

UNITED STATES DISTRICT COURT EASTERN DISTRICT OF MICHIGAN

IF YOU WERE A PARTICIPANT IN OR BENEFICIARY OF THE EMPLOYEES' SAVINGS PLAN OF CONSUMERS ENERGY COMPANY, FOR WHOSE ACCOUNTS THE FIDUCIARIES OF THE PLAN MADE OR MAINTAINED INVESTMENTS IN CMS ENERGY CORPORATION STOCK THROUGH THE PLAN'S FUND C INVESTMENT FUND, FUND GS INVESTMENT FUND, FUND CE INVESTMENT FUND, OR THE TRASOP FUND (COLLECTIVELY THE "CMS STOCK FUNDS") AT ANY TIME FROM AUGUST 3, 2000 TO DECEMBER 27, 2004 (THE "SETTLEMENT CLASS"), YOU MAY BE ELIGIBLE TO RECEIVE A PAYMENT AS A RESULT OF A CLASS ACTION SETTLEMENT.

In re CMS ENERGY ERISA LITIGATION

Master File No. 02-72834  
CLASS ACTION

What Fees and Expenses are Being Sought By the Attorneys and the Named Plaintiffs?

COURT-ORDERED LEGAL NOTICE  
(Summary)

A Settlement has been preliminarily approved by the federal court in a class action lawsuit alleging breaches of fiduciary duties under the Employee Retirement Income Security Act ("ERISA") in connection with the Employees' Savings Plan of Consumers Energy Company (the "Plan").

This Settlement will provide for a payment of \$28 million plus interest to the Plan (minus Court-approved fees and expenses), which will then be allocated to the accounts of Plan participants who had invested portions of their Plan accounts in the Company stock funds. In addition, under the Settlement, the Company agrees that it (i) will not take any action for a period of four years from final approval of the Settlement to restrict Plan participants' ability to sell Company stock that is in or may be added to the Plan except in instances required to comply with applicable law or internal compliance procedures; (ii) will take steps to see that individuals identified as fiduciaries to the Plan are provided with knowledge of their ERISA imposed duties and obligations, including providing Plan fiduciaries with regularly updated materials regarding Plan management and administration that sets forth their duties and responsibilities under ERISA; (iii) will identify the fiduciary structure of the Plan in the Plan Document and Summary Plan Description such that it is clear who exercises fiduciary responsibility for the Plan and Plan assets; (iv) will provide contact information for participants or beneficiaries with questions regarding the Plan and Plan assets in the Plan Document and Summary Plan Description, to the extent not already provided in those documents; and (v) will clearly state in the Plan materials the importance of diversification, and will encourage participants to regularly evaluate whether their retirement plan assets are sufficiently diversified to protect against large losses, to the extent not already accomplished by materials prepared by the current Plan record keeper and trustee, Fidelity (the "Equitable Relief").

If you qualify as a member of the Settlement Class, you may receive a portion of such allocation. You do not need to send in a claim or take any other action unless you object to the Settlement. The United States District Court for the Eastern District of Michigan has authorized this Notice.

THE COURT WILL HOLD A HEARING ON THURSDAY, JUNE 15, 2006 TO DECIDE WHETHER TO APPROVE THE SETTLEMENT.

What is This Case About?

The Plaintiffs in the case claim that the Defendants breached their fiduciary duties with respect to the Plan by continuing to allow participant investment in CMS common stock and by other related acts. All of the Defendants deny they did anything wrong. The Court has not ruled in favor of either side. The Defendants are the Company and the following Persons named as defendants in the Complaint: Kathleen R. Flaherty; Victor J. Fryling; Earl D. Holton; William U. Parfet; Kenneth L. Way; Kenneth Whipple; John B. Yasinsky; John M. Deutch; James J. Duderstadt; Preston D. Hopper; David W. Joos; William T. McCormick, Jr.; Tamela W. Pallas; Percy A. Pierre; Allan M. Wright; Legal Representative of the Estate of Thomas McNish; and Laura L. Mountcastle.

How Will the Settlement Money Be Allocated?

If you are a Class Member, you will be allocated a share of the Settlement money paid into the Plan based on your proportionate share of the losses alleged to have been suffered by the Plan as a result of the acquisition and holding of CMS common stock.

The lawyers who have prosecuted this case for the Named Plaintiffs and the Settlement Class on a contingent fee basis will apply to the Court for fees of no more than 30% of the Settlement Fund, plus reimbursement of expenses incurred in connection with the prosecution of the Action. In addition, the Named Plaintiffs will apply to the Court for compensation of up to \$15,000 each. The Court must approve any fees and expenses to attorneys, as well as any compensation to the Named Plaintiffs. Class Members may file objections to the attorneys' applications for fees and expenses and the Named Plaintiffs' application for compensation.

Are There More Details to the Settlement?

The Settlement includes a number of other important details. These include, but are not limited to, provisions relating to: (1) releases of Claims against the Defendants by the Settlement Class; and (2) how the payment to the Plan will be allocated among participants' accounts.

How Do I Get More Information?

If you are a member of the Settlement Class, you should be receiving a Notice of Class Action Settlement regarding the Settlement in the mail. You should read that document for more information. It is more detailed than this summary notice. If you do not receive a Notice of Class Action Settlement in the mail, and you believe that you may be a member of the Settlement Class, you may request one by calling, toll-free, 1-(800)-314-0805.

The following attorneys and law firms are Class Counsel in this action. You may write to any of the firms listed below if you have any questions about the Settlement:

Lynn Lincoln Sarko  
Derek Loeser  
Amy Hanson  
Keller Rohrbach LLP  
1201 Third Avenue, Suite 3200  
Seattle, Washington 98101-3052  
Fax: (206) 623-3384

Ellen M. Doyle  
Malakoff, Doyle and Finberg, PC  
437 Grant Street, Suite 200  
Pittsburgh, PA 15219  
Fax: (412) 281-3262

Justin Campbell  
Campbell, Harrison,  
and Dagley LLP  
Cornish F. Hitchcock  
909 Fannin Street  
5301 Wisconsin Ave NW,  
Fax: (713) 752-2330

J. Brian McTigue  
Greg Porter  
4000 Two Houston Center  
McTigue Law Firm  
Houston, TX 77010  
Suite 350  
Washington, D.C. 20015  
Fax: (202) 364-9960

What Are My Options?

You cannot "opt out" or exclude yourself from the Settlement Class. If you object to the Settlement, Plaintiffs' request for payment of attorneys' fees and expenses, Named Plaintiffs' request for compensation, or the Plan of Allocation, you may file a written objection as described in the Notice of Class Action Settlement, which is to be postmarked no later than Thursday, June 8, 2006. If you do not want to object to the Settlement, you do not have to do anything.

What Happens Next?

The Court will hold a Fairness Hearing on Thursday, June 15, 2006 at 2:00 p.m. At that hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. After the Fairness Hearing, the Court will decide whether to approve the Settlement.