

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.

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LEGAL NOTICE

NOTICE OF CLASS ACTION

TO: All persons and entities who/which have used an average of at least 1 MCF per month and paid the City of Detroit (the “City”) for water service at any time since August 1, 2022 or who/which paid the City for water service during the pendency of this action (herein after, the “Class”).

You are hereby notified that an action has been commenced in the Wayne County Circuit Court titled *Ajax Metal Processing v. City of Detroit*, Case No. 23-014314-CB, presiding Judge Annette J. Berry, challenging the two-tier water rate structure (the “Water Rates”) charged by the City of Detroit to those persons and entities who/which have used an average of at least 1 MCF (approximately 7480 gallons) of water per month since August 1, 2022 and paid the City for water service at any time since August 1, 2022 or who/which pay the City for water service during the pendency of this action (the “Lawsuit”). Plaintiff has brought these claims on behalf of itself and the Class.

Class Certification

On September 12, 2025, the Court entered an order certifying the Lawsuit as a class action and designating the law firm of Kickham Hanley PLLC as Class Counsel, and Plaintiff Ajax Metal Processing as the Class Representative.

Per the order, the class is defined as “all persons and entities who/which have used an average of at least 1 MCF of water per month since August 1, 2022 and paid the City for water service at any time since August 1, 2022 or who/which pay the City for water service during the pendency of this action.”

You are receiving this Notice because Class Counsel has determined, based on the City’s records, that you may be a member of the Class.

The Lawsuit

Plaintiff Ajax Metal Processing, Inc. is a water customer of the City, and has been designated by the Court as class representative for all similarly situated persons and entities that have used water provided by the City and paid the Water Rates imposed by the City. Plaintiff, on behalf of a class of similarly situated persons and entities, alleges that the City has imposed a water rate in excess of what is necessary to finance the actual costs of providing water services to users who used an average of at least 1 MCF of water per month (the “Rate Overcharge”). Plaintiff contends that the Water Rates during the period between August 1, 2022 and the present were, as to customers who used an average of at least 1 MCF of water per month, established in contravention of established water rate-setting methodologies, and resulted in overcharges to those customers. According to Plaintiff, by virtue of the Rate Overcharge, the City has improperly collected tens of millions of dollars from Plaintiff and the Class.

Plaintiff asserts that the City’s inclusion of the Rate Overcharges in its Rates: (a) violates the City’s Charter, § 7-1202, which provides that the City must “establish equitable rates to be paid” for all water supply services; and (b) renders the Rates unreasonable under Michigan common law

principles. Plaintiff contends that the City is liable to Plaintiff and the Class under a theory of unjust enrichment. Plaintiff seeks a judgment from the Court against the City which would order and direct the City to disgorge and refund all water Rate Overcharges to which Plaintiff and the Class are entitled and enjoin the City from continuing to impose its current two-tier water rate structure.

The City maintains that the two-tier water rate structure is proper and lawful. Thus, the City denies the Plaintiff's claims in their entirety, denies that it has overcharged its customers, denies that any portion of the Water Rates are unreasonable, denies that the City has been unjustly enriched by collecting the Water Rates, and denies Plaintiff and the Class have been harmed. The City contends that it should prevail in the Lawsuit and denies that the Plaintiff and the Class are entitled to a refund for the city's lawfully assessed Water Rates.

The City has not filed a counterclaim against Plaintiff or the Class.

The Court has made no rulings concerning the merits of the Lawsuit at this time. No settlement has been reached at this time.

Your Rights as a Class Member

If you have used an average of at least 1 MCF of water per month and paid the City for water service at any time since August 1, 2022 or paid the City for water service during the pendency of this action, then you are a member of the Class unless you request to be excluded from the Class.

If you are a member of the Class, you will be bound by any judgment entered in this action, whether the judgment is favorable or unfavorable to the Class. No financial consequences will be suffered by Class members if Plaintiff loses, except that all class members will be barred from bringing an individual action against the City alleging the claims contained in Plaintiff's complaint. If the Plaintiff prevails, certain members of the Class may be eligible to share in monetary recovery or future relief awarded by the Court depending on the amount of water used and the charges paid over the Class period. If the Plaintiff obtains injunctive relief, the City will be precluded from charging its

current two-tier water rate structure going forward. This could result in an elimination of the first-tier or “lifeline” rate for water usage of .6 MCF or less, and in Class members paying a higher rate for this level of water usage and a lower rate for usage above .6 MCF.

Class members who wish to exclude themselves from the Lawsuit may write to Class Counsel, stating that they do not wish to participate in the Lawsuit or that they wish to retain their right to file a separate action against the City. **This request for exclusion must be mailed to: Kickham Hanley PLLC, 40950 Woodward Ave., Suite 306, Bloomfield Hills, MI 48304. Any request for exclusion must be RECEIVED BY Class Counsel no later than January 30, 2026. Please do not contact the Court or counsel for the City.**

Whether to remain a member of the Class or to request exclusion from this Class action for any reason is a question you should ask your own attorney. Class Counsel cannot and will not advise you on this issue.

You are notified that you have the right to intervene in this action as a named party. If you choose to intervene you may become liable for costs and will have similar rights and responsibilities as Plaintiff. Further, you may have counsel of your own choosing and Class Counsel will not be obligated to represent you.

For a more detailed statement of the matters involved in the Lawsuit, you are referred to papers on file in the Lawsuit which may be inspected during regular business hours at the Office of the Clerk of Circuit Court for Oakland County, Michigan. You also may review certain of the Lawsuit documents at www.kickhamhanley.com.

Should you have any questions with respect to this Notice you should raise them with your own attorney or direct them to Class Counsel, **IN WRITING, NOT BY TELEPHONE**, identified as Attorneys for Plaintiff and the Class, below. **DO NOT CONTACT THE COURT, THE CLERK OF THE COURT, OR THE ATTORNEYS FOR DEFENDANT.**

Attorneys for Plaintiff and the Class:

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