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**NOTICE OF SETTLEMENT OF BAUSERMAN UIA FALSE FRAUD CLASS ACTION**

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**The Court has Extended the Time for You to Secure Your Portion of this \$20 Million Dollar Class Action Settlement to Compensate You if You Experienced a Tax Refund Intercept or Garnishment or Other Wrongful Collection Activity After Being Erroneously Found to Have Committed Fraud in Connection with Your Receipt of Unemployment Benefits.**

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- **It is not too late to register and submit Hardship Claims and Questionnaires in this major Class Action Settlement.<sup>1</sup>**
- The Court has extended the deadlines in this Class Action Settlement to maximize the number of eligible people who will be entitled to significant settlement payments.
- You may be eligible to receive a payment from a proposed \$20,000,000 Class Action Settlement.
- The Class Action Lawsuit was filed in September 2015 on behalf of unemployment benefit claimants who experienced a wrongful collection activity by the State of Michigan after being erroneously found to have committed fraud through an auto-adjudication process in connection with their receipt of unemployment benefits from October 1, 2013, to August 31, 2015.
- Eligible claimants under the Settlement Agreement will receive awards from a Compensation Fund for their economic losses and will be eligible for an additional award to compensate them for additional hardships related to the wrongful collection activity.
- For more information or to register and submit a claim visit [www.UIAClassAction.com](http://www.UIAClassAction.com) or call 1-833-438-5028 Monday through Friday, between 8:30 a.m. and 5:00 p.m. Central Standard Time.
- **Please read this notice carefully. Your legal rights will be affected, and you have a choice to make at this time.**

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<sup>1</sup> If you have already registered AND submitted Hardship Claims and Questionnaires, nothing more is required of you unless you receive a call or email from Pitt, McGehee, Palmer, Bonanni & Rivers, P.C. or Analytics Consulting LLC.

|  | Summary of Legal Rights   | Deadline(s)   |
|--|---|---|
| <b>SUBMIT A REGISTRATION FORM</b>  | This is the only way for you to be eligible for an award from a Compensation Fund.  | Registration Form submitted or postmarked on or before <b>September 15, 2023.</b> |
| <b>SUBMIT A CLAIM FORM</b>   | This is the only way the amount of your award will be determined.   | Claim Form submitted or postmarked on or before <b>September 15, 2023.</b>        |
| <b>EXCLUDE YOURSELF BY OPTING OUT OF THE CLASS OR OBJECT TO THE SETTLEMENT</b> | If you exclude yourself, you will receive no payment. This is the only option that allows you to keep your right to bring your own lawsuit against the State of Michigan for the same claims. You can also ask to speak to the Court at the Final Approval Hearing on <b>January 29, 2024, at 10:00 a.m.</b> , about the fairness of the Settlement, with or without your own attorney. | Opt Out Form submitted or postmarked on or before <b>September 15, 2023.</b>      |
| <b>DO NOTHING</b>  | Receive no payment. Give up rights to bring your own lawsuit if you are a Class Member.   | No filings are required of you.   |

- Your rights and options as a Class Member – and the deadlines to exercise your rights – are explained in this Notice.
  - The Court still will have to decide whether to approve the Settlement. Payments to Class Members will be made if the Court approves the Settlement, and after any possible appeals are resolved.
1. **The Bauserman UIA False Fraud Lawsuit Settlement.** A settlement has been reached in a class action lawsuit that was filed in the Michigan Court of Claims in September 2015 on behalf of unemployment benefit claimants who experienced a tax refund intercept or garnishment or other wrongful collection activity after being erroneously found to have committed fraud through an auto-adjudication process in connection with their receipt of unemployment benefits. The lawsuit is entitled *Bauserman v The Michigan Unemployment Insurance Agency*, Michigan Court of Claims case no. 2015-202-MM. The defendant in the case is Michigan’s Unemployment Insurance Agency (“Agency”).  
This notice explains the settlement of this lawsuit and your legal right to participate in the settlement or to exclude yourself from the settlement.
  2. **Class Membership.** You are a member of the Class and eligible to participate in the settlement of this case if you satisfy **all** criteria listed below:
    - 1) You received an initial Determination or Re-Determination of Intentional Misrepresentation issued by the Agency between October 1, 2013, and August 31, 2015; and
    - 2) The Determination or Re-determination was issued through the Agency’s auto-adjudication process; and
    - 3) You suffered your first wrongful collection (income tax refund intercept, garnishment, or other seizure of money) on or after March 9, 2015; and

- 4) You do not exclude yourself from the Settlement.

You must meet each of these criteria to be considered a Class Member. Only Class Members may participate in this Settlement. Class Counsel and the Claims Administrator will assist you in determining if you are eligible to participate in this settlement.

3. **Bauserman UIA False Fraud Settlement Package (“Package”)**: The Package of important legal documents is available for your review and can be downloaded or printed at [www.UIAClassAction.com](http://www.UIAClassAction.com). These documents are very important and will greatly assist you in making decisions about your legal rights and the best course of action for you. The Package is available to you even if you are later found to be ineligible to participate in the settlement. Some documents, such as registration forms, can be completed online. If you are unable to access these documents online, the Claims Administrator will deliver to you hard copies of the documents via US mail or via email attachment. The Claims Administrator’s contact information can be found below.

4. **Background of Bauserman Lawsuit**. The lawsuit alleges that from October 2013 through August 2015, MiDAS, a UIA computer algorithm, auto-adjudicated a finding of fraud without human oversight. Thousands of UIA claimants were falsely accused of engaging in fraud. The Auditor General of the State of Michigan conducted an audit of the MiDAS computer program and discovered that allegations of fraud based on auto-adjudication were wrong more than 90% of the time. The Agency has since abandoned the review of claims solely through the auto-adjudication process.

In August of 2017, the State of Michigan set aside \$21 million for refunds for claimants who were falsely accused of fraud and suffered economic losses because of the accusation. Full or partial refunds were issued to many claimants participating in the refund program.

5. **The Settlement and Legal Proceedings**. The parties worked for months with a neutral mediator, Megan Norris, to arrive at the settlement. In the end, the mediator recommended that the case settle for \$20 million. The parties accepted the mediator’s recommendation. Class Representatives Grant Bauserman and Teddy Broe and Class Counsel formally agreed to the Settlement on November 14, 2022.

On January 18, 2023, Honorable Douglas B. Shapiro of the Michigan Court of Claims certified this case as a Class Action Settlement and Preliminarily Approved the terms of the Settlement, appointed Megan Norris as Special Master, appointed a Claims Administrator, approved the Plan of Allocation, and approved Class Counsel’s request for attorney fees and administrative costs. The Court has established a timeline for final resolution of all claims. Documents concerning these legal proceedings are part of the Package and available at [www.UIAClassAction.com](http://www.UIAClassAction.com). The Settlement will resolve all timely filed claims of eligible Class Members. The Court will retain jurisdiction over the entire settlement process through final disbursements.

6. **Untimely Claims are NOT part of the Settlement**. In 2019, the Michigan Supreme Court reviewed the *Bauserman* case and determined that based on the September 9, 2015, lawsuit filing date, if you suffered a first wrongful collection **on or after** March 9, 2015, your claim is timely. Thus, based on the Court’s ruling, you may be considered a Class Member who may participate in the Settlement only if the Agency first collected money from you on or after March 9, 2015. In other words, if you suffered your first wrongful collection **on or after** March 9, 2015, and meet other participation requirements, you are Class Member and you are entitled to participate in the Settlement. If, however, you suffered your first wrongful collection before March 9, 2015, your claim is untimely, and you are not part of the Class and you cannot participate in the Settlement. Class Counsel and the Claims Administrator will be able to assist you in determining the date of your first wrongful collection and all other eligibility criteria.

7. **The Claims Administrator**. The Court has approved Analytics Consulting LLC as the Class Action Claims Administrator. The Claims Administrator is responsible for determining Class Member eligibility and it will evaluate claims for an award from the Settlement Pools established in the Plan of

Allocation (“POA”). Contact information for Analytics Consulting LLC is UIA Fraud Class Action, c/o Analytics Consulting LLC, P.O. Box 2002, Chanhassen, MN 55317-2002; Phone: 833-438-5028; Fax: 952-404-5750; Email: [info@UIAClassAction.com](mailto:info@UIAClassAction.com); Website: [www.UIAClassAction.com](http://www.UIAClassAction.com).

8. **Status of the Settlement Funds.** The Settlement Funds have been paid in full by the State of Michigan. The settlement funds have been transferred to Analytics Consulting LLC. In addition to being the Court approved Claims Administrator, the Court has appointed Analytics Consulting LLC as the Administrator of a Qualified Settlement Fund (“QSF”). The settlement funds will be held in trust by the QSF Administrator. The settlement funds have been deposited with Huntington National Bank. Huntington Bank will hold the funds in a secure interest-bearing account until disbursement is authorized by the Court. The net interest will become part of the settlement funds to be distributed to eligible Class Members receiving awards. It is anticipated that disbursements will not occur before the first quarter of 2024.
9. **Registration for Participation in the Settlement.** The first step for participation in the Settlement is for you to timely complete and submit the Registration Form to the Claims Administrator. Your Registration Form must be received by the Claims Administrator no later than September 15, 2023. Registration Forms are part of the Package and can be completed online or by printing the Form from the Settlement Website ([www.UIAClassAction.com](http://www.UIAClassAction.com)) and mailing, faxing, or emailing the completed form. You may also call Analytics Consulting LLC at 1-833-438-5028 to register.
10. **The Class List.** A Class List of eligible Class Members has been prepared by the Agency with assistance from Class Counsel and Special Master Megan Norris. If you are on the Class List, you will be automatically eligible to participate in the Settlement according to the rules set forth in the Plan of Allocation. After the Claims Administrator receives your Registration Form, you will be notified if you are on the Class List. If you are on the Class List, you will be provided information from the UIA about your economic losses. If you are not on the Class List and believe that you are eligible to participate in the Settlement, the Claims Administrator will advise you how you can establish your eligibility. You will be notified by the Claims Administrator or Class Counsel of your eligibility and your right to appeal that determination if you wish to challenge an unfavorable decision about your eligibility.

If you disagree with the economic loss information reported by the UIA on the Class List, you will have a meaningful opportunity to dispute any information you believe to be inaccurate.

11. **The Plan of Allocation (“POA”).** Eligible Class Members will receive awards from the settlement funds in accordance with the Court approved POA. To receive an award from the Settlement, eligible Class Members must submit a Claim Form which is available at [www.UIAClassAction.com](http://www.UIAClassAction.com). The POA establishes that the Net Compensation Fund is to be divided into two Pools to compensate eligible Class Members for their losses. The first Pool (“Economic Loss Pool” or “ELP”) will compensate eligible Class Members for their economic losses caused by a wrongful Agency collection. The payments from the ELP are expected to be at least 100% of the funds seized by the UIA. The second Pool (“Hardship Impact Pool” or “HIP”) will compensate eligible Class Members for the extraordinary impacts caused by a wrongful Agency collection. The POA is part of the Package and is available for your review at [www.UIAClassAction.com](http://www.UIAClassAction.com).

If you are satisfied with the information about you on the Class List, your award will be issued to you based on the Class List information. Your award from the ELP will consider any refunds you received from the UIA. It is anticipated that you will receive 100% or more of your net economic losses from the ELP.

The HIP awards will be based on a point system that is described in the POA. Points will be awarded to you if the wrongful collection was a contributing factor to certain adverse events such as bankruptcy, eviction, foreclosure, repossession of personal property, credit rating decline, mental health treatment,

mental health impact, loan declinations, job loss, divorce, impairment of family relationships or other similar adverse life events.

In order to receive an award from the HIP, you will be required to complete a Hardship Claim Form and Supplemental Hardship Claim Questionnaire and provide supporting documentation (if available). The requirement to complete a Hardship Claim Form and Supplemental Questionnaire to receive an HIP award is in addition to the original Registration and Economic Claim Form.

12. **Attorney Fees and Administrative Costs:** The Court has approved attorney fees in the amount of \$6,487,111.88, reimbursement of past costs in the amount of \$38,664.36 and anticipated future administrative costs of \$500,000. Funds not used for future administrative costs will be returned to the Settlement Pools for distribution to eligible Class Members. The Court awarded attorney fees and administrative costs will be held in the QSF and will not be paid to Class Counsel until the Court has entered its order of final approval of the settlement. The Court order approving attorney fees and administrative costs is part of the Package and available for your review at [www.UIAClassAction.com](http://www.UIAClassAction.com).
13. **Creation of Net Settlement Fund and Pools:** Approved attorney fees and administrative costs will be deducted from the Gross Settlement amount of \$20 million creating a Net Settlement Fund. The Court has approved \$8 million to be held for the Economic Loss Pool and \$4 million to be held for the Hardship Impact Fund. Earned interest will be added to the Settlement Pools.
14. **Legal Rights of a Class Member:** If you meet the definition of a Class member you have certain legal rights including the right to exclude yourself from the Class Action (also known as Opting Out). You have the right to hire a lawyer at your own expense to intervene in the Class Action. You are entitled to receive contact information about the Class Representatives, Class Counsel, Counsel for the Agency and the Court:

**Class Representatives**

Grant Bauserman who may be contacted through Class Counsel  
Teddy Broe who may be contacted through Class Counsel

**Class Counsel**

Michael L. Pitt, Beth M. Rivers, Jennifer L. Lord, Kevin M. Carlson, Bayan M. Jaber  
Pitt McGehee Palmer Bonanni & Rivers PC  
117 W. Fourth Street  
Suite 200  
Royal Oak, MI 48067  
Phone: 248.398.9800  
Fax: 248.268.7996  
Email: [mpitt@pittlawpc.com](mailto:mpitt@pittlawpc.com); [brivers@pittlawpc.com](mailto:brivers@pittlawpc.com); [jlord@pittlawpc.com](mailto:jlord@pittlawpc.com); [kcarlson@pittlawpc.com](mailto:kcarlson@pittlawpc.com);  
[bjaber@pittlawpc.com](mailto:bjaber@pittlawpc.com)  
Website: [www.pittlawpc.com](http://www.pittlawpc.com)

**Counsel for the UIA:**

Debbie Taylor, Jason Hawkins  
Michigan Department of Attorney General  
3030 W. Grand Blvd  
Ste. 9-600  
Detroit, MI 48202  
Phone: 313.456.0063  
Email: [taylor8@michigan.gov](mailto:taylor8@michigan.gov); [hawkinsj@michigan.gov](mailto:hawkinsj@michigan.gov)

**The Court:**

Honorable Douglas B. Shapiro  
Michigan Court of Claims  
Hall of Justice

925 W. Ottawa St, P.O. Box 30185

Lansing, MI 48909-7522

Phone: 517.373.0807

Email: [CClerksOffice@courts.mi.gov](mailto:CClerksOffice@courts.mi.gov)

*Bauserman et al v Unemployment Insurance Agency* Case No: 2015-000202-MM

15. **Exclusion or Opt Out Rights:** You may exclude yourself from this Class Action Settlement by submitting a timely letter signed by you stating your wish to be excluded. Your right to exclude yourself from the Class Action Settlement is often described as your “Opt Out” right. Your Opt Out letter should be addressed to Class Counsel and Counsel for the Agency and sent via US mail, hand delivered, overnight mail service, emailed, or submitted online at [www.UIAClassAction.com](http://www.UIAClassAction.com) with an electronic signature and received no later than September 15, 2023. If sent by US mail, the envelope should clearly show it was deposited with the US Postal Service no later than September 15, 2023.
16. **Legal Consequences of Opting Out.** If you Opt Out/exclude yourself from the class action, you will not be able to participate in the Settlement or file a Registration Form or an Objection. You should consult with an attorney of your choice before making the decision to exclude yourself from the Class Action Settlement. Your ability to successfully bring your own lawsuit against the Agency, due to the passage of time, is very limited and you should make an informed decision as to your best course of action. Do not contact the Court for legal advice. Do not send your Opt Out letter to the Court.

**Legal Consequence of Remaining in the Class.** If you do not Opt Out of the Class Action Settlement you will not be able to bring your own lawsuit for damages for harm caused by the wrongful collection. If you are a Class Member and do not Opt Out, you will be bound by the Settlement. As a member of the Class, you will be able to submit a claim for compensation from the Economic Loss Pool and the Hardship Impact Pool. The final awards will be the only compensation you will receive because of the harm caused to you by the UIA’s wrongful collection.

17. **The Fairness Hearing and Your Right to Object to the Settlement.** The Court has scheduled a Fairness hearing to take place on January 29, 2024, at 10:00 a.m. at the Michigan Court of Claims Hall of Justice, 925 W. Ottawa St, P.O. Box 30185 Lansing, MI 48909-7522, Phone: 517.373.0807, Email: [CClerksOffice@courts.mi.gov](mailto:CClerksOffice@courts.mi.gov).

At the Fairness Hearing, the court will review the entire Settlement and consider any timely Objections. Disbursements to claimants and payment of attorney fees will occur in early 2024 after the Court has entered its order of final approval of the case.

If you do not Opt Out of the Class Action Settlement but disagree with the amount of the Settlement, the terms of the Settlement Agreement, the Plan of Allocation, or the award of attorney fees and administrative costs, you may file your Objection with the Court. If you Opt Out of the Class Action Settlement you may not file an Objection. The Court will review all timely objections at a Fairness Hearing. If you file a timely objection with the Court, you may be entitled to appear at the Fairness Hearing to address the Court regarding your objections. Class Counsel will not be permitted to represent you at the Fairness Hearing. You may hire an attorney at your own expense to present your objections to the Court.

Only timely written Objections will be considered by the Court. Your Objection letter should be addressed to Court using the Court’s contact information listed above. Your Objection can be delivered to the Court via US mail, hand delivered, or by overnight mail service and received by the Court by September 15, 2023. If sent by US mail, the envelope should clearly show it was deposited with the US Postal Service

no later than September 15, 2023. A copy of your Objection filed with the Court should be delivered to Class Counsel and Counsel for the UIA via US mail, hand-delivery, overnight mail service through the [www.UIAClassAction.com](http://www.UIAClassAction.com) website portal. Late Objections will not be considered by the Court.

Your Objection letter must be dated, refer to the *Bauserman* Class Action, contain your complete contact information, and must describe which part of the settlement you are objecting to. You must state the reasons why you disagree with the part of the settlement you are objecting to.

18. **Timeline of Key Events.** The Court has approved the Timeline printed below. Please take careful note of these important dates. Please check the Class Action website regularly for changes in the Timeline or to receive updates about the progress of the case.

**Table of Important Dates**

|  |  |
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| Filing of Motion for Preliminary Approval before Judge Shapiro   | Completed  |
| Hearing on Motion for Preliminary Approval before Judge Shapiro  | Completed  |
| Preliminary Approval Order issued by Judge Shapiro   | Completed  |
| Mailing of Notice By or Before 2/1/23 and Posting on Website/Registration Window, Time for Registrations, Opt-Outs and Objections and Claims Opens Up  | Completed  |
| Deadline or End Date for Filing Registration Forms   | 9/15/23  |
| Deadline for Submitting Claim Forms, opt outs, and objections  | 9/15/23  |
| Deadline or End Date for Claimant to Appeal Claim Administrator’s Unfavorable Decision on Eligibility/Collections Challenge to Special Master Due  | Within a reasonable time after receipt but in any event no later than 9/21/23  |
| Deadline or End Date for Special Master Decision After Receiving Appeal of Unfavorable Eligibility or Collection Amount Determination  | Within a reasonable time after receipt but in any event no later than 10/21/23 |
| Deadline for Special Master to Decide Hardship Impact Claim Appeals  | Within a reasonable time after receipt but in any event no later than 10/21/23 |
| Filing Date for Motion for Fairness Hearing and Final Approval   | 12/1/23  |
| Fairness Hearing to hear objections and approve settlement before Judge Shapiro<br>Address: Michigan Court of Claims Hall of Justice<br>925 W. Ottawa St.<br>P.O. Box 30185<br>Lansing, MI 48909-7522<br>Phone: 517.373.0807<br>Email: CClerksOffice@courts.mi.gov | 1/29/24 at 10 a.m.<br>Eastern Standard Time<br>(In Person)                     |
| Order of Final Approval Issued by Judge Shapiro  | 2/7/24   |
| Effective Date of Order (Assuming No Appeal of Final Approval Order)   | 2/19/24  |
| Issuance of Payments   | First Quarter 2024   |