve her financial situation, and provide secure housing when she agreed to enter the transaction.

192. Had Ms. Hall known the Sublease Defendants would not improve her credit, improve her financial situation, or provide secure housing, she would not have entered the Sublease Agreement or paid the fees and other amounts required by Defendant Hot Perks.

PRIVATE CLASS ALLEGATIONS¹³

193. Plaintiffs Hall and Ford bring this action on behalf of themselves and all others similarly situated (the “Private Class”).

194. The Private Class is defined as:

All persons who made payments to, or were subject to a collection action by, an entity that used the name Hot Perks, Low Credit Rents, or Innovative Apartment Group, related to an agreement to sublet residential property in Michigan from the date six years prior to the date of filing of this litigation to the present.

195. The following persons shall be excluded from the Private Class: (a) any persons who have released Defendants for the claims asserted, and (b) all persons who make a timely election to be excluded from the proposed Class.

196. The Private Class as defined above is identifiable and unambiguous based on objective information and criteria.

197. Plaintiffs Hall and Ford are members of the Private Class.

198. All of the criteria for class certification under Michigan Court Rule 3.501 are satisfied.

199. Numerosity: The Private Class is so numerous that joinder of all members is impracticable. As evidenced by the more than eviction and civil actions filed by Defendants, Defendants have received payments and sought to collect funds related to sublease agreements from over 300 Michigan residents in the past six years. Further, Sublease Defendants assert on their website that they have entered Sublease Agreements with nearly 1,000 Michigan residents.

¹³ Paragraphs 200-205 relate solely to the requirements for bringing a private class action under MCR 3.501 and are alleged by Plaintiffs Hall and Ford; they are inapposite to the public enforcement claims of Plaintiff Washtenaw County Prosecutor *ex rel.* State of Michigan.

200. Commonality: There are questions of law and fact common to the Private Class that predominate over any questions affecting only individual members of the Private Class.

These common questions include but are not limited to:

- a. Whether Defendants' conduct constitute unfair methods, acts, or practices in violation of the Michigan Consumer Protection Act;
- b. Whether Defendants' conduct constitute unconscionable methods, acts, or practices in violation of the Michigan Consumer Protection Act;
- c. Whether Defendants' conduct constitute deceptive methods, acts, or practices in violation of the Michigan Consumer Protection Act;
- d. Whether Defendants' conduct caused a probability of confusion or misunderstanding of the legal rights, obligations, or remedies available to members of the Class through the standard form contracts and use of assumed names;
- e. Whether Defendants charged grossly excessive prices by upcharging the rent, assessing the Risk Fees, and assessing other fees;
- f. Whether Defendants' debt collection conduct violated Michigan's debt collection statutes;
- g. Whether Defendants engaged in a joint venture or civil conspiracy; and
- h. The proper remedy for Defendants' legal violations.

201. All of these issues are based on the same facts and legal theories for the Private Class.

202. Typicality: Plaintiffs Ford's and Hall's claims are typical of the Private Class members' claims in they each made payments to, and were subject to a collection action by, an entity that used the name Hot Perks, Low Credit Rents, or Innovative Apartment Group, related

to an agreement to sublet property in Michigan from within the past six years; and were each charged the Risk Fee, upcharged rent, and other excessive fees.

203. Adequacy: The individual named Plaintiffs will fairly and adequately represent the Private Class members' interests. All claims are based on the same fact pattern and legal theories and the individual named Plaintiffs' interests are consistent with the interests of the Private Class. The individual named Plaintiffs have retained counsel experienced in consumer protection law and consumer class actions.

204. Superiority: The prosecution of separate actions by individual members of the Private Class would create a risk of inconsistent or varying adjudications with respect to individual members of the Private Class, which would establish incompatible standards of conduct for Defendants.

205. A class action is superior for the fair and efficient adjudication of the claims. Class members are generally low-income individuals do not have access to legal counsel and who are thus unaware of the protections provided by law, and whose damages may not be substantial enough in light of the complexity of the legal arguments to make individual litigation cost-effective. Therefore, most Private Class members' rights will not be vindicated in the absence of a class action. In addition, prosecution of separate actions by individual Private Class members would create the risk of inconsistent or varying adjudications resulting in the establishment of inconsistent or varying standards for the parties and would not be in the interest of judicial economy. Finally, there are no unusual or difficult case management issues inherent in this litigation.

CAUSES OF ACTION

COUNT I: VIOLATIONS OF THE MICHIGAN CONSUMER PROTECTION ACT

(On behalf of the People, as well as Plaintiffs Hall and Ford on their own behalf and on behalf of the Private Class, Against Sublease Defendants)

206. Plaintiffs incorporate the preceding paragraphs by reference.

207. The Michigan Consumer Protection Act prohibits thirty-eight (38) enumerated “[u]nfair, unconscionable, or deceptive methods, acts, or practices in the conduct of trade or commerce.” MCL 445.903(1).

208. Sublease Defendants promised to provide credit repair services to help prospective tenants to repair their credit (such as improving credit scores, helping tenants to secure independent housing, etc.), and Sublease Defendants not only failed to help repair credit, but created additional risks of financial defaults, and such risks were realized with additional negative credit information for hundreds of families (hundreds of eviction cases, collection cases, negative credit reporting). Each such action and/or each day of such continuing conduct, violated the Michigan Consumer Protection Act in multiple ways because Sublease Defendants:

- a. Represented that their services had sponsorship, approval, and characteristics that they did not have. MCL 445.903(1)(c).
- b. Represented that their services had a different standard, quality, or grade than they were. MCL 445.903(1)(e).
- c. Advertised or represented their services to consumers without the intent to dispose of them as advertised or represented. MCL 445.903(1)(g).
- d. Caused a probability of confusion as to the legal rights, obligations, or remedies of a party to a transaction. MCL 445.903(1)(n).
- e. Failed to reveal a material fact to the Real Tenants, the omission of which tended to mislead or deceive them, and which fact they could not reasonably have known. MCL 445.903(1)(s).
- f. Misrepresented facts regarding credit repair services such that customers reasonably believed Defendant would help to repair their credit. MCL 445.903(1)(bb).
- g. Failed to reveal facts that were material to the transaction in light of positive factual representations. MCL 445.903(1)(cc).

209. Sublease Defendants represented that they would provide affordable housing, and Sublease Defendants failed to provide housing that was actually affordable including by adding thousands of dollars in various surcharges and fees, and filed hundreds of evictions for nonpayment of rent. Each such action and/or each day of such continuing conduct, violated the Michigan Consumer Protection Act in multiple ways because Sublease Defendants:

- a. Represented that their services had sponsorship, approval, and characteristics that they did not have. MCL 445.903(1)(c).
- b. Represented that their services had a different standard, quality, or grade than they were. MCL 445.903(1)(e).
- c. Advertised or represented their services to consumers without the intent to dispose of them as advertised or represented. MCL 445.903(1)(g).
- d. Caused a probability of confusion as to the legal rights, obligations, or remedies of a party to a transaction. MCL 445.903(1)(n).
- e. Misrepresented facts regarding providing affordable housing such that customers reasonably believed the housing was affordable. MCL 445.903(1)(bb).
- f. Failed to reveal facts that were material to the transaction in light of positive factual representations. MCL 445.903(1)(cc).

210. Sublease Defendants represented that they would be a cosigner on tenants' leases but instead acted as a landlord that entered into subleases with tenants. Each such action and/or each day of such continuing conduct violated the Michigan Consumer Protection Act in multiple ways because Sublease Defendants:

- a. Represented that their services had sponsorship, approval, and characteristics that they did not have. MCL 445.903(1)(c).
- b. Represented that their services had a different standard, quality, or grade than they were. MCL 445.903(1)(e).
- c. Advertised or represented their services to consumers without the intent to dispose of them as advertised or represented. MCL 445.903(1)(g).
- d. Caused a probability of confusion as to the legal rights, obligations, or remedies of a party to a transaction. MCL 445.903(1)(n).
- e. Misrepresented facts regarding providing affordable housing such that customers reasonably believed the housing was affordable. MCL 445.901(1)(bb).
- f. Failed to reveal facts that were material to the transaction in light of positive factual representations. MCL 445.903(1)(cc).

211. Sublease Defendants charged unfair and deceptive Risk Fees without disclosing them in advertisements and without the fees actually being commensurate with any purported risk. Each such action and/or each day of such continuing conduct, violated the Michigan Consumer Protection Act in multiple ways because Sublease Defendants:

- a. Represented that their services had characteristics (i.e., guarded against risk) that they did not have. MCL 445.903(1)(c).
- b. Represented that their services had a different standard, quality, or grade than they were. MCL 445.903(1)(e).
- c. Advertised or represented their services to consumers without the intent to dispose of them as advertised or represented. MCL 445.903(1)(g).
- d. Caused a probability of confusion as to the legal rights, obligations, or remedies of a party to a transaction. MCL 445.903(1)(n).
- e. Failed to reveal a material fact, the omission of which tended to mislead or deceive the consumer, and which fact could not reasonably be known by consumer. MCL 445.903(1)(s).
- f. Charged a price that was grossly in excess of the price at which similar property or services were sold. MCL 445.903(1)(z).
- g. Misrepresented facts regarding providing affordable housing such that customers reasonably believed the housing was affordable. MCL 445.901(1)(bb).
- h. Failed to reveal facts that were material to the transaction in light of positive factual representations. MCL 445.903(1)(cc).

212. Sublease Defendants charged unfair and deceptive inflated Rental Upcharges without disclosing them in advertisements and that are grossly excessive and are contrary to traditional practice and common understandings of subleases. Each such action and/or each day of such continuing conduct, violated the Michigan Consumer Protection Act in multiple ways because Sublease Defendants:

- a. Represented that their services had characteristics that they did not have. MCL 445.903(1)(c).
- b. Represented that their services had a different standard, quality, or grade than they were. MCL 445.903(1)(e).
- c. Advertised or represented their services to consumers without the intent to dispose of them as advertised or represented. MCL 445.903(1)(g).
- d. Caused a probability of confusion as to the legal rights, obligations, or remedies of a party to a transaction. MCL 445.903(1)(n).

- e. Failed to reveal a material fact, the omission of which tended to mislead or deceive the consumer, and which fact could not reasonably be known by consumer. MCL 445.903(1)(s).
- f. Charged a price that was grossly in excess of the price at which similar property or services were sold. MCL 445.903(1)(z).
- g. Misrepresented facts regarding providing affordable housing such that customers reasonably believed the housing was affordable. MCL 445.901(1)(bb).
- h. Failed to reveal facts that were material to the transaction in light of positive factual representations. MCL 445.903(1)(cc).

213. Sublease Defendants charged illegal and/or excessive penalties and fees as described above without disclosing them in advertisements and without the penalties and fees being commensurate with actual cost. Each such action and/or each day of such continuing conduct, violated the Michigan Consumer Protection Act in multiple ways because Sublease Defendants:

- a. Represented that their services had sponsorship, approval, and characteristics that they did not have. MCL 445.903(1)(c).
- b. Represented that their services had a different standard, quality, or grade than they were. MCL 445.903(1)(e).
- c. Caused a probability of confusion as to the legal rights, obligations, or remedies of a party to a transaction. MCL 445.903(1)(n).
- d. Failed to reveal a material fact, the omission of which tended to mislead or deceive the consumer, and which fact could not reasonably be known by consumer. MCL 445.903(1)(s).
- e. Charged a price that was grossly in excess of the price at which similar property or services were sold. MCL 445.903(1)(z).
- f. Misrepresented facts regarding providing affordable housing such that customers reasonably believed the housing was affordable. MCL 445.901(1)(bb).
- g. Failed to reveal facts that were material to the transaction in light of positive factual representations. MCL 445.903(1)(cc).
- h. Entered into a consumer transaction in which the consumer waives or purports to waive a right, benefit, or immunity provided by law, unless the waiver is clearly stated and the consumer has specifically consented to it, including purporting to assess default and legal fees that are prohibited by law. MCL 445.903(1)(t).

214. Sublease Defendants failed to provide its Traditional Lease with the Traditional Landlord to the Real Tenant in order to obscure the excessive fees, costs, and other improper

terms of the Sublease Agreement. Each such action and/or each day of such continuing conduct, violated the Michigan Consumer Protection Act in multiple ways because Sublease Defendants:

- a. Represented that their services had characteristics that they did not have. MCL 445.903(1)(c).
- b. Represented that their services had a different standard, quality, or grade than they were. MCL 445.903(1)(e).
- c. Advertised or represented their services to consumers without the intent to dispose of them as advertised or represented. MCL 445.903(1)(g).
- d. Caused a probability of confusion as to the legal rights, obligations, or remedies of a party to a transaction. MCL 445.903(1)(n).
- e. Failed to reveal a material fact to the Real Tenants, the omission of which tended to mislead or deceive them, and which fact they could not reasonably have known. MCL 445.903(1)(s).
- f. Charged a price that was grossly in excess of the price at which similar property or services were sold. MCL 445.903(1)(z).
- g. Misrepresented facts regarding providing affordable housing such that customers reasonably believed the housing was affordable. MCL 445.901(1)(bb).
- h. Failed to reveal facts that were material to the transaction in light of positive factual representations. MCL 445.903(1)(cc).

215. Sublease Defendants created business structures with overlapping names and confusing communications regarding the rights and responsibilities of each of the Sublease Defendants and the Traditional Landlords. Each such action and/or each day of such continuing conduct, violated the Michigan Consumer Protection Act in multiple ways because Sublease Defendants:

- a. Caused a probability of confusion or misunderstanding as to the source of services. MCL 445.903(1)(a).
- b. Represented that their services had sponsorship, approval, and characteristics that they did not have. MCL 445.903(1)(c).
- c. Caused a probability of confusion as to the legal rights, obligations, or remedies of a party to a transaction. MCL 445.903(1)(n).
- d. Failed to reveal a material fact to the Real Tenants, the omission of which tended to mislead or deceive them, and which fact they could not reasonably have known. MCL 445.903(1)(s).
- e. Misrepresented facts material to the transaction such that Real Tenants reasonably believe that the state of affairs is different from the reality, including what company they owe money to, who has the right to collect, and who has responsibilities to maintain housing. MCL 445.901(1)(bb).

- f. Failed to reveal facts that were material to the transaction in light of positive factual representations, including what entity the Real Tenant is in a contractual relationship with. MCL 445.903(1)(cc).

216. Sublease Defendants obscured and misrepresented their rent transmittal practices, causing harm to consumers. Each such action and/or each day of such continuing conduct, violated the Michigan Consumer Protection Act in multiple ways because Sublease Defendants:

- a. Caused a probability of confusion or misunderstanding as to the source of services. MCL 445.903(1)(a).
- b. Represented that their services had sponsorship, approval, and characteristics that they did not have. MCL 445.903(1)(c).
- c. Represented that their services had a different standard, quality, or grade than they were. MCL 445.903(1)(e).
- d. Advertised or represented their services to consumers without the intent to dispose of them as advertised or represented. MCL 445.903(1)(g).
- e. Caused a probability of confusion as to the legal rights, obligations, or remedies of a party to a transaction. MCL 445.903(1)(n).
- f. Failed to reveal a material fact to the Real Tenants, the omission of which tended to mislead or deceive them, and which fact they could not reasonably have known. MCL 445.903(1)(s).
- g. Failed to reveal facts that were material to the transaction in light of positive factual representations. MCL 445.903(1)(cc).

217. A reasonable consumer would have relied on Sublease Defendants' deceptive representations.

218. In addition, or in the alternative, Sublease Defendants' conduct was unfair and/or unconscionable.

219. **Claims & Remedies of The People of Michigan:**

- a. The Michigan Consumer Protection Act authorizes the Prosecuting Attorney, MCL 445.915, to enforce these prohibitions through injunctive relief, class action damages, declaratory relief, and civil fines and costs. MCL 445.905, MCL 445.910, 445.911.

b. As to the claim for fines brought by the People, Sublease Defendants' violations of the Michigan Consumer Protection Act were persistent, as the violations occurred for years and harmed hundreds of consumers; and they were knowing, as Defendants are sophisticated, professional real estate operators with the able representation of at least one experienced law firm, such that fines pursuant to MCL 445.905 are warranted.

c. The People thus seek a declaration that Sublease Defendants' behavior is unlawful; an injunction against Sublease Defendants' unlawful behavior; costs; a fine of \$25,000 for each violation in light of Sublease Defendants' persistent and knowing violations; and actual damages on a class wide basis. MCL 445.905; MCL 445.910; MCL 445 911.

220. Claims & Remedies of Plaintiffs & the Private Class:

a. Named Plaintiffs and the Private Class have been harmed by said Sublease Defendants' conduct, including by the payment of excessive and unlawful fees.

b. Named Plaintiffs and the Private Class have suffered humiliation, outrage, and indignity resulting from injuries that were maliciously, willfully, and/or wantonly inflicted by Sublease Defendants and thus are entitled to exemplary damages as part of their actual damages.

c. Named Plaintiffs, on behalf of themselves and the Private Class, thus seek a declaration that Sublease Defendants' conduct is unlawful; an injunction against Sublease Defendants' continuation of said conduct; actual damages and reimbursement; an order striking unconscionable contract terms; and all other appropriate relief, pursuant to MCL 445.911.

COUNT II: VIOLATION OF THE CREDIT SERVICES PROTECTION ACT

(On behalf of the People, as well as Plaintiffs Hall and Ford on their own behalf and on behalf of the Private Class, Against Sublease Defendants)

221. Plaintiffs incorporate the preceding paragraphs by reference.

222. Sublease Defendants, each at times using the assumed name Innovative Apartment Group, represent in their sales process that Real Tenants should enter the Sublease Agreement in part because entering into such agreements will improve Real Tenants' credit records and/or provide advice or assistance regarding the improvement or repair of Real Tenants' credit reports.

223. Therefore, Sublease Defendants are credit services organizations, as they are persons (which includes individuals and business entities, MCL 445.1822(e)), who offered to: (i) improve credit records, histories, and ratings; (ii) get an extension of credit; (iii) provide advice or assistance regarding (i); and/or (iv) provide advice or assistance regarding (ii). MCL 445.1822(b).

224. Named Plaintiffs and the other Real Tenants are buyers of credit services because they were solicited to purchase and did purchase the services of Sublease Defendants. MCL 445.1822(a).

225. As set forth above, Sublease Defendants engaged in activities prohibited by the Credit Services Protection Act by conduct including, but not limited to, the following:

- a. Charging and/or receiving money from buyers before completing all services the Sublease Defendants agreed to perform, namely, credit repair, in violation of MCL 445.1823(b);
- b. Making or using false or misleading representations of their services, including but not limited to representing to buyers that by entering into Sublease Agreements, the buyers' credit would be improved, in violation of MCL 445.1823(d);
- c. Engaging in fraudulent or deceptive acts, practices, or course of business in connection with the offer or sale of services, including but not limited to

representing to buyers that by entering into Sublease Agreements, the buyers' credit would be improved, in violation of MCL 445.1823(e);

- d. Purporting to provide a credit repair service that is not pursuant to a written contract in compliance with the Credit Services Protection Act, in violation of MCL 445.1823(k).

226. Named Plaintiffs and the Private Class were damaged by Defendants' conduct.

227. Named Plaintiffs and the Private Class have suffered humiliation, outrage, and indignity resulting from injuries that were maliciously, willfully, and/or wantonly inflicted by Sublease Defendants, and/or were inflicted in bad faith, and thus are entitled to punitive and/or exemplary damages.

228. The People, as well as Plaintiffs Hall and Ford, on behalf of themselves and the Private Class, seek an injunction, declaratory judgment, actual damages, reasonable attorney fees and court costs, and punitive damages. MCL 445.1824(1).

**COUNT III: VIOLATION OF THE REGULATION OF COLLECTION PRACTICES
ACT**

(Plaintiffs Hall and Ford on behalf of themselves and all others similarly situated, Against Defendants Hot Perks, O'Dowd, and Wiltgen and, in the Alternative to Count IV, Against Defendants Low Credit Rents and Velo Law)

229. Plaintiffs Hall and Ford incorporate the preceding paragraphs by reference.

230. Plaintiffs Hall and Ford, and the Private Class, are "consumers" or "debtors," as defined by MCL 445.251(d), who owed a "claim" or a "debt" to Defendant Hot Perks and/or any entity using the name Innovative Apartment Group by virtue of their alleged obligations arising out of their agreements with Hot Perks/Innovative Apartment Group, as defined by MCL 445.251(a).

231. Defendants Hot Perks, O'Dowd, and Wiltgen are "regulated persons" as defined by MCL 445.251(g).

232. In the event that Defendants Low Credit Rents and Velo Law are found not to be collection agencies, as alleged in Count IV, Defendants Low Credit Rents and Velo Law are a “regulated persons” as defined by MCL 445.251(g).

233. Said Defendants engaged in prohibited acts in violation of the Michigan’s Regulation of Collection Practices Act, including but not limited to the following:

- a. Making inaccurate, misleading, untrue, or deceptive statements or claims in a communication to collect a debt or concealing or not revealing the purpose of a communication when it is made in connection with collecting a debt, in violation of MCL 445.252(e);
- b. Misrepresenting the legal status and/or legal rights of Plaintiffs, in violation of MCL 445.252(f); and/or
- c. Upon information and belief, failing to implement a procedure designed to prevent a violation by an employee, in violation of MCL 445.252(q).

234. Said Defendants’ violations were willful.

235. Said Defendants collected money from Plaintiffs Hall and Ford and the Private Class by use of a method, act, or practice in violation of MCL 445.252.

236. Plaintiffs Hall and Ford and the Private Class were damaged by said Defendants’ conduct.

237. Named Plaintiffs and the Private Class have suffered humiliation, outrage, and indignity resulting from injuries that were maliciously, willfully, and/or wantonly inflicted by said Defendants and thus are entitled to exemplary damages as part of their actual damages.

238. Plaintiffs Hall and Ford, on behalf of themselves and the Private Class, thus seek actual damages or \$50, whichever is greater; civil fines of three times the actual damages or \$150, whichever is greater; reasonable attorney’s fees and court costs; and equitable relief, pursuant to MCL 445.257.

COUNT IV: VIOLATION OF THE OCCUPATIONAL CODE

(Plaintiffs Hall and Ford on behalf of themselves and all others similarly situated, Against Defendants Low Credit Rents, Wiltgen, O'Dowd, and Velo Law; In the Alternative to Count III)

239. Named Plaintiffs incorporate the preceding paragraphs by reference.

240. Named Plaintiffs are “consumers” or “debtors,” as defined by MCL 339.901(f), who owed a “claim” or a “debt” to Defendant Hot Perks by virtue of alleged obligations arising out their agreements with Hot Perks, as defined by MCL 339.901(a).

241. Defendants Low Credit Rents, and Defendants Wiltgen and O'Dowd in their capacities working for Defendants Low Credit Rents, are “collection agencies” as defined by MCL 339.901(b), by virtue of their collection of alleged claims owed to Defendant Hot Perks.

242. Defendant Velo Law is a “collection agenc[y]” as defined by MCL 339.901(b), by virtue of their collection of alleged claims owed to Defendant Hot Perks and/or Defendant Low Credit Rents.

243. Defendants Low Credit Rents, Wiltgen, O'Dowd, and Velo Law violated the Michigan Occupational Code provisions on collection practices by conduct including but not limited to:

- a. Operating a collection agency or commerce in the business of a collection agency without first applying for and obtaining a license to do so, in violation of MCL 339.904(1);
- b. Failing to maintain a surety or cash bond, in violation of MCL 339.907;
- c. Engaging in collection agency business outside the personal supervision of a licensed collection agency manager or an owner manager as defined, in violation of MCL 339.908;
- d. Upon information and belief, failing to maintain a separate trust account as required by MCL 339.909; and/or
- e. Upon information and belief, failing to keep and use books, accounts, or records required by MCL 339.910 and otherwise failing to comply with that provision.

244. As collection agencies as defined by statute, Defendants Low Credit Rents, Wiltgen, O'Dowd, and Velo Law are subject to the same requirements as licensees.

245. As described above, Defendants Low Credit Rents, Wiltgen, O'Dowd, and Velo Law have engaged in prohibited acts in violation of Michigan Occupational Code's provisions on collection practices, including but not limited to the following:

- a. Communicating with a debtor in a misleading or deceptive manner, including by failing to appropriately or accurately disclose the entities engaged in the collection activities and the failure to obtain proper licensure, in violation of MCL 339.915(a);
- b. Making inaccurate, misleading, untrue, or deceptive statements or claims in communications to collect a debt or concealing or not revealing the purpose of the communication when it is made in connection with collecting a debt, in violation of MCL 339.915(e);
- c. Misrepresenting the legal status of a legal action being taken or threatened and/or the legal rights of the creditor or debtor, in violation of MCL 339.915(f);
- d. Upon information and belief, failing to implement procedures designed to prevent a violation by an employee, in violation of MCL 339.915(q);
- e. Upon information and belief, employing or retaining an attorney to collect on a claim that is not owned by said Defendants, when Defendant Hot Perks did not authorize said Defendants in writing to do so, in violation of MCL 339.915a(1)(d);
- f. To the extent that the debt was actually assigned prior to institution of legal proceedings in which Low Credit Rents was named as plaintiff, soliciting, purchasing, or receiving an assignment of a claim for the sole purpose of instituting an action on the claim in court, in violation of MCL 339.915a(1)(f);
- g. Upon information and belief, failing to deposit money collected into the required trust account, commingling money collected for Hot Perks with said Defendants' own general or operating funds, and/or using a part of Hot Perks' money in the conduct of said Defendants' business, in violation of MCL 339.915a(1)(h), (i), and/or (j);
- h. Identifying themselves by names that do not appear on a collection agency license, in violation of MCL 339.915a(1)(n); and/or
- i. Operating under a name or in a manner that implies or states that the collection agency has been approved or licensed, in violation of MCL 339.915a(1)(p).

246. Said Defendants further violated MCL 339.917 by failing to follow the licensure, bookkeeping, notification, and operational requirements set forth in that provision, and by violating state and federal law relating to debt collection as described herein.

247. Said Defendants collected money from Named Plaintiffs by use of a method, act, or practice in violation of the Michigan Occupational Code's provisions on collection practices.

248. Plaintiffs Hall and Ford and the Private Class were damaged by said Defendants' conduct.

249. Named Plaintiffs and the Private Class have suffered humiliation, outrage, and indignity resulting from injuries that were maliciously, willfully, and/or wantonly inflicted by said Defendants and thus are entitled to exemplary damages as part of their actual damages.

250. Plaintiffs Hall and Ford, on behalf of themselves and the Private Class, thus seek actual damages or \$50, whichever is greater, and equitable relief, pursuant to MCL 339.916.

251. In addition, pursuant to MCL 339.916, because said Defendants' method, act, or practices as described above was and is willful, Plaintiffs Hall and Ford, on behalf of themselves and the Private Class, seek a civil penalty of not less than three times the actual damages or \$150, whichever is greater; and reasonable attorney's fees and court costs.

252. Further, Defendants' prohibited acts set forth in MCL 339.917, Plaintiffs Hall and Ford, on behalf of themselves and the Private Class, seek restitution and an injunction preventing said Defendants from their unlawful operations and providing all other available relief, pursuant to article 6 of the Michigan Occupational Code.

RELIEF REQUESTED

WHEREFORE, Plaintiff Eli Savit, Prosecuting Attorney for Washtenaw County, on behalf of the People of the State of Michigan, and Plaintiffs Kaitlin Hall and Kyesha Ford, on behalf of themselves and all others similarly situated, respectfully request that this Court:

A. Declare that Defendants:

1. Violated the Michigan Consumer Protection Act by unfair and deceptive trade practices;
 2. Violated the Credit Services Protection Act by engaging in prohibited conduct;
 3. Violated the Regulation of Collection Practices Act; and
 4. Violated the Occupational Code.
- B. Declare that Sublease Defendants are jointly and severally liable for all violations of the Michigan Consumer Protection Act and Credit Services Protection Act;
- C. Declare that all Defendants are jointly and severally liable for violations of the Regulation of Collection Practices Act and the Occupational Code;
- D. Enjoin Defendants from unlawful conduct, including as follows:
1. Stop advertising for or soliciting to prospective tenants, by any and all means, methods, and media through which Defendants are, have been, or may begin doing so (e.g., taking down website offerings, including on third party sites, etc.);
 2. Stop demanding and/or accepting Risk Fees, inflated rent, and other illegal or improper fees, directly and indirectly;
 3. Strike unconscionable terms from agreements at issue;
 4. Take affirmative steps to remedy any violations (e.g., correcting information furnished to consumer reporting agencies, setting aside and/or dismissing past judgments for nonpayment of rent, dismiss pending eviction actions, etc.);
- E. Certify the Private Class and appoint Named Plaintiffs' counsel as private class counsel;
- F. Enter an order for equitable relief, including restitution to all those harmed and/or disgorgement of all ill-gotten gains;
- G. Enter a money judgment for:

1. Actual damages, including but not limited to Risk Fees, Rental Upcharges, and other illegal and improper fees and charges paid by Real Tenants;
2. Statutory damages;
3. Statutory penalties and civil fines, including but not limited to \$25,000 per violation of the Michigan Consumer Protection Act, in recognition of the harm done and to deter future violations;
4. Civil fine of treble damages or \$150.00, whichever is greater, for violations of the Michigan Occupational Code and Regulation of Collection Practices Act;
5. Punitive damages to Named Plaintiffs and the Private Class for violations of the Credit Services Protection Act;
6. Exemplary damages to compensate Plaintiffs and class members for their humiliation, sense of outrage, and indignity.
7. Enforcement costs, investigation costs, inspection costs, and attorney's fees, expert and lay witness costs and expenses, court costs, interest, and any other monetary relief to which the People, Named Plaintiffs, and the Private Class are entitled.

H. Any other relief this Court finds equitable and just.

Respectfully submitted,

Dated: January 12, 2026

/s/ Todd Ryan

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Dated: January 12, 2026

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