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September 30, 2025

Re: PowerSchool Litigation

Dear Retainer Client:

Schools nationwide are joining a lawsuit against PowerSchool and related defendants concerning the December 2024 PowerSchool data breach and PowerSchool's alleged contract breaches, specifically MDL No. 3149 in the United States District Court for the Southern District of California ("Lawsuit"). According to Frantz Law Group, a California law firm representing schools in that litigation, PowerSchool hackers claim to possess data of 62.4 million students and 9.5 million teachers. That data includes names, addresses, phone numbers, emails, medical information, and social security numbers.

Frantz informed us that Michigan schools that used PowerSchool in December 2024, but that do not directly join the Lawsuit, are expected to be lumped into a class action, which has been defined as "all school districts in the United States who are PowerSchool users." Meaning, such schools are likely to be impacted by the PowerSchool litigation regardless whether they take any action – they will either directly join the Lawsuit or receive notification about defaulting into a class action settlement.

The class action notification is likely to contain a narrow window for a school to opt out of the class action settlement to preserve any potential claims against PowerSchool. A financial recovery for a school in the class action is also expected to be substantially lower than for a school that directly joins the Lawsuit. Joining the Lawsuit will exempt a school from being lumped into the class action.

The universe of schools impacted by the PowerSchool data breach is not yet known – it is likely that many schools have been impacted by the breach but do not know it yet. The Lawsuit alleges several claims, including negligence, breach of contract, fraudulent misrepresentation, and statutory violations.

In terms of a recovery for schools, Frantz is seeking past and future expenses related to the data breach (e.g., staff time and legal expenses), future expenses related to platform changes and data migration, reimbursement for amounts paid to PowerSchool, and – importantly – indemnity from PowerSchool for any future litigation against the school by a person impacted by the breach.

A school that used PowerSchool in December 2024 is eligible to join the Lawsuit even if it was not directly impacted by the PowerSchool data breach. Frantz informed us that the fee charged by PowerSchool for its services included data security costs, and hence schools overpaid for PowerSchool services when their data was not secured, regardless whether those security



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deficiencies resulted in a data breach. A PowerSchool user not directly impacted by the data breach is also eligible for funds related to statutory data security violations.

Frantz will seek a court order restricting discovery to a questionnaire. Until that order is granted, however, schools in the Lawsuit will be required – with assistance from Frantz – to respond to written questions and document requests from the defendants. Frantz estimates that staff time for schools that join the Lawsuit will not exceed 10 hours. Frantz informed us that it does not expect that staff will be required to appear in court or to participate in depositions.

The terms for participating in the Lawsuit are detailed in the enclosed Attorney-Client Fee Contract, which has already been reviewed by our firm. Frantz will represent schools on a contingency fee basis, meaning Frantz will not charge any fees or costs unless there is a financial recovery. Frantz will receive 30% of any recovery. Thrun will receive a portion of Frantz's 30%. If there is a recovery, schools will also reimburse Frantz out of the recovery for costs incurred by Frantz during the Lawsuit, such as court filing costs and expert witness fees.

A recovery in the Lawsuit is not guaranteed. Thrun is not co-counsel in the Lawsuit – our role is limited to referring clients to Frantz.

To join the Lawsuit, your school needs to approve the enclosed resolution and contract. Areas highlighted in teal in those documents should be completed prior to signature.

Signed resolutions - and signed and initialed contracts - should be returned as soon as possible (but no later than December 31, 2025) to pmatusiak@thrunlaw.com. If you would like more information about the litigation, please contact Piotr Matusiak at pmatusiak@thrunlaw.com or call (517) 374-8824.

Thrun Law Firm, P.C.

This client communication is intended to provide helpful information on school law topics and is not intended as legal advice or opinion for specific facts, matters, situations, or issues. Legal counsel should be consulted about the application of this information to a specific circumstance or situation.