GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

MARLON I. BROWN, DPA
DIRECTOR

March 30, 2026

Mark James
American AFC Inc.
5355 Northland Dr. C-133
Grand Rapids, MI 49525

RE: License #:	AM610259339
Investigation #:	2026A0356020
	Terrace Manor

Dear Mr. James:

Attached is the Special Investigation Report for the above referenced facility. No substantial violations were found.

Please review the enclosed documentation for accuracy and contact me with any questions. If I am not available and you need to speak to someone immediately, please contact the local office at (616) 356-0100.

Sincerely,

Elizabeth Elliott

Elizabeth Elliott, Licensing Consultant
Bureau of Community and Health Systems
350 Ottawa, N.W.
Grand Rapids, MI 49503
(616) 901-0585

enclosure

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF COMMUNITY AND HEALTH SYSTEMS
SPECIAL INVESTIGATION REPORT

I. IDENTIFYING INFORMATION

License #:	AM610259339
Investigation #:	2026A0356020
Complaint Receipt Date:	02/11/2026
Investigation Initiation Date:	02/11/2026
Report Due Date:	04/12/2026
Licensee Name:	American AFC Inc.
Licensee Address:	5355 Northland Dr. C-133 Grand Rapids, MI 49525
Licensee Telephone #:	(616) 292-2837
Administrator:	Mark James
Licensee Designee:	Mark James
Name of Facility:	Terrace Manor
Facility Address:	1148 Terrace Street Muskegon, MI 49442-3449
Facility Telephone #:	(231) 722-7442
Original Issuance Date:	05/12/2004
License Status:	1ST PROVISIONAL
Effective Date:	10/20/2025
Expiration Date:	04/19/2026
Capacity:	12
Program Type:	PHYSICALLY HANDICAPPED DEVELOPMENTALLY DISABLED MENTALLY ILL, AGED

II. ALLEGATION(S)

	Violation Established?
The facility has bed bug infestation.	No
Residents' belongings are being thrown away without their knowledge or consent.	No

III. METHODOLOGY

02/11/2026	Special Investigation Intake 2026A0356020
02/11/2026	Special Investigation Initiated - Telephone Stephanie Kindle, APS, Muskegon County DHHS.
02/11/2026	APS Referral
02/17/2026	Inspection Completed On-site
02/17/2026	Contact - Face to Face John "June" Chandler, Residents A-J.
02/17/2026	Contact - Document Received Bed Bug treatment used in the facility-Temprid
03/09/2026	Contact-Telephone call made Mark James, Licensee Designee.
03/27/2026	Exit conference-Mark James via telephone.

ALLEGATION: The facility has a bed bug infestation.

INVESTIGATION: On 02/11/2026, I received a LARA-BCHS (Licensing and Regulatory Affairs, Bureau of Community Health Systems) online complaint. The complainant reported the facility has a significant bed bug infestation and the bugs are all over all residents, walls, and floors.

On 02/11/2026, I interviewed Stephanie Kindle, APS (Adult Protective Services) worker, DHHS (Department of Health and Human Services). Ms. Kindle stated she has recently been in the facility and did not see any bed bugs. Ms. Kindle stated she is not well versed at inspecting homes for bed bugs but that she did not see any during her investigation.

On 02/17/2026, I conducted an unannounced inspection at the facility and interviewed DCW (Direct Care Worker) John “June” Chandler. Mr. Chandler stated the home is not infested with bed bugs. He acknowledged that they have had bed bugs in the past, but he has not seen any live bed bugs lately. Mr. Chandler stated they treat the facility biweekly with Temprid Insecticide and heat treatment of the facility was set for the end of January 2026, but the weather was so bad that it was postponed until warmer temperatures. Mr. Chandler explained that when the house is heat-treated, all the residents must be out of the facility for several hours and it made sense to do the heat treatment when the weather is better so they could be outside at a park or some other activity. Mr. Chandler stated that recently, all the resident mattresses in their rooms and the furniture in the living room was replaced.

On 02/17/2026, I interviewed Resident A, B, C and D on the main floor of the facility. Resident A and D stated they have not seen bed bugs in the facility or in their rooms. Resident B stated he has not seen bed bugs lately but has had a bed bug on him in the past. Resident C stated he has only seen 1 or 2 bed bugs in the past but has not seen any lately.

On 02/17/2026, I inspected the bedroom of Resident A, B and C on the main floor. I inspected their mattresses, bedding, pillows, along with the Velcro on the mattress covers and baseboards around the edge of the bedroom. I saw evidence of a powdery substance along the baseboards used to treat bed bugs. I observed one dead bed bug in the main floor bedroom, but did not observe any live bed bugs.

On 02/17/2026, I interviewed Resident F, G, H, I, and J in the upper level of the facility in their rooms. Each of the residents stated they do not have bed bugs nor have they seen bed bugs. The residents stated a spray treatment is used around the baseboards, every few weeks and that the main activity for bed bugs is the one room on the main floor with Resident A, B and C in it. Resident H stated he saw a bed bug “a while ago, on the main floor” but not recently.

On 02/17/2026, I inspected Resident D, F, G, H, I and J’s rooms and found no live or dead bed bugs in their rooms. Resident E is no longer residing in the facility, having recently moved out, but all her belongings are still in the room. An inspection of Resident E’s room was conducted, and no evidence of bed bugs was found. All of the residents’ mattresses appear to be newer and have zipped protective coverings on them.

On 02/17/2026, I inspected the walls in the facility, the floors and the living room furniture and did not observe any signs of bed bugs as described in the allegation.

On 03/09/2026, I interviewed Mark James, Licensee Designee via telephone. Mr. James stated he had bed bug heat treatment set up for 01/27/2026 but postponed the treatment until spring when it is warmer because the residents must be out of the facility and the weather was so cold. Mr. James stated usually when he has had the facility heat treated, he had access to a church, and the residents would go to the

church for the day. Mr. James stated he no longer has access to the church and plans to have the facility treated when the residents can go to the local park for a cookout. Mr. James stated he sprays the home every two weeks with Temprid liquid treatment to keep the bugs away.

On 03/27/2026, I conducted an exit conference with Mr. James via telephone. Mr. James stated he has heat-treated this facility and replaced sofas, mattresses and chairs when there are reported incidents of bed bugs in the facility. Mr. James stated he agreed with the findings of this applicable rule.

APPLICABLE RULE	
R 400.645	**Environmental health.**
	(6) An insect, rodent, or pest control program must be maintained and carried out in a manner that continually protects the health of residents.
ANALYSIS:	The complainant reported that the facility has a significant bed bug infestation and the bugs are all over all residents, walls, and floors. Mr. Chandler and Residents A, B, C, D, F, G, H, I, and J reported no recent bed bug activity. Upon inspection of the facility and the resident rooms, I did not find the facility to be infested with bed bugs on the residents, walls or floors. A violation of this applicable rule is not established.
CONCLUSION:	VIOLATION NOT ESTABLISHED

ALLEGATION: Residents' belongings are being thrown away without their knowledge or consent.

INVESTIGATION: On 02/11/2026, I received a LARA-BCHS (Licensing and Regulatory Affairs, Bureau of Community Health Systems) online complaint. The complainant reported residents' belongings were thrown away without their consent or knowledge.

On 02/17/2026, I conducted an unannounced inspection at the facility and interviewed Mr. Chandler. Mr. Chandler stated the mattresses and furniture in the living room have been replaced as a preventative measure for bed bugs. Mr. Chandler stated they have not thrown away any of the residents' belongings and they have not thrown away any of the residents belongings without their consent or knowledge. Mr. Chandler stated Resident E recently moved out of the facility and all

her belongings remain in her room. Mr. Chandler stated staff will box her belongings and store them until someone comes to retrieve them.
On 02/17/2026, I interviewed Resident A, B, C, D, F, G, H, I, and J on the main floor of the facility. Resident A, B, C, D, F, G, H, I and J stated their belongings have not been thrown away without their knowledge or consent.

On 02/17/2026, I inspected Resident E's room and observed her belongings are still in the room.

On 03/27/2026, I conducted an exit conference with Mr. James via telephone. Mr. James stated he agreed with the findings of this applicable rule.

APPLICABLE RULE	
R 400.681	**Resident rights; licensee responsibilities.**
	(3) A licensee and staff shall respect and safeguard all of the following resident rights to: (k) Have reasonable access to and use of personal clothing and belongings.
ANALYSIS:	The complainant reported residents' belongings were thrown away without their consent or knowledge. Mr. Chandler and Resident A, B, C, D, F, G, H, I and J stated their belongings have not been thrown away without their consent or knowledge. Resident E's belongings remain in her room even though Resident E no longer resides in the facility. A violation of this applicable rule is not established.
CONCLUSION:	VIOLATION NOT ESTABLISHED

IV. RECOMMENDATION

Based on the recommendation from SI2026A0356019, I continue to recommend the revocation of this license.

Elizabeth Elliott

03/30/2026

Elizabeth Elliott, Licensing Consultant Date

Approved By:

03/30/2026

Jerry Hendrick, Area Manager Date