STATE OF MICHIGAN

IN THE COURT OF CLAIMS

UPPER PENINSULA FAMILY SOLUTIONS INC,

Plaintiff,

v

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES,

Defendant.

COC Case No.: 26-000121-MK

HON. MICHAEL F. GADOLA

STIPULATION AND ORDER OF DISMISSAL

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STIPULATION AND ORDER OF DISMISSAL

The parties, by and through undersigned counsel, submit the following Stipulation and Order of Dismissal with prejudice and without costs or fees to either party:

STIPULATION

The parties stipulate as follows:

1. Plaintiff Upper Peninsula Family Solutions (UPFS) is a licensed child placing agency.

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2. UPFS entered into an Adoption Services contract, Contract No. MA 210000000807, in 2021, as amended on October 1, 2021, October 1, 2022, and May 1, 2023, as well as a Placing Agency Foster Care contract, Contract No. MA230000001217, on October 1, 2023, and as amended on October 1, 2024, August 1, 2025, and December 1, 2025, with Defendant Michigan Department of Health and Human Services (DHHS).
3. On December 11, 2025, the DHHS Private Agency Compliance Unit (PACU) sent UPFS a Compliance Performance Review, following PACU's investigation of an August 25, 2025 complaint concerning UPFS's compliance with the Placing Agency Foster Care contract with MDHHS. Based on the areas of non-compliance identified in the Compliance Performance Review, PACU required UPFS to submit an acceptable performance improvement plan (PIP).
4. On December 11, 2025, the MDHHS Division of Child Welfare Licensing (DCWL) issued a Special Investigation Report, following DCWL's investigation of Plaintiff UPFS's compliance with foster care agency licensing requirements, Special Investigation (SI) No. 2025SIC0000962. Due to the violations identified in the Special Investigation Report, DCWL required UPFS to submit an acceptable corrective action plan (CAP).
5. Upon the Court's entry of the below Order pursuant to this Stipulation, DHHS accepts UPFS's PIP responding to the December 11, 2025 Compliance Performance Review and CAP responding to SI No. 2025SIC0000962.

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6. Upon DHHS's acceptance of UPFS's PIP and CAP, DHHS agrees that the areas of non-compliance identified in the Compliance Performance Review and the violations identified in the Special Investigation Report do not constitute an impediment to UPFS receiving referrals under the Placing Agency Foster Care and Adoption Services contract. DHHS does not guarantee referral timing or volume. DHHS will notify the relevant regional directors that, based on acceptance of the PIP and CAP, there is no other known impediment to sending referrals to UPFS. This notification will be issued on the date the Court enters the stipulated order dismissing this case.
7. Neither DHHS's acceptance of UPFS's PIP and CAP nor any provision of this Stipulation limits, waives, or otherwise affects DHHS's statutory, regulatory, or discretionary authority. DHHS expressly retains all oversight, monitoring, and enforcement authority, including without limitation the right to enforce (a) UPFS's compliance with the PIP and the CAP, (b) all terms of the Placing Agency Foster Care and Adoption Services contracts unrelated to the specific non-compliance identified in the Compliance Performance Review, (c) compliance with licensing requirements unrelated to the violations identified in the Special Investigation Report, and (d) any acts, omissions, or conduct occurring after the date of DHHS's acceptance of the PIP and CAP.
8. Plaintiff waives and releases all claims it made or could have made concerning the subject of the Complaint filed in this case. Plaintiff releases and forever discharges DHHS and the State of Michigan and their employees, agents,

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facilities, or insurers, from any and all past, present, or future claims, demands, obligations, actions, causes of action, rights, damages, costs, losses of services, expenses, and compensation of any nature whatsoever, which UPFS now has, or which may hereafter accrue or otherwise be acquired, on account of, or may in any way grow out of, or which are the subject of, the Complaint, through the filing of this Stipulation and Order.

9. UPFS dismisses this case with prejudice.

10. Each party will bear their own costs and attorney fees.

11. The court will not retain jurisdiction.

IT IS SO STIPULATED AND AGREED.

Dated: November 6, 2026

/s/ Richard E. Hillary, II (w/ consent)
Richard E. Hillary, II (P56092)
Stephen J. Van Stempvoort (P79828)
Andrea M. Dalimonte (P87259)
Attorneys for Plaintiff

Dated: November 6, 2026

Kelly A. Carter (P56129)
Toni L. Harris (P63111)
Attorneys for Defendant

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ORDER OF DISMISSAL

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ORDER OF DISMISSAL

At a session of said Court, held in the Court of Claims, City of Lansing, County of Ingham, State of Michigan, on this 6th day of November, 2026.

PRESENT: Michael F. Gadola
Michael F. Gadola
Court of Claims Judge

Pursuant to the parties' stipulation above,

IT IS HEREBY ORDERED

1. The parties' Stipulation above is adopted and incorporated into this Order by reference.
2. This case is dismissed with prejudice.
3. Each party bears its own costs and attorney fees.
4. The Court does not retain jurisdiction.

SO ORDERED.

This is a final order and closes the case.

Dated: November 6, 2026

Michael F. Gadola
Court of Claims Judge

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