

STATE OF MICHIGAN
WAYNE COUNTY CIRCUIT COURT

AJAX METAL PROCESSING, INC.,
a Michigan corporation, individually
and as representative of a class of
Similarly situated persons and entities,

Case No. 23-015314-CB
Hon. Annette J. Berry

Plaintiff,

v.

CITY OF DETROIT,
a municipal corporation,

Defendant.

Gregory D. Hanley (P51204)
Edward F. Kickham Jr. (P70332)
Kickham Hanley PLLC
40950 Woodward Ave., Suite 306
Bloomfield Hills, MI 48304
(248) 544-1500
Attorneys for Plaintiff and the Class

Sonal Hope Mithani (P51984)
Kimberly L. Scott (P69706)
Miller, Canfield, Paddock and Stone, P.L.C.
101 North Main, Seventh Floor
Ann Arbor, MI 48104
(734) 668-7786 / (734) 747-7147 Fax
Attorney for City of Detroit

**ORDER REGARDING PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT, NOTICE AND SCHEDULING**

At a session of said Court held in the
City of Detroit, County of Wayne
State of Michigan on 7/10/2026
PRESENT: HON. ~~JUDGE ANNETTE J. BERRY~~
BERRY Circuit Court Judge

The Plaintiff Ajax Metal Processing, Inc. and the Defendant the City of Detroit, by and through its Water and Sewerage Department (the “City”) (together, the “Parties” and individually a “Pary”) seek preliminary approval of the Class Action Settlement Agreement (the “Agreement”) attached hereto as Exhibit 1.

Plaintiff commenced the above captioned lawsuit (the “Lawsuit”) in Wayne County Circuit Court challenging the City’s tiered retail water volumetric rates (the “Tiered Rates”) applicable to

users of its water supply services. Plaintiff alleges that the Tiered Rates (consisting of a Tier 1 rate for water usage less than or equal to .6 MCF, and Tier 2 rate for water usage greater than .6 MCF) are inclining block rates that result in charges to certain higher-volume users which exceed the City's cost of servicing those users (the "Charges"). The City maintains that its Tiered Rates are not inclining block rates and reflect a fair and proportional allocation of its water costs to both the public-health based lifeline rate (Tier 1 rate) and the uniform rate (Tier 2 rate) based on the monthly water usage by all customers.

The Complaint alleges that the Lawsuit should be maintained as a class action on behalf of a class consisting of certain persons or entities who or which have consumed certain levels of water and paid the City for this water service under the Tiered Rates since August 1, 2022 and/or at any time during the pendency of this action, and the Court entered an order granting class certification on September 12, 2025.

The City denies that the City's Tiered Rates and resulting Charges are improper or materially in excess of the actual expenses of providing water service to certain customers; denies that the Tiered Rates preference certain high-volume users over other; denies that it has intentionally or negligently committed any unlawful, wrongful, or tortious acts or omissions, violated any constitutional provision or statute, or breached any duties of any kind whatsoever; denies that it is in any way liable to any member of the Class; and states that the claims asserted in the Lawsuit have no substance in fact or law, and the City has meritorious defenses to such claims. The Court has made no final adjudication concerning the merits of the lawsuit at this time.

The Parties each understand the risks of proceeding to trial on the merits of the claims asserted in the Lawsuit and prevailing on their respective positions based on the existing legal principles and the developed factual record, and thus, have each agreed to enter into the Agreement

to avoid the risks, expense, and inconvenience of continued, protracted litigation, and, as to the City, to obtain total and final peace, satisfaction and protection from the claims asserted against it in the Lawsuit.

The Named Plaintiff in the Lawsuit and Class Counsel also have been provided with discovery and have conducted investigations into the facts of the Lawsuit, have made a thorough study of the legal principles applicable to the claims in the Lawsuit and assessed the likelihood of recovery of the requested relief (i.e., Plaintiff's calculated refunds and proposed single uniform rate), and, after several private mediation sessions with mediator Thomas McNeill, Esq., have concluded that a class settlement with the City in the amount and on the terms set forth in the Agreement (the "Settlement") is fair, reasonable, and adequate, and is in the best interest of the Class.

Plaintiff and the City in this Lawsuit intend to make application to this Court, pursuant to MCR 3.501(E), for a Final Order approving the Settlement in accordance with the terms set forth in the Agreement, executed by the parties on June 18, 2026, and attached hereto as Exhibit 1, and they seek preliminary approval of the Agreement for purposes of, among other things, notifying class members of the proposed Settlement. For settlement purposes, the Parties agree that the Class shall consist of all persons and entities who/which have used an average of at least 1.0 MCF per month and paid or incurred Charges for water service from the City between August 1, 2026 and May 31, 2026 and who do not request to be excluded from the Class pursuant to MCR 3.501(D)

The Court has been made aware of the settlement process leading to the agreement reached, and counsel have demonstrated that the Settlement is within a range of reasonableness and is the result of arm's length bargaining of counsel well versed in the issues.

IT IS HEREBY ORDERED:

1. Unless defined otherwise herein, all capitalized terms shall have the definitions and

meanings accorded to them in the Agreement.

2. The Court preliminarily approves the terms of the Agreement as fair, reasonable and adequate. The Court finds that the Settlement was reached in the absence of collusion, and is the produce of informed, good-faith, arm's length negotiations between the Parties and their counsel. Pursuant to MCR 3.501, the "Class," as defined in Paragraph 2 of the Agreement, is hereby certified for settlement purposes only.

3. A hearing (the "Settlement Hearing") will be held before this Court on September 25, 2026 at 11:00 a.m. via Zoom (ID 573-464-2419), to determine whether the proposed Settlement between Plaintiff and the City, on the terms and conditions provided in the Agreement, is fair, reasonable and adequate and should be approved by the Court, to determine whether a final judgment should be entered dismissing this Lawsuit with prejudice, and without costs, and to determine whether to award attorneys' fees and expenses to Class Counsel from the Settlement Fund and the amount of such fees and expenses.

4. The Court approves the notification to the members of the Class regarding the Settlement and right to hearing, as authorized in Paragraphs 5 and 7 of this Order, finding that such notification is the best notice practicable under the circumstances, is in compliance with MCR 3.501, and the requirements of due process of law, and will adequately inform Class Members of their rights.

5. On or before twenty-eight (28) days from the entry of this Order, Plaintiff's Counsel shall provide notice to the Class as set forth in Paragraph 10(a) of the Agreement (the "Notice."). The Notice shall be substantially similar to the Notice attached as Exhibit B to the Agreement; however, the parties may adjust any deadlines or dates set forth in Exhibit B to remain consistent with the Settlement Hearing scheduled in this matter.

6. The law firm of Kickham Hanley PLLC (“KH”) is hereby appointed as Class Counsel and Claims-Escrow Administrator for this Action. KH is authorized to use the services of a third-party administrator (“TPA”), as provided in the Agreement. Defendant will hold and administer a portion of the Settlement Fund to apply credits as described in Paragraphs 3, 5, 9, 10, 11 and 12 of the Agreement. KH (with the assistance of a TPA) is authorized to implement the Notice requirements set forth in and approved by this Order and to distribute refunds in accordance with the Agreement.

7. The Court directs anyone within the Class definition who wishes to be excluded from the Class and to exercise the right to opt-out of the Class to follow the opt-out procedures and deadlines set forth in the Notice. Any Class Member who does not opt-out may appear personally, or by counsel of his or her own choice and at his or her own expense, at the Settlement Hearing to show cause why: (a) the proposed Settlement of the claims asserted should or should not be approved as fair, just, reasonable, adequate and in good faith; or (b) judgment should or should not be entered thereon; provided, however, that no Class Member will be heard at the Hearing or be entitled to contest the approval of the terms and conditions of the proposed Settlement, and/or the judgment to be entered thereon approving the same, the attorneys’ fees and expenses to be paid, or other matter(s) that may be considered by the Court at or in connection with said Settlement Hearing unless the Class Member timely complies with the requirements of this Paragraph 7. If any Class Member chooses to appear, the Class Member shall file with the Court and serve upon counsel listed below at least thirty-five (35) days prior to the hearing written objections that set forth the name of this matter as defined in the Notice, the objector’s full name, address and telephone number, an explanation of the basis upon which the objector claims to be a Class Member, all grounds for the objection including any known legal support for the objection, the number of times in which the

objector has objected to a class action settlement in the past five years and a caption of each case in which an objection was filed, the identity of all counsel representing the objector at the hearing, a statement confirming whether the objector intends to appear and/or testify at the hearing (along with a disclosure of all testifying witnesses) and the signature of the objector (not just the objector's attorney):

Gregory D. Hanley
Kickham Hanley PLLC
32121 Woodward Avenue, Suite 300
Royal Oak, Michigan 48073
(248) 544-1500
Counsel for Plaintiff and the Class

and

Sonal Hope Mithani
Miller, Canfield, Paddock and Stone, P.L.C.
101 North Main Street, Seventh Floor
Ann Arbor, MI 48104
(734) 668-7786
Counsel for Defendant the City of Detroit

8. Any Class Member who does not opt out and who does not object in the manner provided above shall be deemed to have waived any and all objections to the fairness, adequacy, or reasonableness of the proposed Settlement or the award of attorney's fees and expenses, and shall be bound by all determinations and judgments in the Lawsuit concerning the Settlement, including, but not limited to the Release and Covenant Not To Sue set forth in Paragraph 26 of the Agreement.

9. As stated in Paragraph 6, KH is authorized to serve as the Claims-Escrow Administrator. The Claims-Escrow Administrator, with the assistance of a TPA, shall be responsible for holding the Settlement Fund in escrow, determining the eligibility of Class Members to receive Credits or Refunds, determining the size of each Pro Rata Share, distributing the Refunds to eligible Class Members receiving a Pro Rata Share, preparing a Distribution Report in accordance with

Paragraph 11 of the Agreement, and refunding to the City the unclaimed portion of the Net Settlement Fund as required by Paragraph 13 of the Agreement. The Claims-Escrow Administrator shall also be responsible for: (a) recording receipt of all responses to the Notice; (b) preserving until further Order of this Court any and all written communications from Class Members or any other person in response to the Notice; and (c) making any necessary filings with the Internal Revenue Service. The Claims-Escrow Administrator may respond to inquiries, but copies of all written answers to such inquiries will be maintained and made available for inspection by all counsel in this Lawsuit.

10. All papers in support of the settlement shall be filed with the Court and served on the other parties no later than seven (7) days prior to the Settlement Hearing.

11. The Court expressly reserves its right to adjourn and/or reschedule the Settlement Hearing without any further notice to the Class Members. The Court retains jurisdiction of this Lawsuit to consider all further applications arising out of or connected with the proposed Settlement herein.

12. All pretrial and trial proceedings in the Lawsuit are stayed and suspended until further order of the Court. Pending the final determination of the fairness, reasonableness and adequacy of the Settlement, no Plaintiff or Class Member may institute or commence any action or proceeding against the City asserting any of the claims that were or could have been asserted in this Lawsuit.

13. Subject to the terms of Paragraphs 14-15 of this Order, if the Agreement and Settlement is disapproved, in part or in whole, by the Court, or any appellate court; if dismissal of the Lawsuit with prejudice against the City cannot be accomplished; if a final judgment on the terms set forth in Paragraph 25 of the Agreement is not entered within One Hundred Fifty (150)

days after the entry of this Order; or if the Agreement and Settlement otherwise is not fully consummated and effected:

a. The Agreement shall have no further force and effect and it and all negotiations and proceedings connected therewith shall be without prejudice to the rights of the City, the Named Plaintiff and the Class;

b. Any discussions, offers, negotiations, or information exchanged in association with the Settlement shall not be discoverable or offered into evidence or used in the Lawsuit or any other action or proceeding for any purpose. No publicly disseminated information regarding the Settlement, including, without limitation, the Notice, court filings, orders and public statements may be used as evidence, or construed as admissions or concessions of fact by or against either Party on any point of fact or law. In addition, neither the fact of, nor any documents relating to, either Party's withdrawal from the Settlement, any failure of the Court to approve the Settlement, and/or any objections or interventions may be used as evidence or construed as an admission or concession by the City or by Plaintiff on any point of fact or law. All Parties to the Lawsuit shall stand in the same position as if the Agreement had not been negotiated, made or filed with the Court;

c. The Claims-Escrow Administrator shall immediately return to the City the full value of the Settlement Fund; and

d. The Court shall grant reasonable continuances of the Lawsuit for the Parties to prepare and file motions, prepare for trial, or prepare and file appellate briefs.

14. The City and Class Counsel may, in their sole and exclusive discretion, elect to waive any or all of the terms, conditions or requirements stated in Paragraph 13 of this Order. Such waiver must be memorialized in a writing signed by the City and/or its counsel and Class Counsel

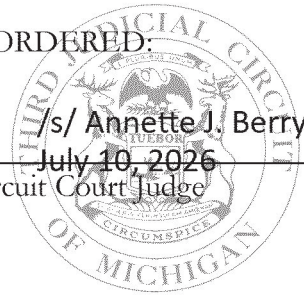
and delivered via certified mail to all counsel of record, or it will have no force or effect.

15. The City and Class Counsel may, in their sole and exclusive discretion, elect to extend any or all of the deadlines stated in Paragraph 13 of this Order. Such extension must be memorialized in a writing signed by the City and/or its counsel and Class Counsel and delivered via certified mail to all counsel of record, or it will have no force or effect.

IT IS SO ORDERED:

Dated: July 10, 2026.

Wayne County Circuit Court Judge



/s/ Annette J. Berry

July 10, 2026

We hereby stipulate to entry of the above order.

Approved as to form and substance:

/s/ Gregory D. Hanley

Gregory D. Hanley (P51204)
Kickham Hanley PLLC
32121 Woodward Avenue, Suite 300
Royal Oak, MI 48073
(248) 544-1500
Attorneys for Plaintiff and the Class

/s/ Sonal Hope Mithani

Sonal Hope Mithani (P51984)
Miller, Canfield, Paddock and Stone, P.L.C.
101 North Main Street, Seventh Floor
Ann Arbor, MI 48104
(734) 668-7786
Attorneys for Defendant