

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF MICHIGAN**
Arkona, LLC, et al. v. County of Cheboygan, et al., Case No. 1:19-cv-12372
Hon. Thomas L. Ludington, United States District Judge

CLASS ACTION SETTLEMENT NOTICE

**A FEDERAL COURT AUTHORIZED THIS NOTICE. THIS IS NOT A LAWYER'S
SOLICITATION.**

Date of Notice: January 23, 2026

**Because You Have Had Property Foreclosed Upon for Non-Payment of Property Taxes in
One of the Following Counties:**

Cheboygan County, Monroe County

**You Have Been Identified as a Potential Member of a Class Action and You May be
Entitled to Payment from a Settlement**

- A settlement (the “Settlement”) has been proposed in the class-action lawsuit referenced above pending in the United States District Court for the Eastern District of Michigan (the “Federal District Court” or simply the “Court”). The plaintiffs and all those similarly situated are the “Plaintiffs” and Cheboygan and Monroe Counties are the “Defendants” or the “Counties.”
- This class action alleges that the Counties violated Plaintiffs’ rights by failing to give Plaintiffs the proceeds from the sale of the tax-foreclosed properties formerly owned by Plaintiffs that exceeded the unpaid taxes, fees, and other costs associated with those properties. These claims have become known as “surplus-proceeds claims.”
- The Counties deny that they have done anything wrong in part because the Michigan statute that governed property taxes under which the properties were foreclosed did not authorize the Counties to return the surplus funds. The Counties have defended themselves.
- The Court has not decided who is right. Both sides have agreed to settle the dispute to avoid further burdensome and costly litigation. The Settlement offers settlement payments to members of the Settlement Class who file claims.
- The proposed Class consists of the following:

All Persons, and the estate of such persons if they are bankrupt or deceased, that owned a Property in fee simple in any County which Property, that during the Class Period (i.e. January 1, 2013 through December 31, 2020), was foreclosed through a real property tax foreclosure and sold at tax auction for more than the Minimum Sale Price, and to whom the County did not refund the Surplus Proceeds.

- You are being sent this Notice as a potential Class Member or heir of a potential Class Member and may be entitled to participate in the proposed Settlement. Your rights and options are identified in this Notice, along with deadlines to act.
- The Court has appointed “Interim Counsel” who negotiated the settlement for the Plaintiffs and who are available to help you, as detailed below.
- Further information regarding the Class, the Class Action, and this Notice may be obtained by contacting the Claims Administrator, RG/2 Claims Administration LLC by visiting the class-action website at www.SurplusProceedsSettlement.com or by telephone at 1 (866) 742-4955.
- **Your legal rights are affected whether you act or not. Read this Notice carefully.**

YOUR LEGAL RIGHTS AND OPTIONS	
SUBMIT A CLAIM FORM BY JULY 16, 2026	If you are a member of the Class or an heir to a Class Member, you must submit a completed Claim to be eligible to receive a Settlement Payment. You may do so online at www.SurplusProceedsSettlement.com .
EXCLUDE YOURSELF BY APRIL 30, 2026	You may request to be excluded from the Settlement, and if you do, you will not receive a Settlement Payment. The deadline to exclude yourself from the Settlement is April 30, 2026, with the possibility of an extension beyond that date as detailed below. Excluding yourself from the Settlement is usually the only way to retain your right to sue Defendants on your own over the claims alleged in the lawsuit.
OBJECT BY APRIL 30, 2026	You may write to the Court and comment on the Settlement. If you object, you are still eligible to file a claim for benefits under the Settlement. Instructions on how to object to the Settlement are contained later in this Notice.
GO TO THE FAIRNESS HEARING	The Court has scheduled a hearing to evaluate the fairness of the Settlement and Lead Counsel’s request for attorneys’ fees and reimbursement of costs to take place on September 23, 2026, at 3:30 p.m. (the “Fairness Hearing”). You may attend the hearing at your own expense, but it is not necessary. You may ask to speak in court about the fairness of the Settlement if you did not exclude yourself as detailed below.
DO NOTHING	You will not receive a Settlement Payment if you fail to timely submit an Eligible Claim and you will give up your right to bring your own lawsuit about the claims in this case, but you will still be bound by all decisions the Court makes in this matter addressing these claims.

- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Federal District Court in charge of this case still must decide whether to approve the Settlement. If it does, and after any appeals are resolved, Settlement Payments will be distributed to those who submit Eligible Claims. Please be patient.

IMPORTANT INFORMATION

1. Why did I receive this Notice?

The Court authorized this Notice because you have a right to know about a proposed Settlement of a class action lawsuit. You have legal rights and options that you may exercise before the Court decides whether to give final approval to the Settlement, as described below.

2. What is this lawsuit about?

Arkona, LLC and Diane Kasbob (the “Plaintiffs”) allege that Defendants violated their rights by failing to give Plaintiffs the proceeds from the sale of the tax-foreclosed properties formerly owned by Plaintiffs that exceeded the unpaid taxes, fees, and other costs associated with those properties. These claims have become known as “surplus-proceeds claims.” Defendants have contested Plaintiffs’ allegations.

3. Are filed papers in this lawsuit available?

This Notice does not fully describe all the claims, contentions, and defenses of the parties. For additional information about the claims, arguments, and history of the case, you may view the pleadings and other important documents filed in the case at www.SurplusProceedsSettlement.com. The complete docket or court file can be reviewed via the Court’s electronic docket known as PACER at www.mied.uscourts.gov, but you must register for an account and pay fees to review filings. You may also review the docket online for free by visiting any of the Court’s locations. The addresses and rules governing courthouse entry are also available at mied.uscourts.gov. The title of this case is *Arkona, LLC, et al. v. County of Cheboygan, et al.*, No. 1:19-cv-12372.

4. Why is this a class action?

In a class action, one or more people called “class representatives” sue on behalf of a group of people who may have similar claims. The people together are a “class” or “class members.” The individuals who sue—and all the class members like them—are called the plaintiffs. The entities that they sue (in this case, two counties in the eastern half of Michigan’s lower peninsula) are called the “Defendants.” In a class action, the Court resolves the issues for all class members, except for those who exclude themselves from the class.

The Court has determined that it is likely that the Court will be able to permit this case to be “certified” as a class action to put the settlement into effect.

The Defendants are the following counties: Cheboygan and Monroe.

5. Why is there a Settlement?

The Court has not found in favor of Plaintiffs or Defendants. Instead, the Parties have agreed to a Settlement. By agreeing to the Settlement, the Parties avoid the costs and uncertainty of a trial, and if the Settlement is approved by the Court, the Settlement Class will receive the benefits described in this Notice. Defendants contest Plaintiffs’ claims in this case but are settling to avoid the uncertainties and costs attendant with litigation.

6. Who is included in the Class?

As noted above, the Court has certified a Class consisting of former property owners, defined by the Court as follows:

All Persons, and the estate of such persons if they are bankrupt or deceased, that owned a Property in fee simple in any County which Property, that during the Class Period (i.e. January 1, 2013 through December 31, 2020), was foreclosed through a real property tax foreclosure and sold at tax auction for more than the Minimum Sale Price, and to whom the County did not refund the Surplus Proceeds.

In lay terms, you are probably a member of the class if, between the beginning of 2013 and the end of 2020, one of the participating counties foreclosed on property that you owned because you did not pay all of the property taxes due on the property and sold it for more than you owed in taxes and associated fees.

The counties participating in the proposed settlement are Cheboygan and Monroe.

Again, you are receiving this notice because public records indicate that you are a class member.

If you are still not sure whether you are included in the Class, you may ask for help. Please contact the Claims Administrator at www.SurplusProceedsSettlement.com.

THE SETTLEMENT BENEFITS

7. What does the Settlement provide?

Each Class Member who submits a valid claim will usually receive 125% of the surplus proceeds from the sale of the property less the amount the court awards to cover attorney's fees and costs.

This payment may be reduced under certain circumstances. For example, as discussed below, if someone else with an interest in the property you owned before the foreclosure has pursued relief under Public Act 256, you might receive nothing under the settlement and be required to seek any compensation through the Public Act 256 process. Under some circumstances, though, even if someone else with an interest in your former property files a motion to claim surplus proceeds under Public Act 256, you might still be able to recover a limited amount under this settlement. So, if you want to participate in the Settlement, it will usually make sense for you to make a settlement claim even if you know that someone else is bringing a Public Act 256 claim with respect to your former property.

If an unexpectedly large volume of claims are made against the county that foreclosed on your former property, your recovery may be reduced.

In exchange for whatever settlement payment you receive, you will give up any rights to seek further money from the county regarding the issues in this case. This would include any additional recovery that would otherwise be available based on future changes in the law (the United States Supreme Court is poised to consider whether you might be entitled to a potentially larger recovery based on the foreclosed property's value.)

8. How do I file a claim?

To qualify for a Settlement Payment, you must complete and submit a Claim. You can file your Claim online at www.SurplusProceedsSettlement.com send it by U.S. Mail to: Surplus Proceeds Settlement, c/o RG/2 Claims Administration, P.O. Box 59479, Philadelphia, PA 19102-9479. The deadline to submit a Claim Form is 11:59 p.m. on July 16, 2026.

If you decide to submit a claim, please read the claim form carefully and provide all the information required.

9. When will I receive my Settlement Payment?

Settlement Payments to Class Members will be made only after the Court grants final approval to the Settlement and after any appeals are resolved (see "Fairness Hearing" below). If there are no appeals, the process of providing notice, reviewing claims, obtaining final court approval, and distributing the settlement proceeds will take at least nine

months. If there are any appeals, resolving them will take additional time. Please be patient.

EXCLUDING YOURSELF FROM THE SETTLEMENT

10. How do I get out of the Settlement?

If you do not wish to be eligible for a Settlement Payment, and you want to keep the right to sue Defendants on your own about the legal issues in this case, then you must take steps to get out of the Settlement. This is called excluding yourself – or it is sometimes referred to as “opting-out” of the Class.

There are two ways that you can exclude yourself from the Settlement.

First, you can exclude yourself from the Settlement by sending a timely letter by mail to: Surplus Proceeds Settlement, c/o RG2 Claims Administration, P.O. Box 59479, Philadelphia, PA 19102-9479.

Your request to be excluded from the Settlement must include the following: (i) name; (ii) current mailing address; (iii) telephone number; (iv) address, parcel number, and/or legal description of the Property; (v) County in which the Property is located; (vi) year of post-foreclosure sale of Property (if known); and (vii) a statement that you wish to be excluded from the Class.

It is likely that your exclusion request must be postmarked by April 30, 2026. However, if Interim Counsel asks the Court to award it attorneys’ fees and/or expense reimbursements after March 30, 2026, then your deadline will be extended until the date 30 days after Interim Counsel files its request; you should review the website www.SurplusProceedsSettlement.com to see when the request is filed.

Second, you have presumably excluded yourself if you have filed a motion to claim surplus proceeds under Public Act 256.

In December 2020, Michigan enacted a new law called Public Act 256 of 2020, or “Public Act 256.” It provides a procedure by which you may be able to recover the surplus proceeds generated by the sale of the property you formerly owned. The specific statute governing the motion process to make a claim for surplus proceeds in Michigan Compiled Laws § 211.78t(6).

The deadline for filing such motions has generally passed. But if you filed a surplus-proceeds motion and decide that you would rather participate in the Settlement, you must withdraw your motion before the state court enters an order that resolves your motion or

by April 30, 2026, whichever is sooner. If you do so, you may generally participate in the settlement.

You cannot ask to be excluded on the phone, by email, or at the website. Opt-outs must be made individually and cannot be made on behalf of other members of the Class.

Unless you exclude yourself or “opt-out” you will likely be a member of the Settlement Class.

11. If I do not exclude myself, can I sue the Defendants for the same thing?

No. Unless you exclude yourself, you give up the right to sue Defendants for the claims that the Settlement resolves. You must exclude yourself from this Settlement to pursue your own lawsuit.

12. What am I giving up by staying in the Class?

Unless you opt-out of the Settlement, you cannot sue or be part of any other lawsuit against Defendants about the issues in this case, including any existing litigation, arbitration, or proceeding. Unless you exclude yourself, all of the decisions and judgments by the Court will bind you.

The Settlement Agreement is available at www.SurplusProceedsSettlement.com. The Settlement Agreement provides more detail regarding the Release and describes the Released Claims with specific descriptions in necessary, accurate legal terminology, so read it carefully.

13. If I exclude myself, can I still get a Settlement Payment?

No. You will not get a Settlement Payment from the Settlement if you exclude yourself from the Settlement.

THE LAWYERS

14. Do I have a lawyer who can help me in the case?

Yes. The Court has approved the appointment of Matthew E. Gronda of Gronda PLC and Philip L. Ellison of Outside Legal Counsel PLC as Interim Counsel. Throughout this Notice, they are referred to as “Interim Counsel.” Interim Counsel negotiated the proposed settlement on behalf of the Plaintiffs.

You may contact Interim Counsel by email at arkona@olcplc.com or by telephone at 1-989-624-0055.

15. Should I get my own lawyer?

You are not required to hire your own lawyer. If you want to hire your own lawyer, you certainly can, but you will have to pay that lawyer yourself. If you do hire your own lawyer, they may enter an appearance for you and represent you individually in this case.

16. How will the lawyers be paid?

You do not have to pay Interim Counsel, or anyone else, out of pocket to participate in the settlement. Instead, Interim Counsel intend to apply to the Court for a fee award, which amount shall be deducted from each Settlement Class Member's distribution. Interim Counsel intends to seek a fee in the amount of 20 percent, plus reimbursement for the costs they have incurred. The costs will be paid by the Defendants and not deducted from each Class Member's distribution.

OBJECTING TO THE SETTLEMENT

17. How do I tell the Court if I do not like the Settlement?

If you are a member of the Class (and do not exclude yourself from the Class), you can object to any part of the Settlement by sending a timely letter by mail to: Surplus Proceeds Settlement, c/o RG/2 Claims Administration, P.O. Box 59479, Philadelphia, PA 19102-9479 or by filing it directly with the Court.

Any objection must be in writing and include the following

- (1) The title of the Lawsuit: "*Arkona, LLC, et al. v. Cheboygan County, et al.*";
- (2) Your full name, current address, and telephone number;
- (3) The address of the Eligible Property you formerly owned;
- (4) The reasons for the objection;
- (5) Any evidence, briefs, motions, or other materials you intend to offer in support of the objection; and
- (6) be signed by you or your counsel.

The applicable Federal Rule of Civil Procedure, Rule 23, may impose additional requirements for objections.

Any objection must be postmarked by April 30, 2026. However, if Interim Counsel asks the Court to award it attorneys' fees and/or expense reimbursements after April 30, 2026, then your deadline will be extended until the date 30 days after Interim Counsel files its request; you should review the website www.SurplusProceedsSettlement.com to see when the request is filed.

18. What is the difference between objecting and asking to be excluded?

Objecting is telling the Court that you do not like something about the Settlement. You can object to the Settlement only if you do not exclude yourself. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object to the Settlement because it no longer affects you. If you submit an objection, and then later exclude yourself from the settlement, your objection will be deemed withdrawn.

THE FAIRNESS HEARING

19. When and where will the Court decide whether to approve the Settlement?

The Court has scheduled a Fairness Hearing at 3:30 p.m. on September 23, 2026, at the United States District Court for the Eastern District of Michigan, Northern Division, 1000 Washington Ave., Bay City, MI 48708.

The hearing may be moved to a different date or time without additional mailed notice, so it is a good idea to check www.SurplusProceedsSettlement.com for updates periodically.

At the Fairness Hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The Court will also consider the requests by Interim Counsel for attorneys' fees and costs. If there are objections, the Court will consider them at that time. After the hearing, the Court will decide whether to approve the Settlement. It is unknown how long the Court will deliberate before it issues these decisions.

20. Do I have to attend the hearing?

No. Interim Counsel will answer any questions the Court may have. You are welcome to attend the hearing at your own expense.

21. May I speak at the hearing?

If you attend the Fairness Hearing, you may ask the Court for permission to speak if you have timely objected and you so choose. However, you cannot speak at the hearing if you exclude yourself from the Settlement.

22. Can I pursue the Public Act 256 process and get paid under the Settlement?

No. If you filed a motion to claim surplus proceeds under Public Act 256 and do not withdraw that motion by April 30, 2026, you will be excluded from the Settlement.

23. If I have already filed a motion under Public Act 256, can I switch to participate in the Settlement?

Generally, yes. If you have filed a motion for Public Act 256 proceeds, you can switch to making a claim under the settlement by withdrawing the motion until such time as a state court enters an order resolving your motion, or April 30, 2026, whichever is sooner. Otherwise, you will be treated as if you have opted out of the Settlement. Interim Counsel can assist you with this process if you are not already represented by counsel.

IF YOU DO NOTHING

24. What happens if I do nothing at all?

If you are a member of the Class and do nothing, meaning you do not file a timely Claim, you will **not** get a Settlement Payment. Further, unless you exclude yourself, you will be bound by the judgment entered by the Court.

OTHER ISSUES

25. What if the owner of the property at the time of the foreclosure is deceased?

If person who owned the property at the time of the foreclosure is deceased, his or her probate estate may be eligible to receive any distribution that the Court requires be paid by Defendants.

GETTING MORE INFORMATION

26. How do I get more information?

To obtain more information, contact the Claims Administrator toll-free at 1 (866) 742-4955 or write to the Claims Administrator at Surplus Proceeds Settlement, c/o RG/2 Claims Administration, P.O. Box 59479, Philadelphia, PA 19102-9479. For a complete, definitive statement of the Settlement terms, refer to the Settlement Agreement at www.SurplusProceedsSettlement.com.

Please do not contact the Court with questions. Any questions regarding the Class Action or this Notice should be directed to Interim Counsel.