



OFFICE OF THE ATTORNEY GENERAL

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FOR IMMEDIATE RELEASE

DATE: Wednesday January 9, 2008

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DEFENDANT TO SERVE 4 to 10 YEARS MINIMUM IN SECURITIES SCAM PREYING ON NEVADA SENIOR CITIZENS

LAS VEGAS -- Attorney General Catherine Cortez Masto announced today that District Court Judge Elizabeth Gonzales sentenced Nancy Nash to serve 4 to 10 years in Nevada State prison, with an equal and consecutive term of 4 to 10 years as an elder enhancement penalty, in connection with her plea of guilty to feloniously operating a continuing legal enterprise to sell unregistered securities to elderly victims in Nevada. Nash was also ordered to pay in excess of \$2.8 million dollars to victims of the securities scam targeting primarily senior citizens throughout Nevada.

Assistant Chief Deputy Attorney General John P. Kelleher who prosecuted the case, labeled Nash, as a "financial predator," who offered and sold investment contract securities through her company Palace Worldwide Enterprises, to 44 Nevada residents, many of whom are senior citizens. According to Kelleher, Nash marketed herself as a "Certified Senior Investment Specialist." However, the investment program was nothing more than an elaborate Ponzi scheme, resulting in a total loss to the victims in the amount of \$2,746,117.37. There were zero revenues generated from the Palace investment in or for the sale of real estate properties," added Kelleher.

Nash operated from the NASH FINANCIAL MANAGEMENT offices in Las Vegas, where NASH operated four other businesses, including insurance, tax preparation, mortgage and living trust services. All four businesses operated under NASH FINANCIAL MANAGEMENT. NASH used her insurance, tax preparation, mortgage sales and living trust activities to locate perspective investors for PALACE WORLDWIDE ENTERPRISES. All four activities exposed the client's financial records to NASH and NASH held monthly "free lunch" financial seminars for senior citizens in Clark County area hotel/casinos as an additional means of attracting prospective investors.

NASH convinced many of the investors to cash in safe investments, 401K Retirement accounts and refinance their homes in order to invest in the fraudulent scheme. NASH represented that she could help the victims obtain low interest rate mortgages, for which Nash would receive a referral fee. Nash failed to explain that the mortgage rates were adjustable however and would increase over time.

“Some of the victims are currently paying in excess of double what their original mortgage payment was prior to their investment with NASH and others, who previously owned their home free and clear, are now financially burdened with high interest mortgage payments leaving them in dire financial straights as a direct result of Nash’s criminal conduct” said Attorney General Catherine Cortez Masto. “

“Senior protection and mortgage fraud are top priorities for my administration. The Nash case involved elements of elder exploitation, mortgage fraud and securities fraud, which are all areas that my office has targeted as priority crimes needing to be addressed. We intend to aggressively prosecute all types of financial fraud in Nevada, which is particularly egregious when the victims are Senior citizens on fixed incomes who are left financially destitute as a result of the fraudulent activity” stated Attorney General Masto.

Nash was taken into custody at the conclusion of the sentencing to begin serving her prison term.



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Date: January 14, 2008

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NEVADA ANNOUNCES NATIONWIDE AGREEMENT WITH MYSPACE TO BOOST SOCIAL NETWORKING SAFETY

In a victory for social networking safety, Attorney General Catherine Cortez Masto and 49 states along with the District of Columbia, today announced that MySpace has agreed to significant steps to better protect children on its web site, including creation of a broad-based task force to explore and develop age and identity verification technology.

MySpace acknowledged in the agreement the important role of this technology in social networking safety and agreed to find and develop on-line identity authentication tools. The attorneys general advocate age and identity verification, calling it vital to better protecting children using social networking sites from on-line sexual predators and inappropriate material.

Other specific changes and policies that MySpace agreed to develop include: allowing parents to submit their children's emails so MySpace can prevent anyone using those emails from setting up profiles, making the default setting "private" for profiles of 16- and 17-year-olds, promising to respond within 72 hours to inappropriate content complaints and committing more staff and/or resources to review and classify photographs and discussion groups.

"I applaud MySpace for its willingness to develop protocols that will ensure a safer social networking experience for minors who frequent MySpace sites on the internet," Masto said, "This is an important step in making the internet safe and a template for similar internet sites to follow."

The agreement culminates nearly two years of discussions between MySpace and the attorneys general, led by North Carolina Attorney General Roy Cooper and Connecticut Attorney General Richard Blumenthal. The states pushed MySpace for changes after sexual predators repeatedly used the site to victimize children.

Under the agreement, MySpace, with support from the attorneys general, will create and lead an Internet Safety Technical Task Force to explore and develop age and identity verification tools for social networking web sites. MySpace will invite other social networking sites, age and identity verification experts, child protection groups and technology companies to participate in the task force.

The task force will report back to the attorneys general every three months and issue a formal report with findings and recommendations at the end of 2008.

MySpace also will hire a contractor to compile a registry of email addresses provided by parents who want to restrict their child's access to the site. MySpace will bar anyone using a submitted email address from signing in or creating a profile.

MySpace also agreed to work to implement the following:

- Strengthen software identifying underage users;
- Retain a contractor to better identify and expunge inappropriate images;
- Obtain and constantly update a list of pornographic web sites and regularly sever any links between them and MySpace;
- Implement changes making it harder for adults to contact children;
- Dedicate meaningful resources to educating children and parents about on-line safety;
- Provide a way to report abuse on every page that contains content, consider adopting a common mechanism to report abuse, and respond quickly to abuse reports; and
- Create a closed "high school" section for users under 18.

The Joint Statement on Key Principles of Social Networking Safety recognizes that an ongoing industry effort is required to keep pace with the latest technological developments and develop additional ways to protect teens, including online identity authentication tools. The Principles of Social Networking fall into four categories:

- Online Safety Task Force. As part of the Principles, MySpace will organize, with support of the Attorneys General, an industry-wide Internet Safety Technical Task Force to develop online safety tools, including a review of identity authentication tools. The Task Force will include Internet businesses, identity authentication experts, non-profit organizations, academics and technology companies.
- Site Design and Functionality. The Principles incorporate safety initiatives that MySpace has already implemented (Appendix A attached) and initiatives it will work to implement over the coming months (Appendix B attached). Examples of safety features MySpace has in place include reviewing every image and video uploaded to the site, reviewing groups, making the profiles of 14- and 15-year-old users automatically private and helping to protect them from being contacted by

adults that they don't already know in the offline world, and deleting registered sex offenders from MySpace.

MySpace has also agreed to consider a common abuse reporting mechanism and has agreed to provide a means to report abuse on every content-containing page, also allowing users to easily categorize the type of offensive content at issue via a drop-down menu. MySpace will try to acknowledge reports made via the Report Abuse mechanism within 24 hours and will report back to consumers within 72 hours of receiving complaints.

- Education and Tools for Parents, Educators and Children. The Principles acknowledge that MySpace has already been devoting meaningful resources to Internet safety education including a new online safety public service announcement targeted at parents and free parental monitoring software that is under development. MySpace will explore the establishment of a children's email registry that will empower parents to prevent their children from having access to MySpace or any other social networking sites. In addition, under the Principles MySpace will increase its communications with consumers who report or complain about inappropriate content or activity on the site.
- Law Enforcement Cooperation. The parties will continue to work together to enhance the ability of law enforcement officials to investigate and prosecute Internet crimes.

END



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FOR IMMEDIATE RELEASE
DATE: Friday January 18, 2008

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NINTH CIRCUIT COURT AFFIRMS CONVICTION OF RENO MURDERER

Carson City, NV – Attorney General Catherine Cortez Masto announced today that the Ninth Circuit Court of Appeals reversed an earlier opinion and affirmed the 1992 murder conviction of Lary James Plumlee of Reno. Plumlee had challenged his conviction in a habeas corpus petition in federal court following the denial of his state appeals.

Sitting as a larger *en banc* court, the Ninth Circuit voted 10-1 to uphold Plumlee's conviction, disagreeing with a prior 2-1 decision that would have granted Plumlee a new trial. None of the judges from the original three-judge panel sat on the *en banc* court, which was based on a random selection among the 25 active Ninth Circuit judges.

"This was a great victory for the State of Nevada. The Ninth Circuit's decision means that a convicted murderer will stay locked up where he belongs," said Attorney General Masto. "Had the original panel decision remained in place, criminal defendants throughout the Ninth Circuit could have played havoc with the system and demanded a new trial because they manufactured a conflict with their trial attorneys. The Ninth Circuit should be commended for following the law and not creating a new right for criminal defendants."

A Washoe District Court jury convicted Plumlee of robbing and murdering Wilbur Beard. However, Plumlee claimed that he had conflicts of interest with his court appointed attorneys. A state district court judge disagreed—as did every other court that heard the case before the original Ninth Circuit panel decision. Senior Deputy Attorney General David Neidert argued the case on behalf of the state before the *en banc* panel.

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FOR IMMEDIATE RELEASE
DATE: January 28, 2008

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ATTORNEY GENERAL ANNOUNCES GUILTY PLEA OF GARY WOOD TO SECURITIES FRAUD

Reno, NV- Attorney General Catherine Cortez Masto announced today the guilty plea in Washoe County District Court of Gary Wood to one count of felony securities fraud for making an untrue statement of material fact, and one gross misdemeanor count of conspiring to commit theft by false pretenses. Conviction for such crimes carries a maximum potential penalty of 5 years' imprisonment in the Nevada State Prison and a fine of not more than \$10,000.

Wood was charged with securities fraud in connection with the operation of Brightstar Consulting International, LLC and GSW Consulting International, Inc. Wood pled guilty to defrauding investors by making false and misleading statements to sell unregistered securities to investors, and stealing the proceeds of those sales to pay personal debts. As part of the guilty plea, Wood agreed to pay 100 percent restitution to the victims, in the sum of \$181,109.34, of which \$133,000 will be payable on or before the date of sentencing. This case was investigated by the Securities Division of the Office of the Nevada Secretary of State and is being prosecuted by the Attorney General's Bureau of Consumer Protection.

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FOR IMMEDIATE RELEASE
DATE: Tuesday January 29, 2008

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MASTO APPOINTS GREGORY SMITH AS CHIEF OF INVESTIGATIONS

Carson City, NV – Nevada Attorney General Catherine Cortez Masto announced today the appointment of Gregory Smith as Chief of Investigations for the Nevada Attorney General's Office. Mr. Smith, a 15 year employee at the Attorney General's Office, assumed his new position on Monday January 28, 2008.

"Greg is well respected by his peers in law enforcement. I am very pleased that Greg has accepted this leadership role within the Attorney General's Office," said Attorney General Masto. "His superior work and experience made him the perfect candidate for the job and I look forward to working with Greg in his new role."

Mr. Smith began his career with the Attorney General's Office in 1993 as an investigator in the Workers' Compensation Fraud Unit in Las Vegas. Since then he has served as a Senior Investigator with the Workers' Compensation Unit and for the last eight years worked as the Deputy Chief Investigator for both the Workers' Compensation Fraud Unit and General Investigations Unit. Mr. Smith holds both a Masters and Bachelors Degree in Criminal Justice, from the University of Nevada, Las Vegas. As Chief of Investigations, Mr. Smith will supervise a staff of investigators, investigative assistants and forensic examiners.

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FOR IMMEDIATE DRAFT
DATE: Wednesday January 30, 2008

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MOTHER AND DAUGHTER HEALTHCARE WORKERS SENTENCED FOR MEDICAID FRAUD

Las Vegas – Attorney General Catherine Cortez Masto announced today that Las Vegas Maria Barraza, age 59, was sentenced for felony level Medicaid Fraud-Submitting False Claims. The charge carried a maximum 4 years in prison and a \$5,000 fine. District Court Judge David T. Wall sentenced her to 12 to 30 months in jail, suspended; payment of \$21,000 in restitution, penalties, and costs; serve 3 years probation plus 120 hours of community service.

Earlier, on 12/20/07, Lizbeth Ortiz, age 20, daughter of Barraza, pled guilty to misdemeanor Medicaid Fraud-Submitting False Claims. Justice Court Judge William Jansen sentenced her to 90 days in jail, suspended; 2 years informal probation, payment of \$21,000 in restitution, penalties, and costs plus 60 hours of community service. Both Barraza and Ortiz will have joint and severable liability for payment of the \$21,000. These cases were investigated and prosecuted by the Attorney General's Medicaid Fraud Control Unit (MFCU).

MFCU Director, Tim Terry, said the investigation began in 2006 after information was obtained that Ortiz was not providing personal home care services to Medicaid recipients but claims were being submitted to Medicaid as if the services were performed. Medicaid's personal care aid program is designed to keep people living independently in their own homes by providing basic services, including bathing, dressing, cleaning and meal preparation. The investigation developed information that both Ortiz and Barraza were not at patient's homes for the time periods they claimed to be providing services. Ortiz also had a full time job at another location.

Attorney General Cortez Masto said "While it is unfortunate that a mother would risk the freedom of her daughter to obtain money fraudulently; it is just as unfortunate that patients were deprived of the home care they needed."

The Nevada Attorney General's Medicaid Fraud Control Unit investigates and prosecutes instances of financial fraud by those providing healthcare services or goods to Medicaid patients. The unit also investigates and prosecutes elder abuse or neglect. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. Medicaid fraud information can also be found on the Attorney General's web site: <http://ag.state.nv.us>



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FOR IMMEDIATE RELEASE
DATE: Thursday February 7, 2008

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MASTO ANNOUNCES \$400 MILLION NATIONWIDE SETTLEMENT WITH MERCK

Carson City, NV— Nevada Attorney General Catherine Cortez Masto announced today the settlement of *State of Nevada ex rel. Steinke v. Merck & Co., Inc.*, a civil fraud action brought under the Nevada False Claims Act. The lawsuit alleged that Merck overcharged the Medicaid program for prescriptions of Zocor and Vioxx to Nevada Medicaid recipients.

The settlement ends a four-year investigation and prosecution by the Medicaid Fraud Control Unit ("MFCU") of the Nevada Attorney General's Office against Merck. In April 2005, the State of Nevada intervened in a lawsuit originally filed by a former Merck sales manager, H. Dean Steinke, under the whistleblower provisions of the Nevada False Claims Act alleging that Merck illegally over-charged Nevada's Medicaid program for Zocor and Vioxx through a sales program that was designed to reach Medicaid patients admitted to hospitals in the state.

Nevada's prosecution under the Nevada False Claims Act helped lead a nationwide investigation dating back to 2000 into Merck's marketing practices involving Zocor and Vioxx and other popular drugs manufactured by Merck. In late 2004, Mr. Steinke and his legal team outlined the details of Merck's marketing practices on the Nevada Medicaid program to Chief Deputy Attorney General Tim Terry, Director of the Nevada MFCU. Nevada's investigation revealed that hospitals were able to purchase Zocor at over a 92% discount off of Merck's reported price, leading to drastically marked-up costs to Nevada's Medicaid program. Soon after, Nevada joined Mr. Steinke's whistleblower lawsuit, and took over its prosecution.

Nevada's prosecution of the lawsuit led to a landmark court decision by U.S. District Court Judge Howard McKibben in May 2006 allowing Nevada and the whistleblower to continue to prosecute Merck for failing to properly charge Nevada for Zocor and Vioxx prescriptions to Nevada Medicaid patients. [This decision can be found at 432 F.Supp.2d 1082 (D. Nev. 2006)]. Nevada's groundbreaking legal victory had a wide-ranging impact on Merck because Merck was using the same pricing programs for all state Medicaid programs. The decision exposed Merck to potential liability for hundreds of millions of dollars in rebates Merck should have paid to Nevada, and all other states, for Medicaid sales.

After this court ruling the State of Nevada, in conjunction with the United States Attorney's Office in Philadelphia, the United States Department of Justice in Washington, D.C. and a team of state representatives from Delaware, Illinois and Massachusetts, was able to negotiate a nationwide

settlement with Merck for \$400 Million. The State of Nevada will receive approximately \$1.5 Million of this amount.

Attorney General Masto noted that "The government's limited resources must be used as efficiently as possible to protect government funded programs and so as to facilitate the greatest return on the taxpayer's dollars. This joint effort between the federal and state governments should serve as a blueprint for future cases."

The Nevada MFCU worked closely with the team of private lawyers representing the whistleblower to coordinate the Nevada prosecution. Mr. Steinke was represented by Steven H. Cohen of Chicago, Illinois, Mark A. Kleiman of Los Angeles, California and BethAnne Yeager, from Madison, Wisconsin. Cohen, Kleiman and Yeager also represented Mr. Steinke in a 400 million dollar global settlement reached today by the federal government and the other states.

"Simply put, there would not be a global settlement against Merck if it had not been for Tim Terry and Nevada Attorney General's Office," according to Cohen. "Nevada's lead in this case made it all happen."

Kleiman agrees with Cohen's assessment, "The Nevada Attorney General's Office stepped up to the plate on behalf of all the States and the federal government, took the lead in testing the government theory of the case, and scored a resounding victory for the taxpayers."

According to Mr. Steinke's lawyers, who have been representing whistleblowers in cases brought under federal and state false claims laws since 1995, the Nevada case represents a breakthrough model for the way government is prosecuting nationwide fraud practices by drug companies and other Medicaid providers.

"Nevada has changed the landscape of anti-fraud enforcement" says Ms. Yeager. "This case and the global settlement it created will pave the way for future prosecutions of nationwide fraud."

The *Nevada v. Merck* case alleged that Merck promoted Zocor and Vioxx through two incentive marketing programs known as SAVE and VIP, respectively, which offered hospitals steep discounts—92% or greater—on the drugs so long as the hospitals met certain conditions. These conditions required that the hospitals maintain its purchases of Zocor or Vioxx at a 70% or higher market share or established the drugs as the exclusive drug on the hospital's formulary. Merck designed SAVE and VIP to induce the hospitals to promote Zocor and Vioxx, and to use the hospitals as a portal to capture the long-term prescriptions that patients would require long after they were discharged, known as the spill-over effect. The case also alleged that Merck further induced hospitals by giving away free stock bottles of these drugs to offset the hospitals' costs.

The \$400-million settlement announced today is the second-largest nationwide civil Medicaid settlement. More information about the global settlement and the Nevada settlement may be found at the Relator's Web site: www.drugfraudsettlement.com.

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FOR IMMEDIATE RELEASE
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MASTO, TEACHING TOLERANCE TASK FORCE BRING ANTI-BULLYING MESSAGE TO NEVADA SCHOOLS DURING NEVADA READING WEEK

PHOTO OP: Attorney General Catherine Cortez Masto will greet author Fox Carlton Hughes as he deliver copies of his book, Rainbow Rhino, to members of the Teaching Tolerance Task Force on Monday February 25, 2008 at 11:30 am in the Attorney General's Office, 100 N. Carson Street, Carson City.

Carson City, NV – Nevada Attorney General Catherine Cortez Masto and the Teaching Tolerance Task Force are joining forces with Dayton author Fox Carlton Hughes to help Nevada school children fight back against bullies during Nevada Reading Week 2008.

"Bullying can be detrimental to a child's well being and Nevada Reading Week has given us a great platform to get into the classrooms and talk to the children about tolerance and mutual respect," said Attorney General Masto. "My office and the Task Force want to work with the school districts, administrators and teachers to help promote a safe and respectful learning environment for all of Nevada's children."

According to the 2007 Nevada Youth Risk Behavior Survey, 31% of Nevada middle schoolers felt safe and secure at school sometimes, rarely or never; 32% of Nevada middle schoolers feel accepted at school only sometimes, rarely or never. National studies have shown students who are bullied are more likely to develop mental illness and to commit school violence.

To get the anti-bullying message out in Nevada, Hughes donated 30 signed copies of his book, Rainbow Rhino, to the Task Force to be read and donated to schools across the state during Nevada Reading Week. The book, targeted for children ages 4 to 8, shares the adventures of a rainbow rhinoceros and his three friends in a journey that teaches them how to deal with the pressures of being different and promotes friendship and togetherness.

"When I wrote this book, I had no idea that it would make such an impact in the lives of the children who have read it," said Hughes. "I have grandchildren in Nevada's school system and I want to do my part to make sure they are getting the best education possible."

Nevada Reading Week is an annual celebration of reading in Nevada schools and will be honored Monday February 5 through Friday February 29, 2008. Members of the Task Force have volunteered to read the books to classes in 30 different schools in Carson City, Reno, Sparks, Dayton and Las Vegas. The message of the book will reach more than a thousand students during Nevada Reading Week and countless others who will be able to read and check the book out from the school library.

Members of the media are invited to accompany Task Force Members, including Attorney General Masto and Assemblywoman Bonnie Parnell, to their respective book readings. However, these accommodations must be made in advanced by contacting Nicole Moon at the Attorney General's Office at 702-486-3379 or njmoon@ag.state.nv.us

The Teaching Tolerance Task Force is a joint effort between the Nevada Attorney General's Office and the Nevada Department of Education. The membership of the task force is comprised of representatives from the local school districts, school district law enforcement, legislators, parental involvement organizations, student organizations and community organizations. More information on the task force is available at: <http://tttf.state.nv.us>

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**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

**THE STATE OF NEVADA by its ATTORNEY
GENERAL CATHERINE CORTEZ MASTO;**

Plaintiff,

v.

**UNITEDHEALTH GROUP INCORPORATED and
SIERRA HEALTH SERVICES, INC.,**

Defendants.

Civil Action No. _____

Filed:

Judge:

[PROPOSED] STIPULATED FINAL JUDGMENT

WHEREAS, Plaintiff, State of Nevada through its Attorney General, filed its
Complaint on February 25, 2008; Plaintiff and Defendants (collectively, the "Parties"),
UnitedHealth Group Incorporated and Sierra Health Services, Inc. (defined herein and

collectively referred to as “Defendants”) by their respective attorneys, have consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law and without this Final Judgment constituting any evidence against or admission by any party regarding any issue of fact or law;

AND WHEREAS, Defendants agree to be bound by the provisions of this Final Judgment pending its approval by the Court;

AND WHEREAS, the essence of this Final Judgment is the prompt and certain Divestiture of certain rights or assets by Defendants to ensure that competition is not substantially lessened and to ensure that Defendants will abide by other conditions herein to facilitate and expand the scope of health care coverage and insurance to the people and businesses of Nevada;

AND WHEREAS, Plaintiff requires Defendants to make a certain Divestiture and agree to other provisions identified herein for the purpose of remedying the loss of competition alleged in the Complaint;

AND WHEREAS, Defendants have entered into a similar judgment with the United States Department of Justice Antitrust Division to address the same allegations set forth by the Nevada Attorney General in its complaint;

AND WHEREAS, Defendants have represented to the Nevada Attorney General that the Divestiture required by this Final Judgment and other terms and conditions identified herein can and will be made, and that Defendants will not later raise any claims of hardship or difficulty as grounds for asking the Court to modify any of the provisions of this Final Judgment;

NOW THEREFORE, before any testimony is taken, without trial or adjudication of any issue of fact or law, and upon consent of the Parties, it is ORDERED, ADJUDGED, AND DECREED:

I. JURISDICTION

This Court has jurisdiction over the subject matter of, and each of the Parties to, this action. The Complaint states a claim upon which relief may be granted against Defendants under Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

II. DEFINITIONS

As used in this Judgment:

- A. “Acquirer” means the entity to whom the Divestiture Assets are divested.
- B. “All Products Provision” means any policy, practice, rule, contract provision, financial incentive, compensation package, or reimbursement rate(s) that coerces or otherwise requires a Health Care Provider to involuntarily participate in any of Defendants’ networks in Nevada by conditioning such participation upon a Health Care Provider’s participation in other of Defendants’ networks using different compensation terms and/or conditioning a Health Care Provider’s participation in commercial products on participation in Medicare Advantage products or vice versa.
- C. “Clark County” means the Las Vegas-Paradise Metropolitan Statistical Area consisting of Clark County, Nevada.
- D. “Clark County CMS Plans” means the individual Medicare Advantage plans offered under CMS Plan Nos. H2949-002, H2949-009 and H2949-012, but does not include any Series 800 Medicare Advantage plans offered to retirees through commercial customers or contracts.

E. "Clark and Nye County CMS Plans" means the Clark County CMS Plans and the Nye County CMS Plans.

F. "CMS" means the Centers for Medicare and Medicaid Services, an agency within the U.S. Department of Health and Human Services.

G. "Divestiture," "Divest," or "Divesting" means the sale, transfer, ceding, assignment or disposition of the beneficial interest in the Divestiture Assets by commercially reasonable means in accordance with applicable law.

H. "Divestiture Assets" means all tangible and intangible assets dedicated to the administration, operation, selling, and marketing of the Clark and Nye County CMS Plans, including (1) all of United's rights and obligations under United's Medicare Contract No. H2949 with CMS relating to the Clark and Nye County CMS Plans, including the right to offer the Medicare Advantage plan to individual enrollees pursuant to the bids and Evidence of Coverage filed with CMS in 2007 for the 2008 contract year, and the right to receive from CMS a per member per month capitation payment in exchange for providing or arranging for the benefits enumerated in the bids and Evidence of Coverage, and (2) copies of all business, financial and operational books, records, and data, both current and historical, that relate to the Clark County CMS Plans or the Nye County CMS Plans. Where books, records, or data relate to the Clark County CMS Plans or the Nye County CMS Plans, but not solely to these Plans, United shall provide excerpts relating to these Plans. Nothing herein requires United to take any action prohibited by the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

I. "Divestiture Costs" means costs, expenses or distributions related to, associated with, or concerning the Divestiture Assets.

J. “Evidence of Coverage” means the document that outlines an enrollee’s benefits and exclusions under a Medicare Advantage Plan.

K. “HealthCare Partners” means JSA Healthcare Nevada, LLC, a Nevada limited liability company, and its affiliated entities, including HealthCare Partners, LLC and Summit Medical Group.

L. “Health Care Provider” means any direct provider of health care to patients in Nevada including, but not limited to, hospitals, physicians, physician groups, assisted living facilities, ambulatory surgery centers, out-patient facilities, nursing homes, and skilled nursing facilities.

M. “Humana” means Humana Inc., a Delaware corporation with its headquarters in Louisville, Kentucky.

N. “Intentional” means willful or reckless action or omission.

O. “Judgment” or “Final Judgment” means this Final Judgment.

P. “Las Vegas Area” means Clark County and Nye County.

Q. “Medicare Advantage Line of Business” means the operations of United that implement and administer the Clark and Nye County CMS Plans.

R. “Medicare Advantage Plan” means Medicare Advantage health maintenance organization plans, Medicare Advantage preferred provider organization plans, and Medicare Advantage private fee-for-service plans as defined by 42 U.S.C. Section 1395 w-21(a)(2).

S. “Medical Specialty” means a field of medical practice defined by recognition within a separate specialty board by the American Board of Medical Specialties, provided that internal medicine, family practice and general practice shall be

considered a single Medical Specialty, excluding sub-specialties, for purposes of this Judgment.

U. “Most Favored Nation Clause” means any policy, practice, rule, or contractual provision which (1) requires a Health Care Provider to charge any Third Party Payer as much as or more than the rate charged to Defendants by such Health Care Provider for the same type of health benefit program or any given service (as defined by said policy, practice rule, or contractual provision), or (2) requires a Health Care Provider to charge Defendants rates equal to or lower than the lowest rate it charges any Third Party Payer for the same type of health benefit program or any given service (as defined by said policy, practice rule, or contractual provision).

V. “National Provider” shall mean a provider or provider organization under contract for the provision of services to enrollees of affiliates of United/Sierra in multiple states whose share of revenues earned as a result of such services delivered to Nevada residents does not exceed 35 percent of its total revenues from United/Sierra, with service delivery capability in multiple states, regardless of whether any such provider or provider organization is based in Nevada or otherwise provides services to enrollees in Nevada.

W. “Nevada Attorney General” collectively refers to Attorney General Catherine Cortez Masto and Nevada Consumer Advocate Eric Witkoski, and their legally elected or appointed successors in office.

X. “Nevada Transactions” shall mean all mergers, acquisitions, or other transactions resulting in the Defendants’ acquisition of a controlling interest in any of the following entities doing business in Nevada: health insurers (including HMOs and PPOs); hospitals, institutional health care providers, ambulatory surgery centers, assisted

living facilities, or skilled nursing facilities; physician groups if the acquired group represents more than 10% of all practitioners providing services in at least one Medical Specialty within (1) Clark and Nye Counties (2) Washoe and Carson Counties, or (3) the remainder of the Nevada; any other Health Care Provider in which the value of the Nevada portion of the transaction is \$30 million or more; or third party administrators (TPA) which have at least 35% of their revenues in Nevada.

Y. “Nye County” means that county located adjacent to, and northwest of, the Metropolitan Statistical Area consisting of Clark County, Nevada and having Tonopah as its County seat.

Z. “Nye County CMS Plans” means the individual Medicare Advantage plans offered under CMS Plan Nos. H2949-007 and H2949-011, but does not include any Series 800 Medicare Advantage plans offered to retirees through commercial customers or contracts.

AA. “PIPA” means The Physicians IPA, Inc., a Nevada non-profit corporation based in Las Vegas, Nevada.

BB. “Provider Network” means all Health Care Providers, including physicians, hospitals, ancillary service providers, and other Health Care Providers with which United contracts for the provision of covered medical services for United’s Medicare Advantage Plans in the Las Vegas Area.

CC. “Sierra” means Defendant Sierra Health Services, Inc., a Nevada corporation with its headquarters in Las Vegas, Nevada, its successors and assigns, and

its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their respective directors, officers, managers, agents, and employees.

DD. "Southwest Medical Associates, Inc." ("SMA") means a multi-specialty medical group practice owned by Sierra Health Services, Inc., its operations and any physician or other Health Care Provider employed by or contracted with SMA. For purposes of this Judgment, the term SMA shall also include any related companies owned directly or indirectly by the same parent company which directly provide health care services.

EE. "Small Group Employer" means an entity that is based in Nevada, has its principal place of operation in Nevada, and meets the definition of "small employer" at NRS § 689C.095.

FF. "Transaction" means the merger contemplated by the Agreement and Plan of Merger dated as of March 11, 2007, by and among United, Sapphire Acquisition, Inc. and Sierra.

GG. "Third Party Payer" means any government, public and non-governmental entity including but not limited to the Nevada Public Employees' Benefit Program, but other than Defendants, the Centers for Medicare and Medicaid Services or Medicaid, that pays for all or part of any expense for health care services provided by a Health Care Provider to another person or group of persons in Nevada.

HH. "UMC" means the University Medical Center of Southern Nevada.

II. "United States" means the United States Department of Justice Antitrust Division.

JJ. "United" means Defendant UnitedHealth Group Incorporated, a Minnesota corporation with its headquarters in Minnetonka, Minnesota, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their respective directors, officers, managers, agents, and employees.

III. APPLICABILITY

A. This Final Judgment applies to United and Sierra, and to all other persons in active concert or participation with any of them who receive actual notice of this Final Judgment by personal service or otherwise.

B. If, prior to complying with Section IV and VI of this Final Judgment, Defendants sell or otherwise dispose of all or substantially all of their assets or of lesser business units that include the Divestiture Assets, they shall require the purchaser to be bound by the provisions of this Final Judgment. Defendants need not obtain such an agreement from the Acquirer of the assets divested pursuant to this Final Judgment.

IV. DIVESTITURE OF THE DIVESTITURE ASSETS

A. Defendants are ordered, within forty-five (45) calendar days after the filing of the Complaint in this matter, to divest the Divestiture Assets in a manner consistent with this Final Judgment to an Acquirer acceptable to the Nevada Attorney General and United States and on terms acceptable to the Attorney General and the United States in their discretion, including any agreement for transitional support services entered into pursuant to Section IV(J) of this Final Judgment. The Nevada Attorney General and the United States may, in their discretion, grant one or more extensions of this time period, not to exceed sixty (60) calendar days in total, and shall notify the Court in each such circumstance. Defendants shall accomplish the divestiture of the Divestiture

Assets as expeditiously as possible and in such a manner as will allow the Acquirer to be a viable, ongoing business engaged in the sale of Medicare Advantage Plans in the Las Vegas Area.

B. If applications for approval have been filed with CMS and the appropriate other governmental units within twenty (20) calendar days after the filing of the Complaint in this matter, but these required approvals have not been issued before the end of the period permitted for Divestiture in Section IV(A), the Nevada Attorney General and the United States may extend the period for Divestiture until five (5) business days after all necessary government approvals have been received.

C. The Divestiture shall be accomplished in such a way as to satisfy the Nevada Attorney General and the United States that the Divestiture Assets can and will be used by the Acquirer as part of a viable, ongoing business engaged in the sale of Medicare Advantage Plans in the Las Vegas Area. Defendants must demonstrate to the sole satisfaction of the Nevada Attorney General that the Divestiture will remedy the competitive harm alleged in the Complaint. The Divestiture shall be:

(1) made to an Acquirer that, in the Nevada Attorney General's judgment, has the intent and capability (including the necessary managerial, operational, technical, and financial capability) to compete effectively in the sale of Medicare Advantage Plans in the Las Vegas Area; and

(2) accomplished so as to satisfy the Nevada Attorney General that none of the terms of any agreement between Defendants and the Acquirer gives Defendants the ability unreasonably to raise the Acquirer's costs, to lower the Acquirer's efficiency, or otherwise to interfere with the Acquirer's ability to compete effectively.

D. Defendants shall not take any action that will impede in any way the permitting, operation, or divestiture of the Divestiture Assets.

E. Defendants shall provide to the Acquirer, the Nevada Attorney General, and any Monitoring Trustee, information relating to the personnel primarily involved in the operation of the Divestiture Assets to enable the Acquirer to make offers of employment to those persons. Defendants shall not interfere with any negotiations by the Acquirer to employ any of those persons. For a period of two (2) years from the filing of the Complaint in this matter, Defendants shall not hire or solicit to hire any such person who was hired by the Acquirer, unless the Acquirer has notified such person that the Acquirer does not intend to continue to employ the person.

F. Defendants shall assist the negotiation of and entry into agreement(s) between the Acquirer and HealthCare Partners that will allow members of the Clark and Nye County CMS Plans to have continued access to substantially all of United's Provider Network as of January 2008 on terms no less favorable than United's agreements as of January 2008.

G. Upon completing the Divestiture and through March 31, 2010, Defendants shall have no agreements with HealthCare Partners or PIPA that provide for access by United to HealthCare Partners or PIPA in connection with enrollees in any type of individual Medicare Advantage plan of Defendants in the Las Vegas Area.

H. Upon completing the Divestiture and through March 31, 2009, Defendants shall not use the AARP brand, or any other substantially similar brand, name, or logo, for any type of individual Medicare Advantage plan of Defendants in the Las Vegas Area.

Upon completing the Divestiture and through March 31, 2010, Defendants shall not use

the SecureHorizons brand, or any other substantially similar brand, name, or logo, for any type of individual Medicare Advantage plan of Defendants in the Las Vegas Area.

I. At the Acquirer's option, and subject to approval by the Nevada Attorney General, Defendants will allow the Acquirer to license and use the SecureHorizons brand, and any other substantially similar brand, name, or logo, with the Divestiture Assets for twelve months upon completing the Divestiture.

J. At the Acquirer's option, and subject to approval by the Nevada Attorney General, Defendants will provide transitional support services for medical claims processing, appeals and grievances, call-center support, enrollment and eligibility services, access to form templates, pharmacy services, disease management, Medicare risk-adjustment services, quality-assurance services, and such other transition services that are reasonably necessary for the Acquirer to operate the Divestiture Assets. Defendants shall not provide such transitional support services for more than twelve months from the date of the completion of the Divestiture unless the Nevada Attorney General shall otherwise approve.

K. To ensure an effective transition and transfer of enrollees in the Clark and Nye County CMS Plans to the Acquirer, Defendants shall cooperate and work with the Acquirer in transition planning and implementing the transfer of the Divestiture Assets.

L. Defendants will communicate and cooperate fully with the Acquirer to promptly identify and obtain all consents of government agencies necessary to divest the Divestiture Assets.

M. Defendants will communicate and cooperate fully with the Acquirer to work in good faith with CMS to select a novation process that is efficient and minimizes

any potential disruption and confusion to enrollees in the Clark and Nye County CMS Plans.

N. United shall warrant to the Acquirer that, since January 1, 2007, except for the global capitation agreement entered into between United and HealthCare Partners, United has operated the Divestiture Assets in all material respects in the ordinary course of business consistent with past practices and that there has not been (a) any material loss or change with respect to the Divestiture Assets; (b) any event, circumstance, development, or change that has had a material adverse effect on the Divestiture Assets; or (c) any change by United of its accounting or actuarial methods, principles, or practices that is relevant to the Divestiture Assets.

O. Defendants shall comply with all laws applicable to the Divestiture Assets.

P. Defendants shall not take any action having the effect of delaying the authorization or scheduling of health care services provided to enrollees in the Clark and Nye County CMS Plans in a manner inconsistent with Defendants' past practice with respect to the Clark and Nye County CMS Plans.

Q. Defendants shall not make any material change to the customary terms and conditions upon which it does business with respect to the Medicare Advantage Line of Business that would be expected, individually or in the aggregate, to have a materially adverse effect on the Medicare Advantage Line of Business.

R. United shall identify its top ten independent insurance agents, general agents, producers, and brokers (collectively, "Brokers") that have entered into a Broker contract with respect to the Medicare Advantage Line of Business along with the corresponding number of enrollees produced by each such Broker. United will introduce

the Acquirer to any such Broker for the purpose of the Acquirer having an opportunity, at the Acquirer's option, to negotiate an agreement with the Broker to market and sell the Clark and Nye County CMS Plans after the completion of the Divestiture.

S. Defendants shall first attempt to sell the Divestiture Assets to Humana.

T. If Defendants fail to divest the Divestiture Assets by May 15, 2008, at the discretion of the Nevada Attorney General and the United States, United shall be required to submit all necessary filings to CMS to ensure that the Divestiture Assets remain a viable, ongoing business, offering the same Medicare Advantage Plans that United offered in 2008 with comparable benefits and premiums.

V. APPOINTMENT OF MONITORING TRUSTEE

A. Upon the filing of this Final Judgment, the Nevada Attorney may consult with the United States in the appointment of a Monitoring Trustee, subject to approval by the Court.

B. The Monitoring Trustee shall have the power and authority to monitor Defendants' compliance with the terms of this Final Judgment and the Hold Separate and Asset Preservation Stipulation and Order entered by this Court and shall have such powers as this Court deems appropriate. Subject to Section V(D) of this Final Judgment, the Monitoring Trustee may hire at the cost and expense of United any consultants, accountants, attorneys, or other persons, who shall be solely accountable to the Monitoring Trustee, reasonably necessary in the Monitoring Trustee's judgment.

C. Defendants shall not object to actions taken by the Monitoring Trustee in fulfillment of the Monitoring Trustee's responsibilities under any Order of this Court on any ground other than the Monitoring Trustee's malfeasance. Any such objections by

Defendants must be conveyed in writing to the Nevada Attorney General and the Monitoring Trustee within ten (10) calendar days after the action taken by the Monitoring Trustee giving rise to the Defendants' objection.

D. The Monitoring Trustee shall serve at the cost and expense of United, on such terms and conditions as the Nevada Attorney General approves. The compensation of the Monitoring Trustee and any consultants, accountants, attorneys, and other persons retained by the Monitoring Trustee shall be on reasonable and customary terms commensurate with the individuals' experience and responsibilities.

E. The Monitoring Trustee shall have no responsibility or obligation for the operation of Defendants' businesses.

F. Defendants shall assist the Monitoring Trustee in monitoring Defendants' compliance with their individual obligations under this Final Judgment and under the Hold Separate and Asset Preservation Stipulation and Order. The Monitoring Trustee and any consultants, accountants, attorneys, and other persons retained by the Monitoring Trustee shall have full and complete access to the personnel, books, records, and facilities relating to the Divestiture Assets, subject to reasonable protection for trade secret or other confidential research, development, or commercial information or any applicable privileges. Defendants shall take no action to interfere with or to impede the Monitoring Trustee's accomplishment of its responsibilities.

G. After its appointment, the Monitoring Trustee shall file monthly reports with the Nevada Attorney General and the Court setting forth the Defendants' efforts to comply with their individual obligations under this Final Judgment and under the Hold Separate and Asset Preservation Stipulation and Order. To the extent such reports

contain information that the trustee deems confidential, such reports shall not be filed in the public docket of the Court.

H. The Monitoring Trustee shall serve until the divestiture of all the Divestiture Assets is finalized pursuant to either Section IV or Section VI of this Final Judgment and any agreement(s) for transitional support services described in Section IV(J) herein have expired.

VI. APPOINTMENT OF TRUSTEE

A. If Defendants have not divested the Divestiture Assets within the time period specified in Section IV(A), Defendants shall notify the Nevada Attorney General of that fact in writing. Upon application of the Nevada Attorney General, the Court shall appoint a trustee selected by the Nevada Attorney General and the United States and approved by the Court to effect the divestiture of the Divestiture Assets.

B. After the appointment of a trustee becomes effective, only the trustee shall have the right to sell the Divestiture Assets. The trustee shall have the power and authority to accomplish the divestiture to an Acquirer acceptable to the Nevada Attorney General and the United States at such price and on such terms as are then obtainable upon reasonable effort by the trustee, subject to the provisions of Sections IV, VI, and VII of this Final Judgment, and shall have such other powers as this Court deems appropriate. Subject to Section VI(D) of this Final Judgment, the trustee may hire at the cost and expense of Defendants any investment bankers, attorneys, or other agents, who shall be solely accountable to the trustee, reasonably necessary in the trustee's judgment to assist in the divestiture.

C. Defendants shall not object to a sale by the trustee on any ground other than the trustee's malfeasance. Any such objections by Defendants must be conveyed in writing to the Nevada Attorney General and the trustee within ten (10) calendar days after the trustee has provided the notice required under Section VII.

D. The trustee shall serve at the cost and expense of Defendants, on such terms and conditions as the Nevada Attorney General and the United States approve, and shall account for all monies derived from the sale of the assets sold by the trustee and all costs and expenses so incurred. After approval by the Court of the trustee's accounting, including fees for its services and those of any professionals and agents retained by the trustee, all remaining money shall be paid to Defendants and the trust shall then be terminated. The compensation of the trustee and any professionals and agents retained by the trustee shall be reasonable in light of the value of the Divestiture Assets and based on a fee arrangement providing the trustee with an incentive based on the price and terms of the divestiture and the speed with which it is accomplished, but timeliness is paramount.

E. Defendants shall assist the trustee in accomplishing the required divestiture. The trustee and any consultants, accountants, attorneys, and other persons retained by the trustee shall have full and complete access to the personnel, books, records, and facilities relating to the Divestiture Assets, and Defendants shall develop financial and other information relevant to such business as the trustee may reasonably request, subject to reasonable protection for trade secret or other confidential research, development, or commercial information. Defendants shall take no action to interfere with or to impede the trustee's accomplishment of the divestiture.

F. After its appointment, the trustee shall file monthly reports with the Nevada Attorney General and the Court setting forth the trustee's efforts to accomplish the divestiture ordered under this Final Judgment. To the extent that such reports contain information that the trustee deems confidential, such reports shall not be filed in the public docket of the Court. Such reports shall include the name, address, and telephone number of each person who, during the preceding month, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the Divestiture Assets, and shall describe in detail each contact with any such person. The trustee shall maintain full records of all efforts made to divest the Divestiture Assets.

G. If the trustee has not accomplished the divestiture ordered under this Final Judgment within six months after its appointment, the trustee shall promptly file with the Court a report setting forth (1) the trustee's efforts to accomplish the required divestiture, (2) the reasons, in the trustee's judgment, why the required divestiture has not been accomplished, and (3) the trustee's recommendations. To the extent that such reports contain information that the trustee deems confidential, such reports shall not be filed in the public docket of the Court. The trustee shall at the same time furnish such report to the Nevada Attorney General which shall have the right to make additional recommendations consistent with the purpose of the trust. The Court thereafter shall enter such orders as it shall deem appropriate to carry out the purpose of the Final Judgment, which may, if necessary, include extending the trust and the term of the trustee's appointment by a period requested by the Nevada Attorney General.

VII. NOTICE OF PROPOSED DIVESTITURE

A. Within two (2) business days following execution of a definitive divestiture agreement, Defendants or the trustee, whichever is then responsible for effecting the divestiture required herein, shall notify the Nevada Attorney General and any Monitoring Trustee of any proposed divestiture required by Section IV or VI of this Final Judgment. If the trustee is responsible, it shall similarly notify Defendants. The notice shall set forth the details of the proposed divestiture and list the name, address, and telephone number of each person not previously identified who offered or expressed an interest in or desire to acquire any ownership interest in the Divestiture Assets, together with full details of the same.

B. Within fifteen (15) calendar days of receipt by the Nevada Attorney General of such notice, the Nevada Attorney General may request from Defendants, the proposed Acquirer, any other third party, or the trustee, if applicable, additional information concerning the proposed divestiture, the proposed Acquirer, and any other potential Acquirer. Defendants and the trustee shall furnish any additional information requested within fifteen (15) calendar days of the receipt of the request, unless the parties shall otherwise agree.

C. Within thirty (30) calendar days after receipt of the notice or within twenty (20) calendar days after the Nevada Attorney General has been provided the additional information requested from Defendants, the proposed Acquirer, any third party, and the trustee, whichever is later, the Nevada Attorney General shall provide written notice to Defendants and the trustee, if there is one, stating whether or not it objects to the proposed divestiture. If the Nevada Attorney General provides written notice that it does

not object, the divestiture may be consummated, subject only to Defendants' limited right to object to the sale under Section VI(C) of this Final Judgment. Absent written notice that the Nevada Attorney General does not object to the proposed Acquirer or upon objection by the Nevada Attorney General and the United States, a divestiture proposed under Section IV or Section VI shall not be consummated. Upon objection by Defendants under Section VI(C), a divestiture proposed under Section VI shall not be consummated unless approved by the Court.

VIII. FINANCING

Defendants shall not finance all or any part of any purchase made pursuant to Section IV or VI of this Final Judgment.

IX. HOLD SEPARATE AND PRESERVATION OF ASSETS

Until the divestiture required by this Final Judgment has been accomplished, Defendants shall take all steps necessary to comply with the Hold Separate and Asset Preservation Stipulation and Order entered by this court. Defendants shall take no action that will jeopardize any divestiture ordered by this Court.

X. AFFIDAVITS AND RECORDS

A. Within twenty (20) calendar days of the filing of the Complaint in this matter, and every thirty (30) calendar days thereafter until the divestiture has been completed under Section IV or VI, Defendants shall deliver to the Nevada Attorney General and any Monitoring Trustee an affidavit as to the fact and manner of its compliance with Section IV or VI of this Final Judgment. Each such affidavit shall include the name, address, and telephone number of each person who, during the preceding thirty (30) calendar days, made an offer to acquire, expressed an interest in

acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the Divestiture Assets, and shall describe in detail each contact with any such person during that period. Each such affidavit shall also include a description of the efforts Defendants have taken to solicit buyers for the Divestiture Assets, and to provide required information to prospective Acquirers, including the limitations, if any, on such information. Assuming that the information set forth in the affidavit is true and complete, any objection by the Nevada Attorney General to information provided by Defendants, including limitation on information, shall be made within fourteen (14) calendar days of receipt of such affidavit.

B. Within twenty (20) calendar days of the filing of the Complaint in this matter, Defendants shall deliver to the Nevada Attorney General and any Monitoring Trustee an affidavit that describes in reasonable detail all actions that Defendants have taken and all steps that Defendants have implemented on an ongoing basis to comply with Section IX of this Final Judgment. Defendants shall deliver to the Nevada Attorney General and any Monitoring Trustee an affidavit describing any changes to the efforts and actions outlined in Defendants' earlier affidavits filed pursuant to this section within fifteen (15) calendar days after the change is implemented.

C. Defendants shall keep all records of all efforts made to preserve and divest the Divestiture Assets until one year after such divestiture has been completed.

XI. OTHER TERMS AND CONDITIONS

A. ALL PRODUCTS PROVISIONS

1. From entry of the Judgment and for two (2) years thereafter, Defendants shall not place an All Products Provision in a Health Care Provider contract or impose or enforce an existing All Products Provision in Defendants' contracts and/or Defendants' business relationships with Health Care Providers with respect to health care services provided in Nevada.

2. Defendants may require and enforce All Products Provisions with SMA and any National Provider.

B. MOST FAVORED NATION CLAUSES

1. From entry of this Judgment and for two (2) years thereafter, Defendants are prohibited from adopting, maintaining, or enforcing a Most Favored Nation Clause in Defendants' contracts or Defendants' business relationships with Health Care Providers with respect to health care services in Nevada.

2. Notwithstanding the general prohibition set forth in Section B(1) Defendants may maintain and enforce Most Favored Nation Clauses in existing physician services and non-acute care hospital contracts, information on which has been provided in good faith to the Attorney General and may be augmented by Defendants as information comes to their attention, provided, however, that upon termination of such contracts, the new contracts for those Health Care Providers shall not contain Most Favored Nation Clauses in such contracts for a period of two (2) years from termination of the contract(s).

3. Defendants may require and enforce Most Favored Nation Clauses in contracts with SMA and National Providers.

C. EXCLUSIVE AGREEMENTS

1. From entry of this Judgment and for two (2) years thereafter, Defendants shall not, in violation of state or federal antitrust law, enter into exclusive agreements with Health Care Providers or adopt or otherwise enforce contract provisions, policies, rules, or requirements when the purpose or effect of such agreements, provisions, policies, rules, or requirements is to require Health Care Providers to provide all, or substantially all, of their services in Nevada to, and under, Defendants' health care networks or product offerings.

2. This provision does not apply to agreements with SMA, National Providers, and current agreements with Health Care Providers, until such current agreements with Health Care Providers expire.

D. PROPRIETARY INFORMATION

1. Upon entry of this Judgment, Defendants are prohibited from adopting, maintaining, or enforcing any policy, practice, or agreement that requires a Health Care Provider to disclose to Defendants, directly or indirectly, through audit or any other means, the rates such Health Care Providers offer or charge any Third Party Payer in Nevada except in the normal course of Defendants' operation, *e.g.*, coordination of benefits in connection with specific claims. If such rates are disclosed by a Health Care Provider to the Defendants in the normal course of operations, Defendants shall not use such information for the purpose of negotiating its own participating provider rates with such Health Care Providers.

2. If, through its normal course of operations, Defendants directly or through any of its affiliates obtains access to proprietary and confidential information from a self-insured employer (e.g. a government, public, or non-governmental entity including but not limited to the Nevada Public Employees' Benefit Program) and/or other third party acting on behalf of a self-insured employer (e.g. a third party administrator including but not limited to Fiserv Nevada, Inc.) regarding Health Care Provider rates in Nevada which are negotiated and paid by such a self-insured employer or by such a third party, Defendants shall not use such information for the purpose of negotiating its own participating provider rates with such Health Care Providers.

3. To the extent such proprietary and confidential information described in Section XI (D)(2) is required for Defendants to conduct its normal business operations, during the term of this Judgment, Defendants shall:

a. Hold in the strictest confidence such proprietary and confidential information regarding the Health Care Provider rates negotiated and/or paid by any self-insured employer, and/or by any third party acting on behalf of a self-insured employer.

b. Within forty-five (45) days from entry of this Judgment, establish appropriate safeguards in writing to ensure that such proprietary or confidential information described in this Section XI (D)(2) is not provided or made known to Defendants' employees, principals, managers, officers, directors or agents who negotiate rates and/or are involved in the negotiation of such rates with Health Care Providers.

c. Within forty-five (45) days from entry of this Judgment, establish and enforce written protocols whereby unauthorized dissemination of such confidential and proprietary information is retrieved and expunged from the files of employees, principals, managers, officers, directors, and agents who are not authorized to obtain and use such information.

d. Take all reasonable and necessary steps, and place all necessary restrictions and prohibitions on its affiliates to ensure that any and all of Defendants' affiliate(s) in possession of Health Care Provider rates described in Section XI (D)(2) above, shall use such proprietary and confidential information for the limited purpose of performing their obligations under the respective agreements Defendants have with any self-insured employer and/or third party acting on behalf of a self-insured employer with whom it has contracted.

4. Defendants shall provide to the Nevada Attorney General true and exact copies of the safeguards and protocols described in Section XI (D)(3)(b) and (c) herein, and shall further report in its Annual Compliance statement to the Nevada Attorney General any instances in which unauthorized use or disclosure of such proprietary and confidential information described in Section XI (D)(2) above occurred and the actions Defendants' invoked to resolve the matter. Defendants shall also provide written notification to the Attorney General of such unauthorized use or disclosures within twenty (20) days from the time Defendants become aware of such unauthorized use or disclosure and, as soon thereafter as practicable, the actions taken in response thereto,

including any and all immediate and interim actions taken to prevent further unauthorized use or disclosure of such information.

5. Proprietary information does not include, however, information which (a) is or becomes generally available to the public other than as a result of a disclosure by Defendants, (b) was available to Defendants on a non-confidential basis prior to the effective date of the Final Judgment or (c) becomes available to Defendants on a non-confidential basis from a person, who to the best knowledge of the Defendants, is not otherwise bound by a confidentiality agreement, provided that this subsection (c) shall not apply to proprietary information that is clearly identified and marked as "Privileged," "Confidential," or "Proprietary," or otherwise contains the indicia of proprietary or confidential information regardless of the manner in which such information is obtained by Defendants.

E. NOTICE TO SMALL GROUP EMPLOYERS

Defendants shall provide notice to Small Group Employers of their intent to raise rates at least sixty (60) days in advance of a rate increase and shall provide Small Group Employers with the ability to terminate or cancel their contracts without penalty for such termination or cancellation.

F. UNIVERSITY MEDICAL CENTER

A binding Commitment Letter to University Medical Center on issues relating to contract maintenance at status quo, resolution of outstanding billing disputes, and commitment to a streamlined process for billing dispute resolution is attached hereto as

Exhibit A and incorporated herein by this reference. This Commitment Letter shall be enforceable through this Final Judgment by the Attorney General. All remedies described herein shall be available to the Attorney General in seeking compliance and enforcement of Exhibit A or any part thereof, or penalties for Defendants' failure to comply with Exhibit A. Exhibit A shall also be made part of a contract addendum on the current contracts between United and UMC and Sierra and UMC.

G. PROHIBITION AGAINST COST PASS THROUGH

Premiums payable by United and Sierra individual and group members or contract holders shall not increase, nor shall fees paid to participating providers decrease, as a result of costs associated with the Transaction.

H. HEALTH CARE ADVOCACY AND ASSISTANCE PROGRAM

1. Defendants shall cooperate with the Governor's Office for Consumer Healthcare Assistance ("GOVCHA") in the development and expansion of its Healthcare Advocacy and Assistance Program, pursuant to the Director of GOVCHA's duty to assist consumers in understanding their rights and responsibilities under health care plans, provide information to consumers concerning health care plans, identify and investigate complaints of consumers regarding their health care plans, and assist consumers to resolve their complaints, pursuant to NRS 223.500 et seq.

2. Defendants shall, upon request by GOVCHA, work with GOVCHA and the Nevada Division of Insurance (DOI) to engage in reasonable and good faith efforts to assist GOVCHA in:

a. Developing guidelines and benchmarks for (1) resolution of disputes between health plans and consumers, health plans and Small Group Employers, and/or health plans and employees of Small Group Employers relating to insurance coverage, claims, timing of claims payments, and reimbursements under health care plans; and (2) reviewing claims, claims payments, including the timing of such claims payments, and dispute resolution involving consumers and Small Group Employers;

b. Working with the DOI in the development, consideration, review and/or adoption of such guidelines or benchmarks by the DOI;

c. Preparing and submitting reports identifying the issues discussed, progress on, proposed solutions to and/or resolutions of such issues. These reports shall be public documents; and

d. GOVCHA's responsibilities under Sections XI(H)(1) and (2) of this Judgment shall not include representation, advocacy, or dispute resolution between Health Care Providers and insurers.

3. GOVCHA maintains the sole discretion in staffing and seeking assistance from the health care community in advancing this program within the budget provided to it.

I. PHYSICIANS COUNCIL

1. Defendants shall help create a Physicians Council ("PC"), which shall be organized no later than ninety (90) days after entry of the Judgment and which shall meet on a quarterly basis thereafter. The purposes of the PC are set forth in Exhibit B to this Judgment, which is incorporated herein by this reference.

2. The PC shall be governed, staffed, and operated for the purposes described and under the terms and conditions set forth in Exhibit B which, by this reference, is incorporated herein.

3. Failure to comply with the terms and conditions governing the PC may be prosecuted by the Nevada Attorney General as a violation of this Judgment.

J. CHARITABLE CONTRIBUTIONS

1. A binding Commitment Letter to the Nevada Attorney General ("Attorney General Charitable Commitment Letter") is set forth as Exhibit C to this Judgment, and by this reference is incorporated herein, such Attorney General Charitable Commitment Letter to become binding on entry of this Judgment.

2. Defendants agree to contribute \$15 million over the course of the Final Judgment to fund the health care programs identified in the Attorney General Charitable Commitment Letter.

3. Amounts set forth in the Attorney General Charitable Commitment Letter shall be paid as and in the manner set forth in Exhibit C.

4. The selection of programs and contributions to each program identified in Exhibit C shall be in accordance with Exhibit C and the terms of this Judgment.

5. Contributions described herein shall not replace ordinary course charitable contributions which Defendants currently grant to Nevada entities.

6. The Attorney General shall place all contributions to the State of Nevada in the Attorney General Special Revenue Fund 330 ("Fund 330") with a designated interest earning budget account established by the State Controller called the "Attorney General's Charitable Judgment" and shall further distribute to the designated grantees the charitable contributions within five (5) years and three (3) months of the initial contribution. Defendants shall contribute monies directly to all non-State grantees, without first placing such grants within Fund 330. Where monies are directly paid to non-State grantees, Defendants shall obtain a grant agreement with such grantees requiring that they spend their grants consistent with the limited uses set forth in the Nevada Attorney General's Charitable Commitment Letter. Immediate written notice and a copy of each such direct grant to non-State grantees shall be provided to the Nevada Attorney General. Any Nevada government agency or political subdivision agency grantee that is required to budget for the use of grant funds, or otherwise obtain spending authorization through one or more work programs or revisions, shall seek approval only for the limited uses set forth in the Nevada Attorney General's Charitable Commitment Letter to this Final Judgment. If spending approval is denied, or is not otherwise possible due to changes beyond the control of the Parties, or any funds granted directly by Defendants to non-State grantees, or from the fund and budget account to any grantee are not spent or otherwise contractually committed by any grantee within one (1) year of their annual grant, or for any reason there should be any remaining unspent

monies or interest that derive from such an unused grant, all such monies and any interest shall be remitted or returned to Fund 330 and will be used to enhance or enrich any program identified in the Nevada Attorney General's Charitable Commitment Letter, at the sole discretion of the Attorney General, without any need for further court approval. All grantees will provide the Nevada Attorney General with a one-page annual certification by May 1 of the year following payment of funds, stating: (1) the name and authority of the certifying person; (2) date of certification; (3) the specific uses of grant funds; and (4) the amount of any remaining funds and/or interest from the contribution for that year. Defendants shall require in their grant agreements that all non-State grantees send such annual certification to the Attorney General.

7. Any non-State grantee shall spend its grant consistent with the limited uses set forth in the Nevada Attorney General's Charitable Commitment Letter to this Final Judgment.

K. NOTICE OF NEVADA TRANSACTIONS

1. For a period of two (2) years following entry of this Judgment, Defendants shall provide written notice to the Nevada Attorney General of Nevada Transactions. If any Nevada Transaction satisfies the then-applicable Hart-Scott-Rodino ("HSR") notice requirements or the Form A or Form E filing requirements of the Nevada Division of Insurance, United will provide a courtesy copy of its HSR filing and/or Form A or E filing along with the notice. Notice will be provided in writing and shall include a brief description of the transaction, the parties to the transaction, the anticipated closing date,

the health care markets in Nevada which are related to or affected by the transaction, the competitive impact, if any, and the contact persons for all follow-up information requests.

2. The Nevada Attorney General may request further information from the Defendants of a Nevada Transaction, subject to claims of privilege, undue burden, or other rights Defendants may have in response to such requests. Such requests shall be Investigative Demands issued by the Nevada Attorney General pursuant to the authority of this Judgment and NRS 598A.110. If such requests are received within the first thirty (30) days of receipt of Defendants' notice as described in Section XI(K)(1), Defendants will defer closing on such transactions for at least forty-five (45) days after receiving such information requests or Investigative Demand. It is provided that no Nevada Transaction shall be subject to this Section XI (K)(2) if the value of the Nevada assets acquired by Defendants is less than \$10 million.

3. Notwithstanding Section XI (K)(2), Defendants shall be allowed to close any Nevada Transactions, except such transactions that are identified below in this Section XI (K)(3), if Defendants represent to the State of Nevada in a sworn affidavit that they reasonably believe that (a) there is a clear and significant danger that failing to close the transaction may lead to the withdrawal of the entity, its assets, or a portion thereof, from the market due to business failure or bankruptcy, or (b) the transaction must close in a shorter period of time to avoid Defendants' loss of the transaction. This Section XI (K)(3) does not apply to transactions requiring Form A or Form E filings, except for transactions approved or directed by the Nevada Commissioner of Insurance or similar government authority in another State in emergent or other similar circumstances

with, or with respect to, organizations in liquidation or whose certificate of authority has been or is being suspended or revoked.

4. Defendants shall take all reasonable steps to notify the Nevada Attorney General of Nevada Transactions qualifying under Section XI (K)(3) as soon as practicable before closing and provide information of such transactions to the Nevada Attorney General, upon request, on an expedited basis.

5. Nothing in this Section XI(K) shall waive, limit or compromise the Nevada Attorney General's authority and ability to:

- a. Take enforcement action against Defendants for such Nevada Transactions that violate state or federal law; or
- b. Seek a violation of this Judgment if the Defendants knew or should have known that invoking Section XI (K)(3) was done in bad faith and/or Defendants failed to take reasonable steps to notify the Nevada Attorney General of such transactions as soon as practicable.

L. INGENIX SYSTEM

1. For a period of two (2) years following entry of this Judgment, Defendants shall not use the Ingenix Prevailing Healthcare Charges System data base ("Ingenix System") to establish reasonable and customary charges for reimbursement of out-of-network physicians in Nevada for medical services to enrollees of Health Plan of Nevada or Sierra Health and Life Insurance Company, without prior notice to and consent of the Attorney General.

2. For as long as this Judgment is in effect, Defendants shall not use the Ingenix System, or any part thereof, to establish such reasonable and customary charges described in this Section XI (L)(1) if such use of the Ingenix System, or any part thereof, has been declared unlawful by a court of law and such ruling has become final and non-appealable.

3. Nothing in this Judgment shall prevent, prohibit, waive or in any way restrict any Nevada enforcement agency with proper jurisdiction and authority to review and take action against for use by them of the Ingenix System.

M. FISERV NEVADA

Defendants are prohibited from acquiring an interest in, entering into a joint venture which would result in integration of assets or operations in whole or in part of, or merging with, Fiserv Nevada. This provision shall not prohibit maintenance and performance of any agreement for the performance of administrative services by Defendants for Fiserv Nevada.

N. ATTORNEY FEES AND COSTS

1. Defendants shall reimburse to the Nevada Attorney General all reasonable attorney fees and costs, including expert costs, incurred by the Nevada Attorney General in reviewing the Transaction. The total reimbursements to the Nevada Attorney General for attorney fees and costs for this acquisition review and all matters related thereto up to and including entry of this Judgment shall be \$875,000.00. Such reimbursement shall be made within forty (40) days of presentation of a request for reimbursement in writing.

2. Where the Nevada Attorney General engages in enforcement or compliance actions as described in Sections XII and XIII of this Final Judgment, and where attorneys fees and costs are allowed as described in said sections, the rate for such attorneys' fees shall be \$150 per hour, and the rate for paralegals shall be \$75 per hour. Such reimbursements shall be made within forty (40) days of presentation of a request for reimbursement(s) in sufficient detail to allow Defendants to verify the accuracy and appropriateness of all amounts requested.

3. "Sufficient detail" for purposes of this Section shall mean: Identification of all attorneys and paralegals employed by, or contracting with, the Nevada Attorney General by name, total number of hours worked for which the Attorney General shall seek reimbursement for their work in whole or in part, a summary description of their work, and the hourly rate applied to each individual's work.

XII. VIOLATIONS AND ENFORCEMENT OF FINAL JUDGMENT

A. It shall be a violation of this Final Judgment if one or more Defendants fail to abide by the terms of this Final Judgment.

B. Subject to the requirements of Section XII(F), the Nevada Attorney General may petition the Court for relief as a result of a violation of this Final Judgment by filing a "Notice of Violation of Judgment" which shall set forth the alleged violation and the relief sought by the Nevada Attorney General.

C. For any violations of this Final Judgment committed by Defendants, the Nevada Attorney General may seek one or more of the following remedies:

1. Payment of liquidated damages/fines on the following schedule:
35 – Stipulated Final Judgment

a. Up to \$10,000 per violation for the first act or transaction constituting a violation;

b. Up to \$15,000 per violation for the second act or transaction constituting a violation; and

c. Up to \$25,000 per violation for the third act or transaction constituting a violation.

2. Notwithstanding Section XII (C)(1), a series of violations that are related by and due to a single underlying and inadvertent mistake, or ministerial or technical cause, as determined by this Court in its discretion, shall represent a single violation of this Judgment. Further, the Court may find in its discretion, that repeated violations of this Judgment based on conduct or omissions that are not ministerial or technical in nature shall constitute stand-alone violations without consolidation of such acts into a single violation for purposes of establishing damages or fines.

3. Payment of liquidated damages or fines of up to \$100,000 per violation for the Parties' intentional violations of this Final Judgment. A series of underlying acts under this Section XII(C)(2) shall not constitute a single violation, and each such act that is covered by this Section may, in the Court's discretion, be found to constitute a separate violation of this Judgment.

4. Disgorgement of all profits gained by Defendants resulting from a violation of this Judgment.

5.. A civil contempt of court order from the Court retaining jurisdiction over the interpretation, modification and enforcement of this Final Judgment, and all remedies provided by law for obtaining such order.

6. Other equitable/injunctive relief that the Court deems appropriate.

D. All relief requested by any party for violation of the provisions of this Judgment shall be supported by evidence presented to the Court in whatever form required by the Court, applying substantive Nevada law in interpretation and enforcement.

E. All fines, monetary penalties, and disgorgement of profits paid pursuant to this Section shall be applied to one or more of the programs identified in Exhibit C at the Nevada Attorney General's sole discretion and without recommendations from Defendants. Defendants shall pay to the Nevada Attorney General all of its reasonable attorney fees and costs if the Nevada Attorney General is the prevailing party in a contested action to interpret, modify, or enforce this Judgment.

F. Notwithstanding the foregoing provisions of this Section XII, the Parties shall not present any alleged violation to this Court for purposes of seeking relief described herein, until the following has occurred:

1. The Nevada Attorney General has given the Defendants notice of the alleged violation(s) in writing within six (6) months of discovery of facts giving rise to a concern that a violation may have occurred.

2. The Defendants have had a period of at least thirty (30) days to (a) respond to and cure the alleged violation(s) after such notice, and/or (b) provide written notice disputing the alleged violation or presenting cure to the Nevada Attorney General; and

3. The Parties have had a period of thirty (30) days after Defendants have provided notice of dispute or notice of cure to meet and confer regarding the alleged violation(s) and the Parties' responses. Such meeting and conferral may occur in person, by telephone, or in writing.

G. If Defendants fail to respond to and cure, or fail to provide written notice of dispute, Plaintiff may immediately seek relief from the Court. The Parties may extend the deadlines of this Section by mutual consent in writing, and delivered to the other party. The Nevada Attorney General may informally notify Defendants of receipt of information alleging a violation of this Judgment if, in the Nevada Attorney General's judgment, such notification could likely result in a prompt resolution of the alleged violation.

XIII. COMPLIANCE INSPECTION

A. For the purposes of determining or securing compliance with this Judgment, or to seek additional information relating to Nevada Transactions, or for determining whether this Judgment should be modified or vacated, and subject to any legally recognized privilege, from time to time duly authorized representatives of the Nevada Attorney General, including consultants and other persons retained by the

Nevada Attorney General, shall, upon written request of a duly authorized representative of the Nevada Attorney General, and on reasonable notice to Defendants, be permitted:

(1) Access during Defendants' Nevada office hours to inspect and copy, or at the Nevada Attorney General's option, to require that Defendants provide in Nevada, copies of, all books, ledgers, accounts, records and documents in the possession, custody, or control of Defendants, relating to any matters contained in this Final Judgment; and

(2) To interview, either informally or on the record, Defendants' current or former officers, employees, or agents, who may have their individual counsel present, regarding such matters. The interviews shall be subject to the reasonable convenience of the interviewee and without restraint or interference by Defendants.

B. All written requests of the Nevada Attorney General's authorized representative for such information shall be by Investigative Demand issued pursuant to the authority of this Judgment and NRS 598A 110. Upon receipt of such written request, Defendants shall submit written reports, provide answers orally or in writing, including, but not limited to, responses to written interrogatories, under oath if requested, relating to any of the matters contained in this Judgment.

C. For a period of three (3) years a responsible company officer for the Defendants shall file with the Nevada Attorney General an Annual Certificate of Compliance with this Judgment. This Certificate of Compliance shall be a public document.

D. Nothing in this Judgment shall waive, or be in derogation of, the right of the Defendants to assert non-jurisdictional objections to requests for access, information, interviews or copying hereunder. If Defendants assert non-jurisdictional objections the Parties shall meet and confer on such objections and Defendants shall otherwise substantially comply with all requests to which no objections are asserted.

E. Defendants will pay for the reasonable costs of any such reviews, audits or examinations the Attorney General conducts regarding matters contained in this Judgment. This specifically includes the reasonable costs of retained accountants, actuaries, attorneys and other experts reasonably necessary to assist in the conduct of any review, audit or examination once an investigation is opened, and attorneys and paralegals shall be compensated at the professional service rates set forth in Section XI(N)(2), but shall not otherwise include costs of oversight of compliance with this Judgment.

XIV. NO REACQUISITION

Defendants may not reacquire any part of the Divestiture Assets during the term of this Final Judgment provided, however, that this Final Judgment shall not prohibit Defendants from offering individual Medicare Advantage Plans in the ordinary course of business otherwise in conformity with this Final Judgment.

XV. RETENTION OF JURISDICTION

This Court retains jurisdiction to enable any party to this Final Judgment to apply to this Court at any time for further orders and directions as may be necessary or

appropriate to carry out or construe this Final Judgment, to modify any of its provisions, to enforce compliance, and to punish violations of its provisions.

XVI. NO ADMISSIONS OF STANDING OR AUTHORITY
OR VIOLATIONS OF LAW

This Judgment shall neither be construed nor interpreted as a concession or a resolution of the dispute among the Parties that the Defendants violated any federal or state laws, nor that the Defendants have adopted or agreed to any terms in Plaintiff's Competitive Impact Statement or Complaint. Nothing in this Judgment shall be construed or interpreted as a concession or a resolution of the dispute among the Parties regarding the Nevada Attorney General's standing or authority to bring an enforcement action to prevent or seek other relief from the Transaction under state or federal law or any merger involving health care insurers doing business in Nevada. Notwithstanding the foregoing, the Parties agree to enter into this Judgment instead of litigating their dispute. The Parties further agree that the Nevada Attorney General is authorized by this Judgment to apply to this Court for an interpretation or modification of this Judgment and to enforce the terms of this Judgment.

XVII. SCOPE OF RELEASES

A. Release

Plaintiff State of Nevada, as of the date of entry of this Final Judgment, forever waives, releases, relinquishes, and discharges all claims in its action against the Defendants, and each of them, as well as the Defendants' officers, directors, shareholders, subsidiaries, past subsidiaries, affiliates, past affiliates, partners, members, agents, attorneys, assigns, beneficiaries, employees, heirs, insurers, predecessors,

successors, and other professional persons, directly or indirectly, derivatively, on their own behalf, on behalf of any person or entity they represent, from any and all actions, causes of action, obligations, costs, damages, losses, claims, liabilities, restitution, and/or demands of whatsoever character, whether known or unknown, accrued or unaccrued, arising out of or relating in any way to the claims stated in the Complaint filed herewith or to the Transaction or the competitive effects thereof.

B. Limitations on and Exclusions from Releases.

Notwithstanding anything to the contrary contained herein:

1. *Bodily Injury and Property Damage Claims by State of Nevada.*

This Judgment does not release claims that Plaintiff, its employees, agencies, or other subdivisions may have against the Defendants for bodily injuries or physical damage to real or personal property.

2. *Contract Based Claims.* This Judgment does not release claims that Plaintiff, its employees, agencies, or other political subdivisions may have against any Defendant under a contract or franchise agreement with a Defendant.

3. *On-Going and Future Proceedings.* Nothing in this Judgment shall restrict the ability of Plaintiff to continue to participate in any existing proceeding, or to bring or participate in any future proceeding, which presents a claim not released under Section XVII(A) above. This includes, but is not limited to, a proceeding involving how health insurers pay for out-of-network Health Care Providers.

4. *DOI Orders.* Notwithstanding any other provision of this Judgment, nothing in this Judgment shall restrict the ability of the State of Nevada, DOI, from issuing orders, penalizing, or otherwise regulating the business of insurance as against the merging parties, including but not limited to, enforcing the Order of the Division of Insurance in Cause No. 07.188 dated August 27, 2007, and the August 3, 2007 Commitment letter submitted by Defendants to the DOI, or enforcing the NRS 686A.

5. *Final Judgment.* Notwithstanding any other provision in this Judgment, the foregoing release shall not relieve Defendants of their obligations under this Judgment.

6. *Medicaid.* Notwithstanding any other provision in this Judgment, this release shall not release Defendants from any claim that Nevada Medicaid may have against Defendants.

C. Other Release-Related Provisions

1. *Specific Limit of Waivers.* Notwithstanding anything herein to the contrary, nothing in this Final Judgment shall constitute a limitation on, or waiver of, any right to enforce any obligation or pursue any remedy specifically provided for in this Judgment.

2. *No Third Party Beneficiaries of Releases.* No parties other than the individuals and entities listed in Section XVII(A) shall be entitled to the benefits of, or entitled to enforce, the releases provided for in this Judgment.

3. *Fairness of Settlement and Releases.* The Parties agree that this Judgment and the releases and waivers of this Judgment are fair and reasonable and adequate to provide complete satisfaction of the interests of the Plaintiff.

4. *Negotiation of Releases.* Each of the Parties acknowledges and agrees that the various releases in this Judgment were individually negotiated with the various releasing parties under such releases and such releases should be interpreted individually in the context of this Judgment without regard to other releases herein.

D. No Waiver, Release or Prohibition

Nothing in this Judgment prohibits, bars, or otherwise limits the Nevada Attorney General's authority to review, challenge, or seek relief from any of Defendants' acquisitions, joint ventures, contracts, policies or practices (other than the Transaction), including, but not limited to, Defendants' acquisition of Fiserv Health or any of the Nevada Transactions, regardless whether such transactions are reportable pursuant to Section XI(K) of this Judgment.

XVIII. EXPIRATION OF FINAL JUDGMENT

This Judgment shall expire five (5) years from the date of its entry, provided, however, that (a) certain provisions that are in force for less than five (5) years shall expire at the time expressed elsewhere in this Judgment, and (b) this Judgment may remain in effect after completion of such five (5) year period solely for the purpose of

determining or enforcing compliance during its five (5) year effective period with its terms.

XIX. AGGREGATE REMEDIES

The remedies in this Judgment are in addition to all remedies available to the Nevada Attorney General under federal and state law. Nothing in this Judgment shall prohibit or in any way limit the Nevada Attorney General from seeking all damages, fines, penalties and remedies for Defendants' non-released conduct, actions, transactions, mergers or acquisitions that is/are otherwise unlawful under federal or state law, even if such conduct, actions, transactions, mergers or acquisitions may also violate this Judgment.

XX. CONFIDENTIALITY

No information or documents obtained by the means provided in Section XI(K), Section XIII or otherwise as required by this Judgment shall be divulged by the Nevada Attorney General to any person other than the authorized representatives of the Nevada Attorney General, and their consultants, except in the course of legal proceedings as required by a court of proper jurisdiction, or for the purpose of securing compliance with this Judgment, or as otherwise required by law. If at the time information or documents are furnished by Defendants to the Nevada Attorney General, Defendants shall represent and identify in writing the material in any such information or documents to which a claim of protection may be asserted under Rule 26(c)(1)(G) of the Federal Rules of Civil Procedure, and Defendants mark each pertinent page of such material, "Subject to claim of protection under Rule 26(c)(1)(G) of the Federal Rules of Civil Procedure," then the

Nevada Attorney General shall give Defendants ten (10) calendar days' notice prior to divulging such material in any legal proceeding (other than grand jury proceedings).

XXI. MISCELLANEOUS

If any part of this Judgment is hereafter adjudged by this Court to be unenforceable, the remaining provisions of this Judgment shall stay in full force and effect.

XXII. PUBLIC INTEREST DETERMINATION

The Nevada Attorney General has made copies available to the public of this Judgment, the Competitive Impact Statement, and any comments thereon and the Nevada Attorney General's responses to comments. Based upon the record before the Court, including Competitive Impact Statement and any comments and responses to comments filed with the Court,

THE COURT FINDS that entry of this Judgment is in the public interest.

Dated: _____ day of _____, 2008

United States District Judge



Forrest G. Burke, General Counsel
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Edina, MN 55436
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forrest_burke@uhc.com

EXHIBIT A TO FINAL JUDGMENT

February 25, 2008

Kathy Silver
University Medical Center
1800 West Charleston
Las Vegas, NV 89102

Re: UnitedHealth – Sierra Merger

Dear Kathy:

We are pleased to provide this letter in connection with the proposed acquisition (the "Merger") of Sierra Health Services, Inc. ("Sierra") by UnitedHealth Group Incorporated ("UnitedHealth") to further evidence our ongoing commitment to University Medical Center ("UMC") and the general well-being of all Nevadans. Pursuant to our recent discussions regarding certain concerns raised by UMC about the Merger, including certain billing disputes between UMC and UnitedHealth, and as discussed with Attorney General Catherine Cortez Masto, UnitedHealth hereby agrees to and confirms the following:

- (a) Following the Merger, (i) with respect to legacy UnitedHealth business, UnitedHealth and UMC will continue to operate in accordance with the current terms and conditions of the existing hospital participation agreement between the parties, including the reimbursement rates set forth therein, through at least December 31, 2009, and (ii) with respect to Sierra business, the parties will operate in accordance with the terms and conditions of the existing hospital participation agreement between Sierra and UMC through the current term of such agreement.
- (b) Neither UnitedHealth or Sierra (on the one hand) nor UMC (on the other) will unilaterally terminate their respective hospital participation agreements prior to the end of such agreements' current terms absent material breach thereof by UMC, UnitedHealth or Sierra, as the case may be; for purposes of this letter, in accordance with (a) above, the end of the current term of the UnitedHealth hospital participation agreement shall be December 31, 2009.

- (c) Unless otherwise agreed to by UMC, during the current terms of their respective hospital participation agreements, neither UnitedHealth nor Sierra will implement any program specifically designed to steer or engage in any practice or adopt any guideline that has the purpose or effect of steering a disproportionate share of its members requiring high cost services (e.g., neuro surgery or open heart procedures) to UMC vis-à-vis other participating hospitals in Clark County, NV that provide the same services; nor will UnitedHealth or Sierra steer members away from UMC for any services for which UMC is contracted to provide; it being understood, however, that UnitedHealth and Sierra cannot account for any member's or physician's choice to obtain such services from UMC or another facility regardless of any steerage utilized by UnitedHealth and/or Sierra.
- (d) In a good faith effort to resolve certain billing disputes between UnitedHealth and UMC (including payment for urgent care claims and certain accounts receivable over 90 days past due), UnitedHealth will make a cash advance to UMC in the amount of \$2,200,000 (the "First Cash Advance"). The First Cash Advance (and all Subsequent Cash Advances (as defined below)) will be made and reconciled pursuant to the terms of a cash advance agreement to be executed by the parties, which agreement will initially include exhibits that specifically identify the claims to be reconciled and to which the First Cash Advance will be applied. Commencing as of August 1, 2008 and every six months thereafter until December 31, 2009, under the terms of the cash advance agreement, UMC will prepare and submit to UnitedHealth a report (each, an "A/R Report") of all UnitedHealth accounts receivable over 90 days past due. Within ten business days of receipt of a written request by UMC (accompanied by an A/R Report), UnitedHealth will remit to UMC additional cash advance payments (each such payment, a "Subsequent Cash Advance") equal to (i) 50% of billed charges for all clean claims set forth on the applicable A/R Report, less (ii) the unapplied portion of the First Cash Advance or any previously paid Subsequent Cash Advance; provided, however, that if such amount is a negative number, UnitedHealth shall be permitted to apply such amount to any other outstanding clean claims then due and payable to UMC by UnitedHealth. Each cash advance paid to UMC in accordance with the terms of the cash advance agreement will be recorded by UMC as a liability to UnitedHealth (with interest thereon accruing in favor of UMC) pending resolution and payment of clean claims set forth on the applicable exhibit or A/R Report (as the case may be); for clarity, UMC will apply the First Cash Advance and Subsequent Cash Advances (or portions thereof) to mutually agreed upon clean claims set forth on the applicable exhibits or A/R Reports and will not use the cash advances for any other purpose. It is understood and agreed that the parties have substantially resolved their dispute regarding certain PacifiCare hospital-based physician claims and that such dispute will be determined and settled in accordance with the settlement agreement currently being reviewed by UMC and not pursuant to the cash advance process set forth above.

- (e) UnitedHealth and Sierra will work in good faith with UMC to develop and implement a mutually acceptable streamlined billing and claims dispute resolution process (the "UMC Service Model"), which process will include (i) a single, dedicated provider service representative to help identify root cause and coordinate resolution for all UMC claim payment issues and (ii) implementation (at a mutually acceptable time) of UnitedHealth's HP3 program. Within 90 days after consummation of the Merger, the parties will mutually agree upon a service level agreement relating to the UMC Service Model; such service level agreement will include a mutually acceptable "short form" dispute resolution process to resolve disputes arising under the terms thereof (e.g., binding mediation).
- (f) UnitedHealth and UMC will take all reasonable actions necessary to effectuate the purposes of this letter as promptly as practicable, including the execution of any definitive agreements necessary to carry out the purposes and intent hereof.
- (g) The commitments made in this letter shall be enforceable by an action to compel specific performance, as well as by any other remedies provided for in the current contracts between United Health and UMC and Sierra and UMC.
- (h) The commitments set forth herein are contingent upon execution of a mutually agreeable release among UnitedHealth, Sierra, UMC and Clark County.
- (i) The provisions contained herein and all agreements, processes and protocols resulting therefrom shall become amendments to the contracts between UMC and UnitedHealth and UMC and Sierra.
- (j) There are no restrictions, promises, representations, warranties, covenants, or undertakings other than those expressly set forth herein.
- (k) Proposed amendments to this letter agreement will be adopted and become effective as amendments only on the unanimous, written approval by the parties to this letter agreement.
- (l) This agreement may be executed in two or more counterpart signature pages, which together shall constitute one letter agreement. Facsimile signature pages constitute valid signature pages.
- (m) If any term or provision of this letter agreement is held to be void or unenforceable, that term or provision shall be severed from this agreement, the balance of the Agreement shall survive and be reasonably be construed so as to carry out the intent of the parties as evidenced by the terms of this letter agreement, and the parties shall take steps to implement terms and protocols to address issues that were intended to be addressed by the void and unenforceable provision(s).

- (n) This Agreement and the rights of the parties under it will be governed by and interpreted in accordance with the laws of the state of Nevada (without regard to principles of conflicts of law).
- (o) In arbitration actions and/or in a court action, the losing party/ies shall reimburse to the prevailing party/ies all reasonable attorney fees, and expenses, including expert witness costs if such costs were reasonably necessary to the address the dispute or question.

UnitedHealth values its relationship with UMC and we look forward to strengthening that relationship through the Merger. If this letter meets your understanding of the parties' recent discussions regarding these matters, please countersign below and return a signed copy to me via facsimile at 952/992-7086.

Please contact me at the number listed above should you have any further questions about the Merger or the contents of this letter.

Agreed to and Accepted this 25th day of February, 2008

UNITEDHEALTH GROUP INCORPORATED

By: *Armed O'Brien*
Its: *UnitedHealthcare General Counsel*

Agreed to and Accepted this ____ day of February, 2008

UNIVERSITY MEDICAL CENTER

By: _____
Its: _____

Cc: The Honorable Catherine Cortez Masto

EXHIBIT B TO FINAL JUDGMENT

THE NEVADA PHYSICIAN COUNCIL

A. Defendants United HealthGroup Incorporated and Sierra Health Systems, Inc. (Defendants or United/Sierra) will convene a Nevada Physician Council (PC) that will meet on a regular basis, and not less than four times in a twelve month period, to discuss issues of concern to Nevada physicians, and to establish goals and benchmarks for voluntary compliance relating to the physician-payor relationship and the quality and delivery of health care to Nevada consumers.

B. The PC is intended to be:

1. A forum for Defendants and the Nevada physician community to consult with and inform each other about issues impacting the physician community in Nevada and/or the health care industry in general, with the common goals of improving communication around policies and protocols implemented by United/Sierra and finding collaborative solutions to improve the physician-payor relationship.
2. A forum for physicians and Defendants to resolve concerns that physicians have relating to the quality and delivery of health care to Nevada consumers, physician contracting practices, contracting with facilities, quality assurance and staffing issues, authorization requirements, determination of quality care and evidence based medicine, and claims processing.
3. A vehicle by which physicians and Defendants will establish goals and benchmarks on issues identified in Section B (1) and (2).
4. A vehicle by which physicians and Defendants may prepare regulatory proposals to the Division of Insurance and/or bills to the Nevada Legislature to address the issues described herein.

5. It is not the intent of this Judgment or this Exhibit B to allow conduct or actions which would otherwise violate the federal or state antitrust laws.

C. At all times during the operation of the PC:

1. The PC will consist of at least two United/Sierra representatives and nine participants from the practicing physician community in Nevada who participate in United/Sierra networks and who represent a broad spectrum of physician practices, including individual physicians, physician groups (both large and small), physicians that are independently contracted, and physician practices in both urban and rural settings, with a range of specialties. At least one physician member of the PC shall also be a participating member of United's national physician advisory council, and no more than one physician member of the PC shall be employed by SMA. The Attorney General may designate from the office of the Attorney General his/her representative to attend any and all PC meetings.

2. The initial members of the PC will be selected among current United/Sierra participating physicians and physician groups as follows: the Attorney General will select five physician participants and Defendants will select four physician participants. In addition, the Attorney General may, after consultation with Defendants and at her discretion, select a physician to sit as an ex officio member of the PC and who may participate in activities of the PC, provided, however, that such member shall not be entitled to participate in closed PC meetings with participating physician PC members where operational matters involving relationships or dealings of Defendants with participating physicians or services by participating physicians for Defendants' members are discussed.

3. The members shall establish guidelines and protocols to create staggered terms for the PC members, to notice meetings, to create a complaint and resolution process within the framework of the PC with respect to its operations, and to keep minutes of all such meetings. Physician vacancies will be filled by nomination and majority vote of the remaining physician members of the PC. A vacancy in the ex officio position shall be filled only by the Attorney General.

D. At the end of each calendar year, the PC shall prepare a report for the public identifying the issues discussed and progress on, proposed solutions to and/or resolutions of such issues.

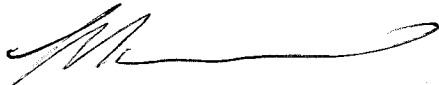
E. All members of the PC will be required to execute a confidentiality agreement requiring that all proprietary information that Defendants own, are licensed to use, or have an obligation relating to the use or disclosure thereof, discussed or disclosed during the PC meetings shall remain confidential unless otherwise agreed to by Defendants in writing. The confidentiality agreement and all changes thereto shall be approved by the Attorney General before its use in order to ensure that such agreement shall not extend beyond its intended purpose and scope.

F. Under no circumstances may current or future physician rates, rate plans or rate reimbursement, components thereof, or complaints relating thereto be proposed, discussed, addressed or exchanged among the PC members or their representatives. No immunities or protections are afforded to any person or entity that engages in such conduct because this Exhibit has been incorporated into the Judgment, because this program was created by the terms of such Judgment and/or because of this Court's approval of such Judgment. Unless otherwise set forth under Nevada state law, Nevada, its state agencies or its political subdivisions are not authorized by this Judgment or this Exhibit to review and actively supervise the conduct described in this Section F for purposes of providing immunity from state and federal antitrust laws.

G. This Exhibit B may be executed with original, counterpart signature pages. Facsimile signatures shall suffice for and have the full force and effect of original signatures.

Reviewed, approved, and agreed to by:

Dated this 25th day of February, 2008



Marie Martin-Kerr, Senior Deputy Attorney General
For State of Nevada

Dated this 25th day of February, 2008



Forrest G. Burke, General Counsel, UnitedHealthcare
For UnitedHealth Group Incorporated
and Sierra Health Systems, Inc.



Forrest G. Burke, General Counsel
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forrest_burke@uhc.com

EXHIBIT C TO FINAL JUDGMENT

February 25, 2008

The Honorable Catherine Cortez Masto
Attorney General
State of Nevada
100 North Carson Street
Carson City, Nevada 89701-4717

Re: State of Nevada v. UnitedHealth Group Incorporated & Sierra Health Services, Inc.

We are pleased to provide this letter in connection with the acquisition (the "Merger") of Sierra Health Services, Inc. ("Sierra") by UnitedHealth Group Incorporated ("UnitedHealth") to further evidence our ongoing commitment to the State of Nevada. As set forth in the Final Judgment, dated on or about February 25, 2008, relating to the Merger (the "Final Judgment"), UnitedHealth's, Sierra's and the Attorney General's consent to the entry of the Final Judgment (and the Attorney General's approval of the Merger) is conditioned, in part, upon the commitments set forth in this letter. Further, the commitments set forth in this letter are expressly conditioned upon the entry of the Final Judgment.

To demonstrate the commitment of UnitedHealth and Sierra to the Nevada community, UnitedHealth and Sierra agree to contribute (either directly or through affiliated entities) \$15 million to benefit Nevada health care consumers over a period of five years following the closing of the Merger (the "Charitable Commitment") in accordance with the attached Schedule A.¹ The contributions made pursuant to the Charitable Commitment shall also be subject to the terms and conditions set forth in the Final Judgment.

Our Charitable Commitment is intended to provide meaningful benefits to individual Nevadans in need as well as key organizations that are essential to providing health care services and coverage to Nevadans. We will work with the Office of the Attorney General each year to highlight publicly the Charitable Commitment and the benefits it will deliver for Nevada.

¹ For purposes of clarification, if the Merger does not occur, the Charitable Commitment shall terminate and this letter shall be of no further force or effect.

The first annual payment will be made to the Office of the Attorney General (or directly to the program or entity identified in Schedule A, as the case may be) within ten (10) days following the divestiture contemplated by the Final Judgment but in no event later than May 15, 2008. Thereafter, four annual payments will be made to the Office of the Attorney General (or directly to the program or entity identified in Schedule A to this Letter, as the case may be) on May 1st of each subsequent year for such four year period.

For charitable contributions which are made directly to an entity or program which is not part of the State of Nevada, UnitedHealth and Sierra will enter into a written agreement with such grantees requiring them to use the charitable contributions in a manner consistent with the purpose of the donation. To the extent such donations are not utilized for the identified purpose(s), or there is any unused portion remaining, the agreement will also require the entity or program to return such amounts to the Attorney General's Special Fund to be used in accordance with the terms of the Final Judgment.

UnitedHealth values its relationship with the State of Nevada and is committed to expanding access to health and well-being services for state residents. We look forward to working with you and your staff to fulfill the potential of this Charitable Commitment.

UnitedHealth agrees that the agreements set forth in this Charitable Commitment letter are incorporated by reference to, and enforceable by, the Final Judgment.

Yours very truly,



Forrest G. Burke
General Counsel, UnitedHealthcare

cc: Governor Jim Gibbons
Commissioner Alice A. Molasky-Arman

SCHEDULE A TO EXHIBIT C

I. HEALTH AND HUMAN SERVICES

HHS	Grant to HHS for enhancing health and welfare for Nevadans.	Year 1: \$1,500,000 Year 3: \$67,446 Year 4: \$67,447 Year 5: \$67,446 Total \$1,702,339
Community Health	The Nevada State Health Division Community Health Nursing program provides public health nursing in primary clinic locations and satellite locations across rural Nevada. Community Health services are provided at low cost or on a sliding scale dependent on income for wellness programs such as family planning, health education, cancer screening, well child examinations, etc. This donation will enhance the provision of such primary and preventive care programs which provide the 'safety net' for health care in rural areas. Community Health provides services primarily to low-income working families, the uninsured and other high-risk populations, and the donation would replace lost funding over a three year period.	Years 1-3: \$124,000 Total \$372,000.
Mammograms	Nevada Health Centers operates the <i>Nevada Health Centers Mammovan</i> . The <i>Mammovan</i> is a mobile mammography van that travels to underserved areas of Nevada to provide mammograms to geographically isolated and/or uninsured women who probably would not seek out mammography services on their own. On occasion, the Mammovan travels with a Physician Assistant who provides clinical breast exams, pelvic exams and pap smears.	Year 2: \$25,000 Years 3-5: \$75,000 Total \$250,000.
Medicaid	Website administered by the State of Nevada containing information on the quality of Nevada hospitals. These quality rankings cause hospitals to	Year 4: \$250,000

	compete in quality of care, thereby improving outcome measures for patients.	
Medicaid	Website administered by the State of Nevada allowing consumers to compare prescription drug prices to allow consumers, including seniors and the disabled, to price shop.	Year 4: \$160,000
Triage – Mental Health	The State of Nevada ranks 37 th in mental health spending among the states in the area of mental health, and is #4 for suicide rates. Mental health patients contribute to overflowing emergency rooms, especially in Southern Nevada. Triage is a program which diverts the mentally ill and inebriated from emergency rooms and 'detox centers' so they can receive appropriate services. The donation for this program would restore most of the \$600,000 in funds which were cut over two years in both Northern and Southern Nevada. We recommend splitting the funds evenly between Northern Nevada and Southern Nevada. Although Northern Nevada serves less people, the budget cuts were greater in the North on a pro rata basis.	\$250,000 in Year 1 \$250,000 in Year 2 Total: \$500,000
Mobile Mental Health	The mobile mental health program is a program focused on Reno/Sparks, and which was supposed to be implemented beginning in 2009. Thus, by replacing all lost funding in 2009 and 2010, this program will be able to commence service.	\$151,000 in Year 1 \$194,000 in Year 2 Total: \$345,000
Nevada Family Resource Centers	There are 18 Family Resource Centers (FRCs) throughout Nevada providing information, referrals, and case management to residents in each Service Area. FRCs collaborate with local and state agencies and organizations to help individuals and families access needed services and support. In the urban areas of Clark and Washoe counties, there are multiple FRC sites located to serve higher density at-risk populations. In Washoe County, there are five satellite locations	Year 1: \$102,302 Year 2: \$170,988 Total: \$273,290

4 – EXHIBIT C TO FINAL JUDGMENT
STATE OF NEVADA v. UNITEDHEALTH GROUP INCORPORATED and
SIERRA HEALTH SERVICES, INC.

	and in Clark County there are five separate sites in the greater Las Vegas area with three additional sites serving northern and southern rural Clark County. Most FRC sites are co-located with Family to Family programs that provide parenting classes and support groups with outreach to at-risk populations. Additional services may be offered through leveraged funding, including: immunizations and well-baby checks, access to health care, and information and referral services for senior citizens to assist them in accessing resources and programs available in their homes and community.	
Autism Program	The Nevada Autism Program provides assistance to families with children who have autism spectrum disorder.	Year 2: \$87,600
Nevada 211	Nevada 211 is a 'one stop shop' for information on health and other services. For example, one call to Nevada 211 provides access to basic human services, physical and mental health resources, etc.	Year 1: \$103,897 Year 2: \$104,705 Total: \$208,602
Fetal Alcohol Clinics	The donation for Fetal Alcohol Clinics will fully fund 25 diagnostic clinics for fetal alcohol syndrome, in both northern and southern Nevada.	Year 1: \$101,169
Emergency Medical Services	The donation will assist with purchasing EMS equipment and updating ambulances across the state. There are matching funds available from local governments for these purchases.	Year 4: \$300,000

TOTAL

YEAR 1	\$	2,181,368.00
YEAR 2	\$	913,293.00
YEAR 3	\$	460,446.00
YEAR 4	\$	852,447.00
YEAR 5	\$	142,446.00
SUBTOTAL HHS	\$	4,550,000.00

II. PROGRAMS OUTSIDE HHS INFRASTRUCTURE

UMC	<p>Community Access Fund to be used for assisting, facilitating or enhancing healthcare delivery to the uninsured and underinsured population in Southern Nevada.</p> <p><i>This organization is not a part of the State of Nevada for purposes of this document.</i></p>	<p>Year 1 -\$2,000,000 Years 2-4: \$1,268,500/year Year 5: \$1,369,500</p> <p>Total \$7,175,000</p>
SNHD	<p>Grant for the Southern Nevada Health District to provide 23,517 free immunizations for small businesses per year, for three years, and serving 100 high-risk families with first-time births with free enrollment in the Nurse-Family Partnership program, including 3,000 home visits. This grant would represent approximately 16% of the funding for the described programs, and is more than the requested amounts.</p> <p><i>This organization is not a part of the State of Nevada for purposes of this document.</i></p>	<p>Year 1 - \$632,632 Year 2 - \$663,465 Year 3 - \$703,903</p> <p>Total: \$2,000,000</p>
GOV-CHA	<p>Fund one position within the Governor's Consumer Healthcare Assistance program for small employer education and advocacy for 5 years. Funds would also allow Gov-CHA representatives with training, travel and to attend programs to educate the public.</p>	<p>Years 1-5: \$125,000.</p> <p>Total \$625,000</p>
DOI	<p>Revolving fund within DOI, to provide DOI with necessary resources to pay for audits of all insurers 'up-front'. Fund to be reimbursed by individual insurers following DOI audits.</p>	<p>Year 1: \$350,000</p>
UNLV	<p>Nursing Program. Matching funds from Sierra Health Services.</p> <p><i>This organization is not a part of the State of Nevada for purposes of this document.</i></p>	<p>Years 1-5: \$50,000</p> <p>Total \$250,000.</p>
Blue Ribbon Panel	<p>Grant to cover administrative expenses for annual Attorney General Blue Ribbon panel held to discuss healthcare delivery issues affecting the State of Nevada, bringing to the table various groups including government, private employers and provider representatives.</p>	<p>Years 1-5: \$10,000</p> <p>Total: \$50,000</p>

TOTAL

YEAR 1	\$	2,817,632.00
YEAR 2	\$	2,116,965.00
YEAR 3	\$	2,507,403.00
YEAR 4	\$	1,453,500.00
YEAR 5	\$	1,554,500.00
<hr/>		
SUBTOTAL NON-HHS	\$	10,450,000.00

TOTAL OF ALL PROGRAMS PER YEAR

YEAR 1	\$	4,999,000.00
YEAR 2	\$	3,030,258.00
YEAR 3	\$	2,967,849.00
YEAR 4	\$	2,305,947.00
YEAR 5	\$	1,696,946.00
<hr/>		
TOTAL	\$	15,000,000.00

CATHERINE CORTEZ MASTO
Attorney General of the State of Nevada
State Bar No. 3926
ERIC WITKOSKI
Chief Deputy Attorney General and
Consumer Advocate
State Bar No. 6868
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Email: mkmartin@ag.state.nv.us
Attorneys for Plaintiffs

**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

**THE STATE OF NEVADA by its ATTORNEY
GENERAL CATHERINE CORTEZ MASTO;**

Plaintiff,

v.

**UNITEDHEALTH GROUP INCORPORATED and
SIERRA HEALTH SERVICES, INC.,**

Defendants.

Civil Action No. _____

Filed:

Judge:

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER

It is hereby stipulated and agreed by and between the undersigned parties, subject to approval
and entry by the Court, that:

1 – Hold Separate and Asset Preservation Stipulation and Order

I. DEFINITIONS

As used in this Asset Preservation Stipulation and Order (“Stipulation and Order”):

- A. “Acquirer” means the entity to whom the Divestiture Assets are divested.
- B. “Clark County” means Clark County, Nevada.
- C. “Clark County CMS Plans” means the individual Medicare Advantage plans offered under CMS Plan Nos. H2949-002, H2949-009 and H2949-012, but does not include any Series 800 Medicare Advantage plans offered to retirees through commercial customers or contracts.
- D. “Clark and Nye County CMS Plans” means the Clark County CMS Plans and the Nye County CMS Plans.
- E. “CMS” means the Centers for Medicare and Medicaid Services, an agency within the U.S. Department of Health and Human Services.
- F. “Divestiture Assets” means all tangible and intangible assets dedicated to the administration, operation, selling, and marketing of the Clark and Nye County CMS Plans, including (1) all of United’s rights and obligations under United’s Medicare Contract No. H2949 with CMS relating to the Clark and Nye County CMS Plans, including the right to offer the Medicare Advantage plan to individual enrollees pursuant to the bids and Evidence of Coverage filed with CMS in 2007 for the 2008 contract year, and the right to receive from CMS a per member per month capitation payment in exchange for providing or arranging for the benefits enumerated in the bids and Evidence of Coverage, and (2) copies of all business, financial and operational books, records, and data, both current and historical, that relate to the Clark County CMS Plans or the Nye County CMS Plans. Where books, records, or data relate to the Clark

County CMS Plans or the Nye County CMS Plans, but not solely to these Plans, United shall provide excerpts relating to these Plans. Nothing herein requires United to take any action prohibited by the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

G. “Evidence of Coverage” means the document that outlines an enrollee’s benefits and exclusions under a Medicare Advantage Plan.

H. “Las Vegas Area” means Clark County and Nye County.

I. “Medicare Advantage Line of Business” means the operations of United that implement and administer the Clark and Nye County CMS Plans.

J. “Medicare Advantage Plan” means Medicare Advantage health maintenance organizations, Medicare Advantage preferred provider organization plans, and Medicare Advantage private fee-for-service plans, as defined by 42 U.S.C. § 1395w-21(a)(2).

K. “Nevada Attorney General” and “Attorney General” collectively refers to Attorney General Catherine Cortez Masto and Nevada Consumer Advocate Eric Witkoski, and their legally elected or appointed successors in office.

L. “Nye County” means Nye County, Nevada.

M. “Nye County CMS Plans” means the individual Medicare Advantage plans offered under CMS Plan Nos. H2949-007 and H2949-011, but does not include any Series 800 Medicare Advantage plans offered to retirees through commercial customers or contracts.

N. “Related Action” means the action filed in United States District Court, District of Columbia on February 25, 2008, entitled, “United States of America v. UnitedHealth Group Incorporated and Sierra Health Services, Inc.”

O. “Sierra” means Defendant Sierra Health Services, Inc., a Nevada corporation with its headquarters in Las Vegas, Nevada, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their respective directors, officers, managers, agents, and employees.

P. “Transaction” means the merger contemplated by the Agreement and Plan of Merger dated as of March 11, 2007, by and among United, Sapphire Acquisition, Inc. and Sierra.

Q. “United” means Defendant UnitedHealth Group Incorporated, a Minnesota corporation with its headquarters in Minnetonka, Minnesota, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their respective directors, officers, managers, agents, and employees.

II. OBJECTIVES

The proposed Final Judgment filed in this case is meant to ensure Defendants’ prompt divestiture of the Divestiture Assets for the purpose of preserving viable competition in the sale of Medicare Advantage Plans in Clark and Nye Counties in order to remedy the effects that the Nevada Attorney General alleges would otherwise result from United’s acquisition of Sierra. This Stipulation and Order ensures that until the divestiture required by the proposed Final Judgment has been accomplished, the Divestiture Assets remain as economically viable, competitive, and ongoing business concerns; that competition is maintained during the pendency of the ordered divestitures; and that the Divestiture Assets will be preserved and maintained. This Stipulation and Order also ensures that Sierra remains an independent, economically viable, and ongoing business concern and that competition is maintained between United and Sierra

until the divestiture of the Divestiture Assets under the proposed Final Judgment is accomplished.

III. JURISDICTION AND VENUE

The Court has jurisdiction over the subject matter of this action and over each of the parties hereto, and venue of this action is proper in the United States District Court for the District of Nevada. The complaint states a claim upon which relief may be granted against Defendants under Section 7 of the Clayton Act, 15 U.S.C. § 18.

IV. COMPLIANCE WITH AND ENTRY OF THE PROPOSED FINAL JUDGMENT

A. The parties stipulate that the proposed Final Judgment, a copy of which is attached hereto as Exhibit 1, may be filed with this Court by the Nevada Attorney General and may be entered by the Court, upon the motion of any party or upon the Court's own motion, at any time

B. Defendants shall abide by and comply with the provisions of the proposed Final Judgment pending its entry by the Court, or until expiration of time for all appeals of any Court ruling declining entry of the proposed Final Judgment, and shall, from the date of the signing of this Stipulation and Order by the parties, comply with all the terms and provisions of the proposed Final Judgment as though the same were in full force and effect as an order of the Court.

C. This Stipulation and Order shall apply with equal force and effect to any amended proposed Final Judgment agreed upon in writing by the parties and submitted to the Court.

D. In the event the proposed Final Judgment is not entered pursuant to this Stipulation and Order, the time has expired for all appeals of any Court ruling declining entry of the proposed Final Judgment, and the Court has not otherwise ordered continued compliance

with the terms and provisions of the proposed Final Judgment, then the parties are released from all further obligations under this Stipulation and Order, and the making of this Stipulation and Order shall be without prejudice to any party in this or any other proceeding.

E. Defendants represent that the divestitures ordered in the proposed Final Judgment can and will be made, and that Defendants will later raise no claim of mistake, hardship or difficulty of compliance as grounds for asking the Court to modify any of the provisions contained therein.

V. HOLD SEPARATE AND PRESERVATION OF SIERRA

For the duration of the period specified in Section VII:

A. Defendant Sierra shall operate as an independent, ongoing, economically viable competitive business held separate, distinct and apart from Defendant United's operations. Within twenty (20) days after the entry of the Stipulation and Order, Defendants will inform the the Nevada Attorney General and any Monitoring Trustee of the steps they have taken to comply with this Stipulation and Order.

B. Defendants shall not coordinate any aspect of their commercial operations, including the marketing or sales of any products. Defendant United may ensure that Sierra complies with United's policies and procedures relating to compliance with environmental, health, safety, human resource, and securities or other laws and regulations. Other than as excepted above, Defendants shall take all steps necessary to ensure that:

- (1) United does not attempt to influence, direct, or control the management of Sierra with regard to any aspect of its competitive operations; and
- (2) the management of Sierra acts to maintain and increase its sales and

revenues, and maintain operational, promotional, advertising, sales, technical, customer-service, and marketing support at previously approved levels for 2008.

C. Defendants shall take all steps necessary to ensure that Sierra will be maintained and operated as an ongoing, economically viable and active competitor in the marketing and sale of Medicare Advantage and commercial health plans.

D. Defendant United shall not, except as approved by the Nevada Attorney General, remove, sell, lease, assign, transfer, destroy, pledge or otherwise dispose of any asset of Sierra outside the ordinary course of business.

E. Other than for cause, Defendants shall not transfer or terminate, or alter to the detriment of any employee, any current employment or salary agreements for any Sierra employee who on the date of entry of this Stipulation and Order works for Sierra; provided, however, that this Section V(E) does not prohibit any employment agreement between United and any Sierra employee that is entered into prior to the date of this Stipulation and Order and that becomes effective upon consummation of the Transaction.

F. Defendants shall maintain, in accordance with sound accounting principles, separate, accurate and complete financial ledgers, books and records that report on a periodic basis, such as the last business day of every month, consistent with past practices, the assets, liabilities, expenses, revenues and income of Sierra.

VI. HOLD SEPARATE AND PRESERVATION OF THE DIVESTITURE ASSETS

For the duration of the period specified in Section VII:

A. Defendants shall preserve, maintain, and continue to operate the Divestiture

Assets and permit expeditious divestiture in a manner consistent with this Stipulation and Order and the proposed Final Judgment.

B. Defendants shall take all steps necessary to preserve and maintain the value and goodwill of the Medicare Advantage Line of Business, and continue to operate the Medicare Advantage Line of Business as an economically viable, competitive, and ongoing line of business.

C. Defendant United shall provide sufficient working capital and lines and sources of credit to continue to maintain the Medicare Advantage Line of Business as an economically viable, competitive, and ongoing line of business.

D. Defendants shall not, except as part of a divestiture approved by the Nevada Attorney General in accordance with the proposed Final Judgment, remove, sell, lease, assign, transfer, destroy, pledge, or otherwise dispose of any of the Divestiture Assets.

E. United's employees whose duties are primarily related to the operation of the Divestiture Assets shall not be terminated or reassigned to other areas within the company except for transfer bids initiated by employees pursuant to United's regular, established job posting policy. Defendants shall provide the Nevada Attorney General and any Monitoring Trustee with ten (10) calendar days notice of such transfer.

F. Defendants shall take no action that would jeopardize, delay, or impede the sale of the Divestiture Assets to an Acquirer acceptable to the Nevada Attorney General after consultation with the United States. .

G. Defendants shall use all reasonable efforts to maintain and increase the sales and

8 – Hold Separate and Asset Preservation Stipulation and Order

revenues of the Medicare Advantage Line of Business, and shall maintain at previously approved levels for 2008, all operational, promotional, advertising, sales, technical, customer-service and marketing support for the Medicare Advantage Line of Business.

H. Defendants shall provide such support services for the Medicare Advantage Line of Business as are required for the Medicare Advantage Line of Business to operate as an economically viable, competitive, and ongoing line of business. These services may include federal and state regulatory compliance, including making all customary filings with CMS and other federal and state governmental units; human resources; legal; finance; actuarial; claims processing; software and computer operations support; eligibility, enrollment; utilization management and administrative and such other services as are reasonably necessary to operate the Medicare Advantage Line of Business.

I. Defendants shall preserve the existing relationships of each provider, customer, and other entity or individual having business relations relating to the Medicare Advantage Line of Business, in accordance with current practice.

J. Defendants shall maintain, in accordance with sound accounting principles, accurate and complete books and records that report on a periodic basis, such as the last business day of every month, consistent with past practices, the expenses, revenues, and income attributable to the Divestiture Assets.

K. If Defendants fail to divest the Divestiture Assets by May 15, 2008, at the discretion of the Nevada Attorney General and the United States, United shall be required to submit all necessary filings to CMS to ensure that the Divestiture Assets remain a viable, ongoing business, consisting of the same Medicare Advantage Plans that United offered in 2008

with comparable benefits and premiums.

L. Subject to the approval of the Nevada Attorney General, Defendants shall appoint a person or persons to oversee the Divestiture Assets. This person shall be responsible for ensuring Defendants' compliance with this section, and shall have complete managerial responsibility for the Divestiture Assets, subject to the provisions of this Final Judgment. In the event such person is unable to perform his duties, Defendants shall appoint, subject to the approval of the Nevada Attorney General and the United States, a replacement within ten (10) working days. Should Defendants fail to appoint a replacement acceptable to the Nevada Attorney General and the United States within this time period, both agencies shall consult, decide upon, and appoint a replacement.

M. Defendants shall take no action that would interfere with the ability of any trustee appointed pursuant to the proposed Final Judgment to complete the divestitures pursuant to the proposed Final Judgment to an Acquirer acceptable to the Nevada Attorney General.

VII. CONTINUATION OF HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER

This Stipulation and Order shall remain in effect until consummation of the Divestiture required by the proposed Final Judgment or until further order of the Court.

VIII. RETENTION OF JURISDICTION

This Court retains jurisdiction to enable any party to this Hold Separate Order to apply to this Court at any time for further orders and directions as may be necessary or appropriate to carry out or construe this Hold Separate Order, to modify any of its provisions, to enforce compliance, and to punish violations of its provisions.

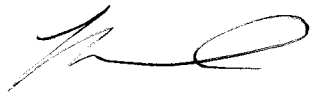
VIII. MISCELLANEOUS

Original counterpart signature pages may be executed by the parties. Facsimile signatures shall have the same force and effect as original signatures.

Dated: February 25th 2008

Respectfully submitted,

FOR PLAINTIFF
STATE OF NEVADA



Marie Martin-Kerr (Nev. Bar # 7808)
Office of the Nevada Attorney General
100 N. Carson Street
Carson City, NV 89701
(775) 684-1100

FOR DEFENDANT
UNITEDHEALTH GROUP INCORPORATED

Constance L. Akridge (Nev. Bar # 3353)
Jones Vargas
3773 Howard Hughes Parkway
Las Vegas, Nevada 89109
(702) 862-3378

FOR DEFENDANT SIERRA HEALTH
SERVICES, INC.:

Constance L. Akridge (Nev Bar # 3353)
Jones Vargas
3773 Howard Hughes Parkway
Third Floor South
Las Vegas, Nevada 89109

ORDER

IT IS SO ORDERED by the Court, this ____ day of _____, ____.

United States District Judge

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

CATHERINE CORTEZ MASTO
Attorney General of the State of Nevada
State Bar No. 3926
ERIC WITKOSKI
Chief Deputy Attorney General and
Consumer Advocate
State Bar No. 6868
MARIE MARTIN-KERR
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Attorneys for Plaintiffs

IN THE UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

**THE STATE OF NEVADA by its ATTORNEY
GENERAL CATHERINE CORTEZ MASTO;**

Plaintiff,

v.

**UNITEDHEALTH GROUP INCORPORATED and
SIERRA HEALTH SERVICES, INC.,**

Defendants.

Civil Action No. _____

Filed:

Judge:

[PROPOSED] STIPULATED FINAL JUDGMENT

WHEREAS, Plaintiff, State of Nevada through its Attorney General, filed its
Complaint on February 25, 2008; Plaintiff and Defendants (collectively, the "Parties"),
UnitedHealth Group Incorporated and Sierra Health Services, Inc. (defined herein and

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

collectively referred to as “Defendants”) by their respective attorneys, have consented to the entry of this Final Judgment without trial or adjudication of any issue of fact or law and without this Final Judgment constituting any evidence against or admission by any party regarding any issue of fact or law;

AND WHEREAS, Defendants agree to be bound by the provisions of this Final Judgment pending its approval by the Court;

AND WHEREAS, the essence of this Final Judgment is the prompt and certain Divestiture of certain rights or assets by Defendants to ensure that competition is not substantially lessened and to ensure that Defendants will abide by other conditions herein to facilitate and expand the scope of health care coverage and insurance to the people and businesses of Nevada;

AND WHEREAS, Plaintiff requires Defendants to make a certain Divestiture and agree to other provisions identified herein for the purpose of remedying the loss of competition alleged in the Complaint;

AND WHEREAS, Defendants have entered into a similar judgment with the United States Department of Justice Antitrust Division to address the same allegations set forth by the Nevada Attorney General in its complaint;

AND WHEREAS, Defendants have represented to the Nevada Attorney General that the Divestiture required by this Final Judgment and other terms and conditions identified herein can and will be made, and that Defendants will not later raise any claims of hardship or difficulty as grounds for asking the Court to modify any of the provisions of this Final Judgment;

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

NOW THEREFORE, before any testimony is taken, without trial or adjudication of any issue of fact or law, and upon consent of the Parties, it is ORDERED, ADJUDGED, AND DECREED:

I. JURISDICTION

This Court has jurisdiction over the subject matter of, and each of the Parties to, this action. The Complaint states a claim upon which relief may be granted against Defendants under Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18.

II. DEFINITIONS

As used in this Judgment:

- A. "Acquirer" means the entity to whom the Divestiture Assets are divested.
- B. "All Products Provision" means any policy, practice, rule, contract provision, financial incentive, compensation package, or reimbursement rate(s) that coerces or otherwise requires a Health Care Provider to involuntarily participate in any of Defendants' networks in Nevada by conditioning such participation upon a Health Care Provider's participation in other of Defendants' networks using different compensation terms and/or conditioning a Health Care Provider's participation in commercial products on participation in Medicare Advantage products or vice versa.
- C. "Clark County" means the Las Vegas-Paradise Metropolitan Statistical Area consisting of Clark County, Nevada.
- D. "Clark County CMS Plans" means the individual Medicare Advantage plans offered under CMS Plan Nos. H2949-002, H2949-009 and H2949-012, but does not include any Series 800 Medicare Advantage plans offered to retirees through commercial customers or contracts.

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

E. “Clark and Nye County CMS Plans” means the Clark County CMS Plans and the Nye County CMS Plans.

F. “CMS” means the Centers for Medicare and Medicaid Services, an agency within the U.S. Department of Health and Human Services.

G. “Divestiture,” “Divest,” or “Divesting” means the sale, transfer, ceding, assignment or disposition of the beneficial interest in the Divestiture Assets by commercially reasonable means in accordance with applicable law.

H. “Divestiture Assets” means all tangible and intangible assets dedicated to the administration, operation, selling, and marketing of the Clark and Nye County CMS Plans, including (1) all of United’s rights and obligations under United’s Medicare Contract No. H2949 with CMS relating to the Clark and Nye County CMS Plans, including the right to offer the Medicare Advantage plan to individual enrollees pursuant to the bids and Evidence of Coverage filed with CMS in 2007 for the 2008 contract year, and the right to receive from CMS a per member per month capitation payment in exchange for providing or arranging for the benefits enumerated in the bids and Evidence of Coverage, and (2) copies of all business, financial and operational books, records, and data, both current and historical, that relate to the Clark County CMS Plans or the Nye County CMS Plans. Where books, records, or data relate to the Clark County CMS Plans or the Nye County CMS Plans, but not solely to these Plans, United shall provide excerpts relating to these Plans. Nothing herein requires United to take any action prohibited by the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

I. “Divestiture Costs” means costs, expenses or distributions related to, associated with, or concerning the Divestiture Assets.

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

J. “Evidence of Coverage” means the document that outlines an enrollee’s benefits and exclusions under a Medicare Advantage Plan.

K. “HealthCare Partners” means JSA Healthcare Nevada, LLC, a Nevada limited liability company, and its affiliated entities, including HealthCare Partners, LLC and Summit Medical Group.

L. “Health Care Provider” means any direct provider of health care to patients in Nevada including, but not limited to, hospitals, physicians, physician groups, assisted living facilities, ambulatory surgery centers, out-patient facilities, nursing homes, and skilled nursing facilities.

M. “Humana” means Humana Inc., a Delaware corporation with its headquarters in Louisville, Kentucky.

N. “Intentional” means willful or reckless action or omission.

O. “Judgment” or “Final Judgment” means this Final Judgment.

P. “Las Vegas Area” means Clark County and Nye County.

Q. “Medicare Advantage Line of Business” means the operations of United that implement and administer the Clark and Nye County CMS Plans.

R. “Medicare Advantage Plan” means Medicare Advantage health maintenance organization plans, Medicare Advantage preferred provider organization plans, and Medicare Advantage private fee-for-service plans as defined by 42 U.S.C. Section 1395 w-21(a)(2).

S. “Medical Specialty” means a field of medical practice defined by recognition within a separate specialty board by the American Board of Medical Specialties, provided that internal medicine, family practice and general practice shall be

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

considered a single Medical Specialty, excluding sub-specialties, for purposes of this Judgment.

U. “Most Favored Nation Clause” means any policy, practice, rule, or contractual provision which (1) requires a Health Care Provider to charge any Third Party Payer as much as or more than the rate charged to Defendants by such Health Care Provider for the same type of health benefit program or any given service (as defined by said policy, practice rule, or contractual provision), or (2) requires a Health Care Provider to charge Defendants rates equal to or lower than the lowest rate it charges any Third Party Payer for the same type of health benefit program or any given service (as defined by said policy, practice rule, or contractual provision).

V. “National Provider” shall mean a provider or provider organization under contract for the provision of services to enrollees of affiliates of United/Sierra in multiple states whose share of revenues earned as a result of such services delivered to Nevada residents does not exceed 35 percent of its total revenues from United/Sierra, with service delivery capability in multiple states, regardless of whether any such provider or provider organization is based in Nevada or otherwise provides services to enrollees in Nevada.

W. “Nevada Attorney General” collectively refers to Attorney General Catherine Cortez Masto and Nevada Consumer Advocate Eric Witkoski, and their legally elected or appointed successors in office.

X. “Nevada Transactions” shall mean all mergers, acquisitions, or other transactions resulting in the Defendants’ acquisition of a controlling interest in any of the following entities doing business in Nevada: health insurers (including HMOs and PPOs); hospitals, institutional health care providers, ambulatory surgery centers, assisted

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

living facilities, or skilled nursing facilities; physician groups if the acquired group represents more than 10% of all practitioners providing services in at least one Medical Specialty within (1) Clark and Nye Counties (2) Washoe and Carson Counties, or (3) the remainder of the Nevada; any other Health Care Provider in which the value of the Nevada portion of the transaction is \$30 million or more; or third party administrators (TPA) which have at least 35% of their revenues in Nevada.

Y. “Nye County” means that county located adjacent to, and northwest of, the Metropolitan Statistical Area consisting of Clark County, Nevada and having Tonopah as its County seat.

Z. “Nye County CMS Plans” means the individual Medicare Advantage plans offered under CMS Plan Nos. H2949-007 and H2949-011, but does not include any Series 800 Medicare Advantage plans offered to retirees through commercial customers or contracts.

AA. “PIPA” means The Physicians IPA, Inc., a Nevada non-profit corporation based in Las Vegas, Nevada.

BB. “Provider Network” means all Health Care Providers, including physicians, hospitals, ancillary service providers, and other Health Care Providers with which United contracts for the provision of covered medical services for United’s Medicare Advantage Plans in the Las Vegas Area.

CC. “Sierra” means Defendant Sierra Health Services, Inc., a Nevada corporation with its headquarters in Las Vegas, Nevada, its successors and assigns, and

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their respective directors, officers, managers, agents, and employees.

DD. "Southwest Medical Associates, Inc." ("SMA") means a multi-specialty medical group practice owned by Sierra Health Services, Inc., its operations and any physician or other Health Care Provider employed by or contracted with SMA. For purposes of this Judgment, the term SMA shall also include any related companies owned directly or indirectly by the same parent company which directly provide health care services.

EE. "Small Group Employer" means an entity that is based in Nevada, has its principal place of operation in Nevada, and meets the definition of "small employer" at NRS § 689C.095.

FF. "Transaction" means the merger contemplated by the Agreement and Plan of Merger dated as of March 11, 2007, by and among United, Sapphire Acquisition, Inc. and Sierra.

GG. "Third Party Payer" means any government, public and non-governmental entity including but not limited to the Nevada Public Employees' Benefit Program, but other than Defendants, the Centers for Medicare and Medicaid Services or Medicaid, that pays for all or part of any expense for health care services provided by a Health Care Provider to another person or group of persons in Nevada.

HH. "UMC" means the University Medical Center of Southern Nevada.

II. "United States" means the United States Department of Justice Antitrust Division.

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

JJ. "United" means Defendant UnitedHealth Group Incorporated, a Minnesota corporation with its headquarters in Minnetonka, Minnesota, its successors and assigns, and its subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their respective directors, officers, managers, agents, and employees.

III. APPLICABILITY

A. This Final Judgment applies to United and Sierra, and to all other persons in active concert or participation with any of them who receive actual notice of this Final Judgment by personal service or otherwise.

B. If, prior to complying with Section IV and VI of this Final Judgment, Defendants sell or otherwise dispose of all or substantially all of their assets or of lesser business units that include the Divestiture Assets, they shall require the purchaser to be bound by the provisions of this Final Judgment. Defendants need not obtain such an agreement from the Acquirer of the assets divested pursuant to this Final Judgment.

IV. DIVESTITURE OF THE DIVESTITURE ASSETS

A. Defendants are ordered, within forty-five (45) calendar days after the filing of the Complaint in this matter, to divest the Divestiture Assets in a manner consistent with this Final Judgment to an Acquirer acceptable to the Nevada Attorney General and United States and on terms acceptable to the Attorney General and the United States in their discretion, including any agreement for transitional support services entered into pursuant to Section IV(J) of this Final Judgment. The Nevada Attorney General and the United States may, in their discretion, grant one or more extensions of this time period, not to exceed sixty (60) calendar days in total, and shall notify the Court in each such circumstance. Defendants shall accomplish the divestiture of the Divestiture

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

Assets as expeditiously as possible and in such a manner as will allow the Acquirer to be a viable, ongoing business engaged in the sale of Medicare Advantage Plans in the Las Vegas Area.

B. If applications for approval have been filed with CMS and the appropriate other governmental units within twenty (20) calendar days after the filing of the Complaint in this matter, but these required approvals have not been issued before the end of the period permitted for Divestiture in Section IV(A), the Nevada Attorney General and the United States may extend the period for Divestiture until five (5) business days after all necessary government approvals have been received.

C. The Divestiture shall be accomplished in such a way as to satisfy the Nevada Attorney General and the United States that the Divestiture Assets can and will be used by the Acquirer as part of a viable, ongoing business engaged in the sale of Medicare Advantage Plans in the Las Vegas Area. Defendants must demonstrate to the sole satisfaction of the Nevada Attorney General that the Divestiture will remedy the competitive harm alleged in the Complaint. The Divestiture shall be:

(1) made to an Acquirer that, in the Nevada Attorney General's judgment, has the intent and capability (including the necessary managerial, operational, technical, and financial capability) to compete effectively in the sale of Medicare Advantage Plans in the Las Vegas Area; and

(2) accomplished so as to satisfy the Nevada Attorney General that none of the terms of any agreement between Defendants and the Acquirer gives Defendants the ability unreasonably to raise the Acquirer's costs, to lower the Acquirer's efficiency, or otherwise to interfere with the Acquirer's ability to compete effectively.

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

D. Defendants shall not take any action that will impede in any way the permitting, operation, or divestiture of the Divestiture Assets.

E. Defendants shall provide to the Acquirer, the Nevada Attorney General, and any Monitoring Trustee, information relating to the personnel primarily involved in the operation of the Divestiture Assets to enable the Acquirer to make offers of employment to those persons. Defendants shall not interfere with any negotiations by the Acquirer to employ any of those persons. For a period of two (2) years from the filing of the Complaint in this matter, Defendants shall not hire or solicit to hire any such person who was hired by the Acquirer, unless the Acquirer has notified such person that the Acquirer does not intend to continue to employ the person.

F. Defendants shall assist the negotiation of and entry into agreement(s) between the Acquirer and HealthCare Partners that will allow members of the Clark and Nye County CMS Plans to have continued access to substantially all of United's Provider Network as of January 2008 on terms no less favorable than United's agreements as of January 2008.

G. Upon completing the Divestiture and through March 31, 2010, Defendants shall have no agreements with HealthCare Partners or PIPA that provide for access by United to HealthCare Partners or PIPA in connection with enrollees in any type of individual Medicare Advantage plan of Defendants in the Las Vegas Area.

H. Upon completing the Divestiture and through March 31, 2009, Defendants shall not use the AARP brand, or any other substantially similar brand, name, or logo, for any type of individual Medicare Advantage plan of Defendants in the Las Vegas Area. Upon completing the Divestiture and through March 31, 2010, Defendants shall not use

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

the SecureHorizons brand, or any other substantially similar brand, name, or logo, for any type of individual Medicare Advantage plan of Defendants in the Las Vegas Area.

I. At the Acquirer's option, and subject to approval by the Nevada Attorney General, Defendants will allow the Acquirer to license and use the SecureHorizons brand, and any other substantially similar brand, name, or logo, with the Divestiture Assets for twelve months upon completing the Divestiture.

J. At the Acquirer's option, and subject to approval by the Nevada Attorney General, Defendants will provide transitional support services for medical claims processing, appeals and grievances, call-center support, enrollment and eligibility services, access to form templates, pharmacy services, disease management, Medicare risk-adjustment services, quality-assurance services, and such other transition services that are reasonably necessary for the Acquirer to operate the Divestiture Assets. Defendants shall not provide such transitional support services for more than twelve months from the date of the completion of the Divestiture unless the Nevada Attorney General shall otherwise approve.

K. To ensure an effective transition and transfer of enrollees in the Clark and Nye County CMS Plans to the Acquirer, Defendants shall cooperate and work with the Acquirer in transition planning and implementing the transfer of the Divestiture Assets.

L. Defendants will communicate and cooperate fully with the Acquirer to promptly identify and obtain all consents of government agencies necessary to divest the Divestiture Assets.

M. Defendants will communicate and cooperate fully with the Acquirer to work in good faith with CMS to select a novation process that is efficient and minimizes

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

any potential disruption and confusion to enrollees in the Clark and Nye County CMS Plans.

N. United shall warrant to the Acquirer that, since January 1, 2007, except for the global capitation agreement entered into between United and HealthCare Partners, United has operated the Divestiture Assets in all material respects in the ordinary course of business consistent with past practices and that there has not been (a) any material loss or change with respect to the Divestiture Assets; (b) any event, circumstance, development, or change that has had a material adverse effect on the Divestiture Assets; or (c) any change by United of its accounting or actuarial methods, principles, or practices that is relevant to the Divestiture Assets.

O. Defendants shall comply with all laws applicable to the Divestiture Assets.

P. Defendants shall not take any action having the effect of delaying the authorization or scheduling of health care services provided to enrollees in the Clark and Nye County CMS Plans in a manner inconsistent with Defendants' past practice with respect to the Clark and Nye County CMS Plans.

Q. Defendants shall not make any material change to the customary terms and conditions upon which it does business with respect to the Medicare Advantage Line of Business that would be expected, individually or in the aggregate, to have a materially adverse effect on the Medicare Advantage Line of Business.

R. United shall identify its top ten independent insurance agents, general agents, producers, and brokers (collectively, "Brokers") that have entered into a Broker contract with respect to the Medicare Advantage Line of Business along with the corresponding number of enrollees produced by each such Broker. United will introduce

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

the Acquirer to any such Broker for the purpose of the Acquirer having an opportunity, at the Acquirer's option, to negotiate an agreement with the Broker to market and sell the Clark and Nye County CMS Plans after the completion of the Divestiture.

S. Defendants shall first attempt to sell the Divestiture Assets to Humana.

T. If Defendants fail to divest the Divestiture Assets by May 15, 2008, at the discretion of the Nevada Attorney General and the United States, United shall be required to submit all necessary filings to CMS to ensure that the Divestiture Assets remain a viable, ongoing business, offering the same Medicare Advantage Plans that United offered in 2008 with comparable benefits and premiums.

V. APPOINTMENT OF MONITORING TRUSTEE

A. Upon the filing of this Final Judgment, the Nevada Attorney may consult with the United States in the appointment of a Monitoring Trustee, subject to approval by the Court.

B. The Monitoring Trustee shall have the power and authority to monitor Defendants' compliance with the terms of this Final Judgment and the Hold Separate and Asset Preservation Stipulation and Order entered by this Court and shall have such powers as this Court deems appropriate. Subject to Section V(D) of this Final Judgment, the Monitoring Trustee may hire at the cost and expense of United any consultants, accountants, attorneys, or other persons, who shall be solely accountable to the Monitoring Trustee, reasonably necessary in the Monitoring Trustee's judgment.

C. Defendants shall not object to actions taken by the Monitoring Trustee in fulfillment of the Monitoring Trustee's responsibilities under any Order of this Court on any ground other than the Monitoring Trustee's malfeasance. Any such objections by

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

Defendants must be conveyed in writing to the Nevada Attorney General and the Monitoring Trustee within ten (10) calendar days after the action taken by the Monitoring Trustee giving rise to the Defendants' objection.

D. The Monitoring Trustee shall serve at the cost and expense of United, on such terms and conditions as the Nevada Attorney General approves. The compensation of the Monitoring Trustee and any consultants, accountants, attorneys, and other persons retained by the Monitoring Trustee shall be on reasonable and customary terms commensurate with the individuals' experience and responsibilities.

E. The Monitoring Trustee shall have no responsibility or obligation for the operation of Defendants' businesses.

F. Defendants shall assist the Monitoring Trustee in monitoring Defendants' compliance with their individual obligations under this Final Judgment and under the Hold Separate and Asset Preservation Stipulation and Order. The Monitoring Trustee and any consultants, accountants, attorneys, and other persons retained by the Monitoring Trustee shall have full and complete access to the personnel, books, records, and facilities relating to the Divestiture Assets, subject to reasonable protection for trade secret or other confidential research, development, or commercial information or any applicable privileges. Defendants shall take no action to interfere with or to impede the Monitoring Trustee's accomplishment of its responsibilities.

G. After its appointment, the Monitoring Trustee shall file monthly reports with the Nevada Attorney General and the Court setting forth the Defendants' efforts to comply with their individual obligations under this Final Judgment and under the Hold Separate and Asset Preservation Stipulation and Order. To the extent such reports

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

contain information that the trustee deems confidential, such reports shall not be filed in the public docket of the Court.

H. The Monitoring Trustee shall serve until the divestiture of all the Divestiture Assets is finalized pursuant to either Section IV or Section VI of this Final Judgment and any agreement(s) for transitional support services described in Section IV(J) herein have expired.

VI. APPOINTMENT OF TRUSTEE

A. If Defendants have not divested the Divestiture Assets within the time period specified in Section IV(A), Defendants shall notify the Nevada Attorney General of that fact in writing. Upon application of the Nevada Attorney General, the Court shall appoint a trustee selected by the Nevada Attorney General and the United States and approved by the Court to effect the divestiture of the Divestiture Assets.

B. After the appointment of a trustee becomes effective, only the trustee shall have the right to sell the Divestiture Assets. The trustee shall have the power and authority to accomplish the divestiture to an Acquirer acceptable to the Nevada Attorney General and the United States at such price and on such terms as are then obtainable upon reasonable effort by the trustee, subject to the provisions of Sections IV, VI, and VII of this Final Judgment, and shall have such other powers as this Court deems appropriate. Subject to Section VI(D) of this Final Judgment, the trustee may hire at the cost and expense of Defendants any investment bankers, attorneys, or other agents, who shall be solely accountable to the trustee, reasonably necessary in the trustee's judgment to assist in the divestiture.

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

C. Defendants shall not object to a sale by the trustee on any ground other than the trustee's malfeasance. Any such objections by Defendants must be conveyed in writing to the Nevada Attorney General and the trustee within ten (10) calendar days after the trustee has provided the notice required under Section VII.

D. The trustee shall serve at the cost and expense of Defendants, on such terms and conditions as the Nevada Attorney General and the United States approve, and shall account for all monies derived from the sale of the assets sold by the trustee and all costs and expenses so incurred. After approval by the Court of the trustee's accounting, including fees for its services and those of any professionals and agents retained by the trustee, all remaining money shall be paid to Defendants and the trust shall then be terminated. The compensation of the trustee and any professionals and agents retained by the trustee shall be reasonable in light of the value of the Divestiture Assets and based on a fee arrangement providing the trustee with an incentive based on the price and terms of the divestiture and the speed with which it is accomplished, but timeliness is paramount.

E. Defendants shall assist the trustee in accomplishing the required divestiture. The trustee and any consultants, accountants, attorneys, and other persons retained by the trustee shall have full and complete access to the personnel, books, records, and facilities relating to the Divestiture Assets, and Defendants shall develop financial and other information relevant to such business as the trustee may reasonably request, subject to reasonable protection for trade secret or other confidential research, development, or commercial information. Defendants shall take no action to interfere with or to impede the trustee's accomplishment of the divestiture.

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

F. After its appointment, the trustee shall file monthly reports with the Nevada Attorney General and the Court setting forth the trustee's efforts to accomplish the divestiture ordered under this Final Judgment. To the extent that such reports contain information that the trustee deems confidential, such reports shall not be filed in the public docket of the Court. Such reports shall include the name, address, and telephone number of each person who, during the preceding month, made an offer to acquire, expressed an interest in acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the Divestiture Assets, and shall describe in detail each contact with any such person. The trustee shall maintain full records of all efforts made to divest the Divestiture Assets.

G. If the trustee has not accomplished the divestiture ordered under this Final Judgment within six months after its appointment, the trustee shall promptly file with the Court a report setting forth (1) the trustee's efforts to accomplish the required divestiture, (2) the reasons, in the trustee's judgment, why the required divestiture has not been accomplished, and (3) the trustee's recommendations. To the extent that such reports contain information that the trustee deems confidential, such reports shall not be filed in the public docket of the Court. The trustee shall at the same time furnish such report to the Nevada Attorney General which shall have the right to make additional recommendations consistent with the purpose of the trust. The Court thereafter shall enter such orders as it shall deem appropriate to carry out the purpose of the Final Judgment, which may, if necessary, include extending the trust and the term of the trustee's appointment by a period requested by the Nevada Attorney General.

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

VII. NOTICE OF PROPOSED DIVESTITURE

A. Within two (2) business days following execution of a definitive divestiture agreement, Defendants or the trustee, whichever is then responsible for effecting the divestiture required herein, shall notify the Nevada Attorney General and any Monitoring Trustee of any proposed divestiture required by Section IV or VI of this Final Judgment. If the trustee is responsible, it shall similarly notify Defendants. The notice shall set forth the details of the proposed divestiture and list the name, address, and telephone number of each person not previously identified who offered or expressed an interest in or desire to acquire any ownership interest in the Divestiture Assets, together with full details of the same.

B. Within fifteen (15) calendar days of receipt by the Nevada Attorney General of such notice, the Nevada Attorney General may request from Defendants, the proposed Acquirer, any other third party, or the trustee, if applicable, additional information concerning the proposed divestiture, the proposed Acquirer, and any other potential Acquirer. Defendants and the trustee shall furnish any additional information requested within fifteen (15) calendar days of the receipt of the request, unless the parties shall otherwise agree.

C. Within thirty (30) calendar days after receipt of the notice or within twenty (20) calendar days after the Nevada Attorney General has been provided the additional information requested from Defendants, the proposed Acquirer, any third party, and the trustee, whichever is later, the Nevada Attorney General shall provide written notice to Defendants and the trustee, if there is one, stating whether or not it objects to the proposed divestiture. If the Nevada Attorney General provides written notice that it does

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

not object, the divestiture may be consummated, subject only to Defendants' limited right to object to the sale under Section VI(C) of this Final Judgment. Absent written notice that the Nevada Attorney General does not object to the proposed Acquirer or upon objection by the Nevada Attorney General and the United States, a divestiture proposed under Section IV or Section VI shall not be consummated. Upon objection by Defendants under Section VI(C), a divestiture proposed under Section VI shall not be consummated unless approved by the Court.

VIII. FINANCING

Defendants shall not finance all or any part of any purchase made pursuant to Section IV or VI of this Final Judgment.

IX. HOLD SEPARATE AND PRESERVATION OF ASSETS

Until the divestiture required by this Final Judgment has been accomplished, Defendants shall take all steps necessary to comply with the Hold Separate and Asset Preservation Stipulation and Order entered by this court. Defendants shall take no action that will jeopardize any divestiture ordered by this Court.

X. AFFIDAVITS AND RECORDS

A. Within twenty (20) calendar days of the filing of the Complaint in this matter, and every thirty (30) calendar days thereafter until the divestiture has been completed under Section IV or VI, Defendants shall deliver to the Nevada Attorney General and any Monitoring Trustee an affidavit as to the fact and manner of its compliance with Section IV or VI of this Final Judgment. Each such affidavit shall include the name, address, and telephone number of each person who, during the preceding thirty (30) calendar days, made an offer to acquire, expressed an interest in

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

acquiring, entered into negotiations to acquire, or was contacted or made an inquiry about acquiring, any interest in the Divestiture Assets, and shall describe in detail each contact with any such person during that period. Each such affidavit shall also include a description of the efforts Defendants have taken to solicit buyers for the Divestiture Assets, and to provide required information to prospective Acquirers, including the limitations, if any, on such information. Assuming that the information set forth in the affidavit is true and complete, any objection by the Nevada Attorney General to information provided by Defendants, including limitation on information, shall be made within fourteen (14) calendar days of receipt of such affidavit.

B. Within twenty (20) calendar days of the filing of the Complaint in this matter, Defendants shall deliver to the Nevada Attorney General and any Monitoring Trustee an affidavit that describes in reasonable detail all actions that Defendants have taken and all steps that Defendants have implemented on an ongoing basis to comply with Section IX of this Final Judgment. Defendants shall deliver to the Nevada Attorney General and any Monitoring Trustee an affidavit describing any changes to the efforts and actions outlined in Defendants' earlier affidavits filed pursuant to this section within fifteen (15) calendar days after the change is implemented.

C. Defendants shall keep all records of all efforts made to preserve and divest the Divestiture Assets until one year after such divestiture has been completed.

XI. OTHER TERMS AND CONDITIONS

A. ALL PRODUCTS PROVISIONS

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

1. From entry of the Judgment and for two (2) years thereafter, Defendants shall not place an All Products Provision in a Health Care Provider contract or impose or enforce an existing All Products Provision in Defendants' contracts and/or Defendants' business relationships with Health Care Providers with respect to health care services provided in Nevada.

2. Defendants may require and enforce All Products Provisions with SMA and any National Provider.

B. MOST FAVORED NATION CLAUSES

1. From entry of this Judgment and for two (2) years thereafter, Defendants are prohibited from adopting, maintaining, or enforcing a Most Favored Nation Clause in Defendants' contracts or Defendants' business relationships with Health Care Providers with respect to health care services in Nevada.

2. Notwithstanding the general prohibition set forth in Section B(1) Defendants may maintain and enforce Most Favored Nation Clauses in existing physician services and non-acute care hospital contracts, information on which has been provided in good faith to the Attorney General and may be augmented by Defendants as information comes to their attention, provided, however, that upon termination of such contracts, the new contracts for those Health Care Providers shall not contain Most Favored Nation Clauses in such contracts for a period of two (2) years from termination of the contract(s).

3. Defendants may require and enforce Most Favored Nation Clauses in contracts with SMA and National Providers.

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

C. EXCLUSIVE AGREEMENTS

1. From entry of this Judgment and for two (2) years thereafter, Defendants shall not, in violation of state or federal antitrust law, enter into exclusive agreements with Health Care Providers or adopt or otherwise enforce contract provisions, policies, rules, or requirements when the purpose or effect of such agreements, provisions, policies, rules, or requirements is to require Health Care Providers to provide all, or substantially all, of their services in Nevada to, and under, Defendants' health care networks or product offerings.

2. This provision does not apply to agreements with SMA, National Providers, and current agreements with Health Care Providers, until such current agreements with Health Care Providers expire.

D. PROPRIETARY INFORMATION

1. Upon entry of this Judgment, Defendants are prohibited from adopting, maintaining, or enforcing any policy, practice, or agreement that requires a Health Care Provider to disclose to Defendants, directly or indirectly, through audit or any other means, the rates such Health Care Providers offer or charge any Third Party Payer in Nevada except in the normal course of Defendants' operation, *e.g.*, coordination of benefits in connection with specific claims. If such rates are disclosed by a Health Care Provider to the Defendants in the normal course of operations, Defendants shall not use such information for the purpose of negotiating its own participating provider rates with such Health Care Providers.

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

2. If, through its normal course of operations, Defendants directly or through any of its affiliates obtains access to proprietary and confidential information from a self-insured employer (e.g. a government, public, or non-governmental entity including but not limited to the Nevada Public Employees' Benefit Program) and/or other third party acting on behalf of a self-insured employer (e.g. a third party administrator including but not limited to Fiserv Nevada, Inc.) regarding Health Care Provider rates in Nevada which are negotiated and paid by such a self-insured employer or by such a third party, Defendants shall not use such information for the purpose of negotiating its own participating provider rates with such Health Care Providers.

3. To the extent such proprietary and confidential information described in Section XI (D)(2) is required for Defendants to conduct its normal business operations, during the term of this Judgment, Defendants shall:

a. Hold in the strictest confidence such proprietary and confidential information regarding the Health Care Provider rates negotiated and/or paid by any self-insured employer, and/or by any third party acting on behalf of a self-insured employer.

b. Within forty-five (45) days from entry of this Judgment, establish appropriate safeguards in writing to ensure that such proprietary or confidential information described in this Section XI (D)(2) is not provided or made known to Defendants' employees, principals, managers, officers, directors or agents who negotiate rates and/or are involved in the negotiation of such rates with Health Care Providers.

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

c. Within forty-five (45) days from entry of this Judgment, establish and enforce written protocols whereby unauthorized dissemination of such confidential and proprietary information is retrieved and expunged from the files of employees, principals, managers, officers, directors, and agents who are not authorized to obtain and use such information.

d. Take all reasonable and necessary steps, and place all necessary restrictions and prohibitions on its affiliates to ensure that any and all of Defendants' affiliate(s) in possession of Health Care Provider rates described in Section XI (D)(2) above, shall use such proprietary and confidential information for the limited purpose of performing their obligations under the respective agreements Defendants have with any self-insured employer and/or third party acting on behalf of a self-insured employer with whom it has contracted.

4. Defendants shall provide to the Nevada Attorney General true and exact copies of the safeguards and protocols described in Section XI (D)(3)(b) and (c) herein, and shall further report in its Annual Compliance statement to the Nevada Attorney General any instances in which unauthorized use or disclosure of such proprietary and confidential information described in Section XI (D)(2) above occurred and the actions Defendants' invoked to resolve the matter. Defendants shall also provide written notification to the Attorney General of such unauthorized use or disclosures within twenty (20) days from the time Defendants become aware of such unauthorized use or disclosure and, as soon thereafter as practicable, the actions taken in response thereto,

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

including any and all immediate and interim actions taken to prevent further unauthorized use or disclosure of such information.

5. Proprietary information does not include, however, information which (a) is or becomes generally available to the public other than as a result of a disclosure by Defendants, (b) was available to Defendants on a non-confidential basis prior to the effective date of the Final Judgment or (c) becomes available to Defendants on a non-confidential basis from a person, who to the best knowledge of the Defendants, is not otherwise bound by a confidentiality agreement, provided that this subsection (c) shall not apply to proprietary information that is clearly identified and marked as "Privileged," "Confidential," or "Proprietary," or otherwise contains the indicia of proprietary or confidential information regardless of the manner in which such information is obtained by Defendants.

E. NOTICE TO SMALL GROUP EMPLOYERS

Defendants shall provide notice to Small Group Employers of their intent to raise rates at least sixty (60) days in advance of a rate increase and shall provide Small Group Employers with the ability to terminate or cancel their contracts without penalty for such termination or cancellation.

F. UNIVERSITY MEDICAL CENTER

A binding Commitment Letter to University Medical Center on issues relating to contract maintenance at status quo, resolution of outstanding billing disputes, and commitment to a streamlined process for billing dispute resolution is attached hereto as

**HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A**

Exhibit A and incorporated herein by this reference. This Commitment Letter shall be enforceable through this Final Judgment by the Attorney General. All remedies described herein shall be available to the Attorney General in seeking compliance and enforcement of Exhibit A or any part thereof, or penalties for Defendants' failure to comply with Exhibit A. Exhibit A shall also be made part of a contract addendum on the current contracts between United and UMC and Sierra and UMC.

G. PROHIBITION AGAINST COST PASS THROUGH

Premiums payable by United and Sierra individual and group members or contract holders shall not increase, nor shall fees paid to participating providers decrease, as a result of costs associated with the Transaction.

H. HEALTH CARE ADVOCACY AND ASSISTANCE PROGRAM

1. Defendants shall cooperate with the Governor's Office for Consumer Healthcare Assistance ("GOVCHA") in the development and expansion of its Healthcare Advocacy and Assistance Program, pursuant to the Director of GOVCHA's duty to assist consumers in understanding their rights and responsibilities under health care plans, provide information to consumers concerning health care plans, identify and investigate complaints of consumers regarding their health care plans, and assist consumers to resolve their complaints, pursuant to NRS 223.500 et seq.

2. Defendants shall, upon request by GOVCHA, work with GOVCHA and the Nevada Division of Insurance (DOI) to engage in reasonable and good faith efforts to assist GOVCHA in:

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

a. Developing guidelines and benchmarks for (1) resolution of disputes between health plans and consumers, health plans and Small Group Employers, and/or health plans and employees of Small Group Employers relating to insurance coverage, claims, timing of claims payments, and reimbursements under health care plans; and (2) reviewing claims, claims payments, including the timing of such claims payments, and dispute resolution involving consumers and Small Group Employers;

b. Working with the DOI in the development, consideration, review and/or adoption of such guidelines or benchmarks by the DOI;

c. Preparing and submitting reports identifying the issues discussed, progress on, proposed solutions to and/or resolutions of such issues. These reports shall be public documents; and

d. GOVCHA's responsibilities under Sections XI(H)(1) and (2) of this Judgment shall not include representation, advocacy, or dispute resolution between Health Care Providers and insurers.

3. GOVCHA maintains the sole discretion in staffing and seeking assistance from the health care community in advancing this program within the budget provided to it.

I. PHYSICIANS COUNCIL

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

1. Defendants shall help create a Physicians Council ("PC"), which shall be organized no later than ninety (90) days after entry of the Judgment and which shall meet on a quarterly basis thereafter. The purposes of the PC are set forth in Exhibit B to this Judgment, which is incorporated herein by this reference.

2. The PC shall be governed, staffed, and operated for the purposes described and under the terms and conditions set forth in Exhibit B which, by this reference, is incorporated herein.

3. Failure to comply with the terms and conditions governing the PC may be prosecuted by the Nevada Attorney General as a violation of this Judgment.

J. CHARITABLE CONTRIBUTIONS

1. A binding Commitment Letter to the Nevada Attorney General ("Attorney General Charitable Commitment Letter") is set forth as Exhibit C to this Judgment, and by this reference is incorporated herein, such Attorney General Charitable Commitment Letter to become binding on entry of this Judgment.

2. Defendants agree to contribute \$15 million over the course of the Final Judgment to fund the health care programs identified in the Attorney General Charitable Commitment Letter.

3. Amounts set forth in the Attorney General Charitable Commitment Letter shall be paid as and in the manner set forth in Exhibit C.

4. The selection of programs and contributions to each program identified in Exhibit C shall be in accordance with Exhibit C and the terms of this Judgment.

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

5. Contributions described herein shall not replace ordinary course charitable contributions which Defendants currently grant to Nevada entities.

6. The Attorney General shall place all contributions to the State of Nevada in the Attorney General Special Revenue Fund 330 ("Fund 330") with a designated interest earning budget account established by the State Controller called the "Attorney General's Charitable Judgment" and shall further distribute to the designated grantees the charitable contributions within five (5) years and three (3) months of the initial contribution. Defendants shall contribute monies directly to all non-State grantees, without first placing such grants within Fund 330. Where monies are directly paid to non-State grantees, Defendants shall obtain a grant agreement with such grantees requiring that they spend their grants consistent with the limited uses set forth in the Nevada Attorney General's Charitable Commitment Letter. Immediate written notice and a copy of each such direct grant to non-State grantees shall be provided to the Nevada Attorney General. Any Nevada government agency or political subdivision agency grantee that is required to budget for the use of grant funds, or otherwise obtain spending authorization through one or more work programs or revisions, shall seek approval only for the limited uses set forth in the Nevada Attorney General's Charitable Commitment Letter to this Final Judgment. If spending approval is denied, or is not otherwise possible due to changes beyond the control of the Parties, or any funds granted directly by Defendants to non-State grantees, or from the fund and budget account to any grantee are not spent or otherwise contractually committed by any grantee within one (1) year of their annual grant, or for any reason there should be any remaining unspent

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

monies or interest that derive from such an unused grant, all such monies and any interest shall be remitted or returned to Fund 330 and will be used to enhance or enrich any program identified in the Nevada Attorney General's Charitable Commitment Letter, at the sole discretion of the Attorney General, without any need for further court approval. All grantees will provide the Nevada Attorney General with a one-page annual certification by May 1 of the year following payment of funds, stating: (1) the name and authority of the certifying person; (2) date of certification; (3) the specific uses of grant funds; and (4) the amount of any remaining funds and/or interest from the contribution for that year. Defendants shall require in their grant agreements that all non-State grantees send such annual certification to the Attorney General.

7. Any non-State grantee shall spend its grant consistent with the limited uses set forth in the Nevada Attorney General's Charitable Commitment Letter to this Final Judgment.

K. NOTICE OF NEVADA TRANSACTIONS

1. For a period of two (2) years following entry of this Judgment, Defendants shall provide written notice to the Nevada Attorney General of Nevada Transactions. If any Nevada Transaction satisfies the then-applicable Hart-Scott-Rodino ("HSR") notice requirements or the Form A or Form E filing requirements of the Nevada Division of Insurance, United will provide a courtesy copy of its HSR filing and/or Form A or E filing along with the notice. Notice will be provided in writing and shall include a brief description of the transaction, the parties to the transaction, the anticipated closing date,

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

the health care markets in Nevada which are related to or affected by the transaction, the competitive impact, if any, and the contact persons for all follow-up information requests.

2. The Nevada Attorney General may request further information from the Defendants of a Nevada Transaction, subject to claims of privilege, undue burden, or other rights Defendants may have in response to such requests. Such requests shall be Investigative Demands issued by the Nevada Attorney General pursuant to the authority of this Judgment and NRS 598A.110. If such requests are received within the first thirty (30) days of receipt of Defendants' notice as described in Section XI(K)(1), Defendants will defer closing on such transactions for at least forty-five (45) days after receiving such information requests or Investigative Demand. It is provided that no Nevada Transaction shall be subject to this Section XI (K)(2) if the value of the Nevada assets acquired by Defendants is less than \$10 million.

3. Notwithstanding Section XI (K)(2), Defendants shall be allowed to close any Nevada Transactions, except such transactions that are identified below in this Section XI (K)(3), if Defendants represent to the State of Nevada in a sworn affidavit that they reasonably believe that (a) there is a clear and significant danger that failing to close the transaction may lead to the withdrawal of the entity, its assets, or a portion thereof, from the market due to business failure or bankruptcy, or (b) the transaction must close in a shorter period of time to avoid Defendants' loss of the transaction. This Section XI (K)(3) does not apply to transactions requiring Form A or Form E filings, except for transactions approved or directed by the Nevada Commissioner of Insurance or similar government authority in another State in emergent or other similar circumstances

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

with, or with respect to, organizations in liquidation or whose certificate of authority has been or is being suspended or revoked.

4. Defendants shall take all reasonable steps to notify the Nevada Attorney General of Nevada Transactions qualifying under Section XI (K)(3) as soon as practicable before closing and provide information of such transactions to the Nevada Attorney General, upon request, on an expedited basis.

5. Nothing in this Section XI(K) shall waive, limit or compromise the Nevada Attorney General's authority and ability to:

- a. Take enforcement action against Defendants for such Nevada Transactions that violate state or federal law; or
- b. Seek a violation of this Judgment if the Defendants knew or should have known that invoking Section XI (K)(3) was done in bad faith and/or Defendants failed to take reasonable steps to notify the Nevada Attorney General of such transactions as soon as practicable.

L. INGENIX SYSTEM

1. For a period of two (2) years following entry of this Judgment, Defendants shall not use the Ingenix Prevailing Healthcare Charges System data base ("Ingenix System") to establish reasonable and customary charges for reimbursement of out-of-network physicians in Nevada for medical services to enrollees of Health Plan of Nevada or Sierra Health and Life Insurance Company, without prior notice to and consent of the Attorney General.

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

2. For as long as this Judgment is in effect, Defendants shall not use the Ingenix System, or any part thereof, to establish such reasonable and customary charges described in this Section XI (L)(1) if such use of the Ingenix System, or any part thereof, has been declared unlawful by a court of law and such ruling has become final and non-appealable.

3. Nothing in this Judgment shall prevent, prohibit, waive or in any way restrict any Nevada enforcement agency with proper jurisdiction and authority to review and take action against for use by them of the Ingenix System.

M. FISERV NEVADA

Defendants are prohibited from acquiring an interest in, entering into a joint venture which would result in integration of assets or operations in whole or in part of, or merging with, Fiserv Nevada. This provision shall not prohibit maintenance and performance of any agreement for the performance of administrative services by Defendants for Fiserv Nevada.

N. ATTORNEY FEES AND COSTS

1. Defendants shall reimburse to the Nevada Attorney General all reasonable attorney fees and costs, including expert costs, incurred by the Nevada Attorney General in reviewing the Transaction. The total reimbursements to the Nevada Attorney General for attorney fees and costs for this acquisition review and all matters related thereto up to and including entry of this Judgment shall be \$875,000.00. Such reimbursement shall be made within forty (40) days of presentation of a request for reimbursement in writing.

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

2. Where the Nevada Attorney General engages in enforcement or compliance actions as described in Sections XII and XIII of this Final Judgment, and where attorneys fees and costs are allowed as described in said sections, the rate for such attorneys' fees shall be \$150 per hour, and the rate for paralegals shall be \$75 per hour. Such reimbursements shall be made within forty (40) days of presentation of a request for reimbursement(s) in sufficient detail to allow Defendants to verify the accuracy and appropriateness of all amounts requested.

3. "Sufficient detail" for purposes of this Section shall mean: Identification of all attorneys and paralegals employed by, or contracting with, the Nevada Attorney General by name, total number of hours worked for which the Attorney General shall seek reimbursement for their work in whole or in part, a summary description of their work, and the hourly rate applied to each individual's work.

XII. VIOLATIONS AND ENFORCEMENT OF FINAL JUDGMENT

A. It shall be a violation of this Final Judgment if one or more Defendants fail to abide by the terms of this Final Judgment.

B. Subject to the requirements of Section XII(F), the Nevada Attorney General may petition the Court for relief as a result of a violation of this Final Judgment by filing a "Notice of Violation of Judgment" which shall set forth the alleged violation and the relief sought by the Nevada Attorney General.

C. For any violations of this Final Judgment committed by Defendants, the Nevada Attorney General may seek one or more of the following remedies:

1. Payment of liquidated damages/fines on the following schedule:
35 – Stipulated Final Judgment

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

a. Up to \$10,000 per violation for the first act or transaction constituting a violation;

b. Up to \$15,000 per violation for the second act or transaction constituting a violation; and

c. Up to \$25,000 per violation for the third act or transaction constituting a violation.

2. Notwithstanding Section XII (C)(1), a series of violations that are related by and due to a single underlying and inadvertent mistake, or ministerial or technical cause, as determined by this Court in its discretion, shall represent a single violation of this Judgment. Further, the Court may find in its discretion, that repeated violations of this Judgment based on conduct or omissions that are not ministerial or technical in nature shall constitute stand-alone violations without consolidation of such acts into a single violation for purposes of establishing damages or fines.

3. Payment of liquidated damages or fines of up to \$100,000 per violation for the Parties' intentional violations of this Final Judgment. A series of underlying acts under this Section XII(C)(2) shall not constitute a single violation, and each such act that is covered by this Section may, in the Court's discretion, be found to constitute a separate violation of this Judgment.

4. Disgorgement of all profits gained by Defendants resulting from a violation of this Judgment.

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

5.. A civil contempt of court order from the Court retaining jurisdiction over the interpretation, modification and enforcement of this Final Judgment, and all remedies provided by law for obtaining such order.

6. Other equitable/injunctive relief that the Court deems appropriate.

D. All relief requested by any party for violation of the provisions of this Judgment shall be supported by evidence presented to the Court in whatever form required by the Court, applying substantive Nevada law in interpretation and enforcement.

E. All fines, monetary penalties, and disgorgement of profits paid pursuant to this Section shall be applied to one or more of the programs identified in Exhibit C at the Nevada Attorney General's sole discretion and without recommendations from Defendants. Defendants shall pay to the Nevada Attorney General all of its reasonable attorney fees and costs if the Nevada Attorney General is the prevailing party in a contested action to interpret, modify, or enforce this Judgment.

F. Notwithstanding the foregoing provisions of this Section XII, the Parties shall not present any alleged violation to this Court for purposes of seeking relief described herein, until the following has occurred:

1. The Nevada Attorney General has given the Defendants notice of the alleged violation(s) in writing within six (6) months of discovery of facts giving rise to a concern that a violation may have occurred.

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

2. The Defendants have had a period of at least thirty (30) days to (a) respond to and cure the alleged violation(s) after such notice, and/or (b) provide written notice disputing the alleged violation or presenting cure to the Nevada Attorney General; and

3. The Parties have had a period of thirty (30) days after Defendants have provided notice of dispute or notice of cure to meet and confer regarding the alleged violation(s) and the Parties' responses. Such meeting and conferral may occur in person, by telephone, or in writing.

G. If Defendants fail to respond to and cure, or fail to provide written notice of dispute, Plaintiff may immediately seek relief from the Court. The Parties may extend the deadlines of this Section by mutual consent in writing, and delivered to the other party. The Nevada Attorney General may informally notify Defendants of receipt of information alleging a violation of this Judgment if, in the Nevada Attorney General's judgment, such notification could likely result in a prompt resolution of the alleged violation.

XIII. COMPLIANCE INSPECTION

A. For the purposes of determining or securing compliance with this Judgment, or to seek additional information relating to Nevada Transactions, or for determining whether this Judgment should be modified or vacated, and subject to any legally recognized privilege, from time to time duly authorized representatives of the Nevada Attorney General, including consultants and other persons retained by the

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

Nevada Attorney General, shall, upon written request of a duly authorized representative of the Nevada Attorney General, and on reasonable notice to Defendants, be permitted:

(1) Access during Defendants' Nevada office hours to inspect and copy, or at the Nevada Attorney General's option, to require that Defendants provide in Nevada, copies of, all books, ledgers, accounts, records and documents in the possession, custody, or control of Defendants, relating to any matters contained in this Final Judgment; and

(2) To interview, either informally or on the record, Defendants' current or former officers, employees, or agents, who may have their individual counsel present, regarding such matters. The interviews shall be subject to the reasonable convenience of the interviewee and without restraint or interference by Defendants.

B. All written requests of the Nevada Attorney General's authorized representative for such information shall be by Investigative Demand issued pursuant to the authority of this Judgment and NRS 598A 110. Upon receipt of such written request, Defendants shall submit written reports, provide answers orally or in writing, including, but not limited to, responses to written interrogatories, under oath if requested, relating to any of the matters contained in this Judgment.

C. For a period of three (3) years a responsible company officer for the Defendants shall file with the Nevada Attorney General an Annual Certificate of Compliance with this Judgment. This Certificate of Compliance shall be a public document.

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

D. Nothing in this Judgment shall waive, or be in derogation of, the right of the Defendants to assert non-jurisdictional objections to requests for access, information, interviews or copying hereunder. If Defendants assert non-jurisdictional objections the Parties shall meet and confer on such objections and Defendants shall otherwise substantially comply with all requests to which no objections are asserted.

E. Defendants will pay for the reasonable costs of any such reviews, audits or examinations the Attorney General conducts regarding matters contained in this Judgment. This specifically includes the reasonable costs of retained accountants, actuaries, attorneys and other experts reasonably necessary to assist in the conduct of any review, audit or examination once an investigation is opened, and attorneys and paralegals shall be compensated at the professional service rates set forth in Section XI(N)(2), but shall not otherwise include costs of oversight of compliance with this Judgment.

XIV. NO REACQUISITION

Defendants may not reacquire any part of the Divestiture Assets during the term of this Final Judgment provided, however, that this Final Judgment shall not prohibit Defendants from offering individual Medicare Advantage Plans in the ordinary course of business otherwise in conformity with this Final Judgment.

XV. RETENTION OF JURISDICTION

This Court retains jurisdiction to enable any party to this Final Judgment to apply to this Court at any time for further orders and directions as may be necessary or

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

appropriate to carry out or construe this Final Judgment, to modify any of its provisions, to enforce compliance, and to punish violations of its provisions.

XVI. NO ADMISSIONS OF STANDING OR AUTHORITY
OR VIOLATIONS OF LAW

This Judgment shall neither be construed nor interpreted as a concession or a resolution of the dispute among the Parties that the Defendants violated any federal or state laws, nor that the Defendants have adopted or agreed to any terms in Plaintiff's Competitive Impact Statement or Complaint. Nothing in this Judgment shall be construed or interpreted as a concession or a resolution of the dispute among the Parties regarding the Nevada Attorney General's standing or authority to bring an enforcement action to prevent or seek other relief from the Transaction under state or federal law or any merger involving health care insurers doing business in Nevada. Notwithstanding the foregoing, the Parties agree to enter into this Judgment instead of litigating their dispute. The Parties further agree that the Nevada Attorney General is authorized by this Judgment to apply to this Court for an interpretation or modification of this Judgment and to enforce the terms of this Judgment.

XVII. SCOPE OF RELEASES

A. Release

Plaintiff State of Nevada, as of the date of entry of this Final Judgment, forever waives, releases, relinquishes, and discharges all claims in its action against the Defendants, and each of them, as well as the Defendants' officers, directors, shareholders, subsidiaries, past subsidiaries, affiliates, past affiliates, partners, members, agents, attorneys, assigns, beneficiaries, employees, heirs, insurers, predecessors,

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

successors, and other professional persons, directly or indirectly, derivatively, on their own behalf, on behalf of any person or entity they represent, from any and all actions, causes of action, obligations, costs, damages, losses, claims, liabilities, restitution, and/or demands of whatsoever character, whether known or unknown, accrued or unaccrued, arising out of or relating in any way to the claims stated in the Complaint filed herewith or to the Transaction or the competitive effects thereof.

B. Limitations on and Exclusions from Releases.

Notwithstanding anything to the contrary contained herein:

1. *Bodily Injury and Property Damage Claims by State of Nevada.*

This Judgment does not release claims that Plaintiff, its employees, agencies, or other subdivisions may have against the Defendants for bodily injuries or physical damage to real or personal property.

2. *Contract Based Claims.* This Judgment does not release claims that Plaintiff, its employees, agencies, or other political subdivisions may have against any Defendant under a contract or franchise agreement with a Defendant.

3. *On-Going and Future Proceedings.* Nothing in this Judgment shall restrict the ability of Plaintiff to continue to participate in any existing proceeding, or to bring or participate in any future proceeding, which presents a claim not released under Section XVII(A) above. This includes, but is not limited to, a proceeding involving how health insurers pay for out-of-network Health Care Providers.

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

4. *DOI Orders.* Notwithstanding any other provision of this Judgment, nothing in this Judgment shall restrict the ability of the State of Nevada, DOI, from issuing orders, penalizing, or otherwise regulating the business of insurance as against the merging parties, including but not limited to, enforcing the Order of the Division of Insurance in Cause No. 07.188 dated August 27, 2007, and the August 3, 2007 Commitment letter submitted by Defendants to the DOI, or enforcing the NRS 686A.

5. *Final Judgment.* Notwithstanding any other provision in this Judgment, the foregoing release shall not relieve Defendants of their obligations under this Judgment.

6. *Medicaid.* Notwithstanding any other provision in this Judgment, this release shall not release Defendants from any claim that Nevada Medicaid may have against Defendants.

C. Other Release-Related Provisions

1. *Specific Limit of Waivers.* Notwithstanding anything herein to the contrary, nothing in this Final Judgment shall constitute a limitation on, or waiver of, any right to enforce any obligation or pursue any remedy specifically provided for in this Judgment.

2. *No Third Party Beneficiaries of Releases.* No parties other than the individuals and entities listed in Section XVII(A) shall be entitled to the benefits of, or entitled to enforce, the releases provided for in this Judgment.

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

3. *Fairness of Settlement and Releases.* The Parties agree that this Judgment and the releases and waivers of this Judgment are fair and reasonable and adequate to provide complete satisfaction of the interests of the Plaintiff.

4. *Negotiation of Releases.* Each of the Parties acknowledges and agrees that the various releases in this Judgment were individually negotiated with the various releasing parties under such releases and such releases should be interpreted individually in the context of this Judgment without regard to other releases herein.

D. No Waiver, Release or Prohibition

Nothing in this Judgment prohibits, bars, or otherwise limits the Nevada Attorney General's authority to review, challenge, or seek relief from any of Defendants' acquisitions, joint ventures, contracts, policies or practices (other than the Transaction), including, but not limited to, Defendants' acquisition of Fiserv Health or any of the Nevada Transactions, regardless whether such transactions are reportable pursuant to Section XI(K) of this Judgment.

XVIII. EXPIRATION OF FINAL JUDGMENT

This Judgment shall expire five (5) years from the date of its entry, provided, however, that (a) certain provisions that are in force for less than five (5) years shall expire at the time expressed elsewhere in this Judgment, and (b) this Judgment may remain in effect after completion of such five (5) year period solely for the purpose of

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

determining or enforcing compliance during its five (5) year effective period with its terms.

XIX. AGGREGATE REMEDIES

The remedies in this Judgment are in addition to all remedies available to the Nevada Attorney General under federal and state law. Nothing in this Judgment shall prohibit or in any way limit the Nevada Attorney General from seeking all damages, fines, penalties and remedies for Defendants' non-released conduct, actions, transactions, mergers or acquisitions that is/are otherwise unlawful under federal or state law, even if such conduct, actions, transactions, mergers or acquisitions may also violate this Judgment.

XX. CONFIDENTIALITY

No information or documents obtained by the means provided in Section XI(K), Section XIII or otherwise as required by this Judgment shall be divulged by the Nevada Attorney General to any person other than the authorized representatives of the Nevada Attorney General, and their consultants, except in the course of legal proceedings as required by a court of proper jurisdiction, or for the purpose of securing compliance with this Judgment, or as otherwise required by law. If at the time information or documents are furnished by Defendants to the Nevada Attorney General, Defendants shall represent and identify in writing the material in any such information or documents to which a claim of protection may be asserted under Rule 26(c)(1)(G) of the Federal Rules of Civil Procedure, and Defendants mark each pertinent page of such material, "Subject to claim of protection under Rule 26(c)(1)(G) of the Federal Rules of Civil Procedure," then the

HOLD SEPARATE AND ASSET PRESERVATION STIPULATION AND ORDER
EXHIBIT A

Nevada Attorney General shall give Defendants ten (10) calendar days' notice prior to divulging such material in any legal proceeding (other than grand jury proceedings).

XXI. MISCELLANEOUS

If any part of this Judgment is hereafter adjudged by this Court to be unenforceable, the remaining provisions of this Judgment shall stay in full force and effect.

XXII. PUBLIC INTEREST DETERMINATION

The Nevada Attorney General has made copies available to the public of this Judgment, the Competitive Impact Statement, and any comments thereon and the Nevada Attorney General's responses to comments. Based upon the record before the Court, including Competitive Impact Statement and any comments and responses to comments filed with the Court,

THE COURT FINDS that entry of this Judgment is in the public interest.

Dated: _____ day of _____, 2008

United States District Judge



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EXHIBIT A TO FINAL JUDGMENT

February 25, 2008

Kathy Silver
University Medical Center
1800 West Charleston
Las Vegas, NV 89102

Re: UnitedHealth – Sierra Merger

Dear Kathy:

We are pleased to provide this letter in connection with the proposed acquisition (the "Merger") of Sierra Health Services, Inc. ("Sierra") by UnitedHealth Group Incorporated ("UnitedHealth") to further evidence our ongoing commitment to University Medical Center ("UMC") and the general well-being of all Nevadans. Pursuant to our recent discussions regarding certain concerns raised by UMC about the Merger, including certain billing disputes between UMC and UnitedHealth, and as discussed with Attorney General Catherine Cortez Masto, UnitedHealth hereby agrees to and confirms the following:

- (a) Following the Merger, (i) with respect to legacy UnitedHealth business, UnitedHealth and UMC will continue to operate in accordance with the current terms and conditions of the existing hospital participation agreement between the parties, including the reimbursement rates set forth therein, through at least December 31, 2009, and (ii) with respect to Sierra business, the parties will operate in accordance with the terms and conditions of the existing hospital participation agreement between Sierra and UMC through the current term of such agreement.
- (b) Neither UnitedHealth or Sierra (on the one hand) nor UMC (on the other) will unilaterally terminate their respective hospital participation agreements prior to the end of such agreements' current terms absent material breach thereof by UMC, UnitedHealth or Sierra, as the case may be; for purposes of this letter, in accordance with (a) above, the end of the current term of the UnitedHealth hospital participation agreement shall be December 31, 2009.

- (c) Unless otherwise agreed to by UMC, during the current terms of their respective hospital participation agreements, neither UnitedHealth nor Sierra will implement any program specifically designed to steer or engage in any practice or adopt any guideline that has the purpose or effect of steering a disproportionate share of its members requiring high cost services (e.g., neuro surgery or open heart procedures) to UMC vis-à-vis other participating hospitals in Clark County, NV that provide the same services; nor will UnitedHealth or Sierra steer members away from UMC for any services for which UMC is contracted to provide; it being understood, however, that UnitedHealth and Sierra cannot account for any member's or physician's choice to obtain such services from UMC or another facility regardless of any steerage utilized by UnitedHealth and/or Sierra.
- (d) In a good faith effort to resolve certain billing disputes between UnitedHealth and UMC (including payment for urgent care claims and certain accounts receivable over 90 days past due), UnitedHealth will make a cash advance to UMC in the amount of \$2,200,000 (the "First Cash Advance"). The First Cash Advance (and all Subsequent Cash Advances (as defined below)) will be made and reconciled pursuant to the terms of a cash advance agreement to be executed by the parties, which agreement will initially include exhibits that specifically identify the claims to be reconciled and to which the First Cash Advance will be applied. Commencing as of August 1, 2008 and every six months thereafter until December 31, 2009, under the terms of the cash advance agreement, UMC will prepare and submit to UnitedHealth a report (each, an "A/R Report") of all UnitedHealth accounts receivable over 90 days past due. Within ten business days of receipt of a written request by UMC (accompanied by an A/R Report), UnitedHealth will remit to UMC additional cash advance payments (each such payment, a "Subsequent Cash Advance") equal to (i) 50% of billed charges for all clean claims set forth on the applicable A/R Report, less (ii) the unapplied portion of the First Cash Advance or any previously paid Subsequent Cash Advance; provided, however, that if such amount is a negative number, UnitedHealth shall be permitted to apply such amount to any other outstanding clean claims then due and payable to UMC by UnitedHealth. Each cash advance paid to UMC in accordance with the terms of the cash advance agreement will be recorded by UMC as a liability to UnitedHealth (with interest thereon accruing in favor of UMC) pending resolution and payment of clean claims set forth on the applicable exhibit or A/R Report (as the case may be); for clarity, UMC will apply the First Cash Advance and Subsequent Cash Advances (or portions thereof) to mutually agreed upon clean claims set forth on the applicable exhibits or A/R Reports and will not use the cash advances for any other purpose. It is understood and agreed that the parties have substantially resolved their dispute regarding certain PacifiCare hospital-based physician claims and that such dispute will be determined and settled in accordance with the settlement agreement currently being reviewed by UMC and not pursuant to the cash advance process set forth above.

- (e) UnitedHealth and Sierra will work in good faith with UMC to develop and implement a mutually acceptable streamlined billing and claims dispute resolution process (the "UMC Service Model"), which process will include (i) a single, dedicated provider service representative to help identify root cause and coordinate resolution for all UMC claim payment issues and (ii) implementation (at a mutually acceptable time) of UnitedHealth's HP3 program. Within 90 days after consummation of the Merger, the parties will mutually agree upon a service level agreement relating to the UMC Service Model; such service level agreement will include a mutually acceptable "short form" dispute resolution process to resolve disputes arising under the terms thereof (e.g., binding mediation).
- (f) UnitedHealth and UMC will take all reasonable actions necessary to effectuate the purposes of this letter as promptly as practicable, including the execution of any definitive agreements necessary to carry out the purposes and intent hereof.
- (g) The commitments made in this letter shall be enforceable by an action to compel specific performance, as well as by any other remedies provided for in the current contracts between United Health and UMC and Sierra and UMC.
- (h) The commitments set forth herein are contingent upon execution of a mutually agreeable release among UnitedHealth, Sierra, UMC and Clark County.
- (i) The provisions contained herein and all agreements, processes and protocols resulting therefrom shall become amendments to the contracts between UMC and UnitedHealth and UMC and Sierra.
- (j) There are no restrictions, promises, representations, warranties, covenants, or undertakings other than those expressly set forth herein.
- (k) Proposed amendments to this letter agreement will be adopted and become effective as amendments only on the unanimous, written approval by the parties to this letter agreement.
- (l) This agreement may be executed in two or more counterpart signature pages, which together shall constitute one letter agreement. Facsimile signature pages constitute valid signature pages.
- (m) If any term or provision of this letter agreement is held to be void or unenforceable, that term or provision shall be severed from this agreement, the balance of the Agreement shall survive and be reasonably be construed so as to carry out the intent of the parties as evidenced by the terms of this letter agreement, and the parties shall take steps to implement terms and protocols to address issues that were intended to be addressed by the void and unenforceable provision(s).

- (n) This Agreement and the rights of the parties under it will be governed by and interpreted in accordance with the laws of the state of Nevada (without regard to principles of conflicts of law).
- (o) In arbitration actions and/or in a court action, the losing party/ies shall reimburse to the prevailing party/ies all reasonable attorney fees, and expenses, including expert witness costs if such costs were reasonably necessary to the address the dispute or question.

UnitedHealth values its relationship with UMC and we look forward to strengthening that relationship through the Merger. If this letter meets your understanding of the parties' recent discussions regarding these matters, please countersign below and return a signed copy to me via facsimile at 952/992-7086.

Please contact me at the number listed above should you have any further questions about the Merger or the contents of this letter.

Agreed to and Accepted this 25th day of February, 2008

UNITEDHEALTH GROUP INCORPORATED

By: *Armed Burke*
Its: *UnitedHealthcare General Counsel*

Agreed to and Accepted this ____ day of February, 2008

UNIVERSITY MEDICAL CENTER

By: _____
Its: _____

Cc: The Honorable Catherine Cortez Masto

EXHIBIT B TO FINAL JUDGMENT

THE NEVADA PHYSICIAN COUNCIL

A. Defendants United HealthGroup Incorporated and Sierra Health Systems, Inc. (Defendants or United/Sierra) will convene a Nevada Physician Council (PC) that will meet on a regular basis, and not less than four times in a twelve month period, to discuss issues of concern to Nevada physicians, and to establish goals and benchmarks for voluntary compliance relating to the physician-payor relationship and the quality and delivery of health care to Nevada consumers.

B. The PC is intended to be:

1. A forum for Defendants and the Nevada physician community to consult with and inform each other about issues impacting the physician community in Nevada and/or the health care industry in general, with the common goals of improving communication around policies and protocols implemented by United/Sierra and finding collaborative solutions to improve the physician-payor relationship.
2. A forum for physicians and Defendants to resolve concerns that physicians have relating to the quality and delivery of health care to Nevada consumers, physician contracting practices, contracting with facilities, quality assurance and staffing issues, authorization requirements, determination of quality care and evidence based medicine, and claims processing.
3. A vehicle by which physicians and Defendants will establish goals and benchmarks on issues identified in Section B (1) and (2).
4. A vehicle by which physicians and Defendants may prepare regulatory proposals to the Division of Insurance and/or bills to the Nevada Legislature to address the issues described herein.

5. It is not the intent of this Judgment or this Exhibit B to allow conduct or actions which would otherwise violate the federal or state antitrust laws.

C. At all times during the operation of the PC:

1. The PC will consist of at least two United/Sierra representatives and nine participants from the practicing physician community in Nevada who participate in United/Sierra networks and who represent a broad spectrum of physician practices, including individual physicians, physician groups (both large and small), physicians that are independently contracted, and physician practices in both urban and rural settings, with a range of specialties. At least one physician member of the PC shall also be a participating member of United's national physician advisory council, and no more than one physician member of the PC shall be employed by SMA. The Attorney General may designate from the office of the Attorney General his/her representative to attend any and all PC meetings.

2. The initial members of the PC will be selected among current United/Sierra participating physicians and physician groups as follows: the Attorney General will select five physician participants and Defendants will select four physician participants. In addition, the Attorney General may, after consultation with Defendants and at her discretion, select a physician to sit as an ex officio member of the PC and who may participate in activities of the PC, provided, however, that such member shall not be entitled to participate in closed PC meetings with participating physician PC members where operational matters involving relationships or dealings of Defendants with participating physicians or services by participating physicians for Defendants' members are discussed.

3. The members shall establish guidelines and protocols to create staggered terms for the PC members, to notice meetings, to create a complaint and resolution process within the framework of the PC with respect to its operations, and to keep minutes of all such meetings. Physician vacancies will be filled by nomination and majority vote of the remaining physician members of the PC. A vacancy in the ex officio position shall be filled only by the Attorney General.

D. At the end of each calendar year, the PC shall prepare a report for the public identifying the issues discussed and progress on, proposed solutions to and/or resolutions of such issues.


E. All members of the PC will be required to execute a confidentiality agreement requiring that all proprietary information that Defendants own, are licensed to use, or have an obligation relating to the use or disclosure thereof, discussed or disclosed during the PC meetings shall remain confidential unless otherwise agreed to by Defendants in writing. The confidentiality agreement and all changes thereto shall be approved by the Attorney General before its use in order to ensure that such agreement shall not extend beyond its intended purpose and scope.

F. Under no circumstances may current or future physician rates, rate plans or rate reimbursement, components thereof, or complaints relating thereto be proposed, discussed, addressed or exchanged among the PC members or their representatives. No immunities or protections are afforded to any person or entity that engages in such conduct because this Exhibit has been incorporated into the Judgment, because this program was created by the terms of such Judgment and/or because of this Court's approval of such Judgment. Unless otherwise set forth under Nevada state law, Nevada, its state agencies or its political subdivisions are not authorized by this Judgment or this Exhibit to review and actively supervise the conduct described in this Section F for purposes of providing immunity from state and federal antitrust laws.

G. This Exhibit B may be executed with original, counterpart signature pages. Facsimile signatures shall suffice for and have the full force and effect of original signatures.

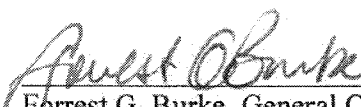
Reviewed, approved, and agreed to by:

Dated this 28th day of February, 2008



Marie Martin-Kerr, Senior Deputy Attorney General
For State of Nevada

Dated this 25th day of February, 2008



Forrest G. Burke, General Counsel, UnitedHealthcare
for UnitedHealth Group Incorporated
and Sierra Health Systems, Inc.



Forrest G. Burke, General Counsel
MN012-N205
5901 Lincoln Drive
Edina, MN 55436
Tel 952-992-4002 Fax 952-992-5251
forrest_burke@uhc.com

EXHIBIT C TO FINAL JUDGMENT

February 25, 2008

The Honorable Catherine Cortez Masto
Attorney General
State of Nevada
100 North Carson Street
Carson City, Nevada 89701-4717

Re: State of Nevada v. UnitedHealth Group Incorporated & Sierra Health Services, Inc.

We are pleased to provide this letter in connection with the acquisition (the "Merger") of Sierra Health Services, Inc. ("Sierra") by UnitedHealth Group Incorporated ("UnitedHealth") to further evidence our ongoing commitment to the State of Nevada. As set forth in the Final Judgment, dated on or about February 25, 2008, relating to the Merger (the "Final Judgment"), UnitedHealth's, Sierra's and the Attorney General's consent to the entry of the Final Judgment (and the Attorney General's approval of the Merger) is conditioned, in part, upon the commitments set forth in this letter. Further, the commitments set forth in this letter are expressly conditioned upon the entry of the Final Judgment.

To demonstrate the commitment of UnitedHealth and Sierra to the Nevada community, UnitedHealth and Sierra agree to contribute (either directly or through affiliated entities) \$15 million to benefit Nevada health care consumers over a period of five years following the closing of the Merger (the "Charitable Commitment") in accordance with the attached Schedule A.¹ The contributions made pursuant to the Charitable Commitment shall also be subject to the terms and conditions set forth in the Final Judgment.

Our Charitable Commitment is intended to provide meaningful benefits to individual Nevadans in need as well as key organizations that are essential to providing health care services and coverage to Nevadans. We will work with the Office of the Attorney General each year to highlight publicly the Charitable Commitment and the benefits it will deliver for Nevada.

¹ For purposes of clarification, if the Merger does not occur, the Charitable Commitment shall terminate and this letter shall be of no further force or effect.

The first annual payment will be made to the Office of the Attorney General (or directly to the program or entity identified in Schedule A, as the case may be) within ten (10) days following the divestiture contemplated by the Final Judgment but in no event later than May 15, 2008. Thereafter, four annual payments will be made to the Office of the Attorney General (or directly to the program or entity identified in Schedule A to this Letter, as the case may be) on May 1st of each subsequent year for such four year period.

For charitable contributions which are made directly to an entity or program which is not part of the State of Nevada, UnitedHealth and Sierra will enter into a written agreement with such grantees requiring them to use the charitable contributions in a manner consistent with the purpose of the donation. To the extent such donations are not utilized for the identified purpose(s), or there is any unused portion remaining, the agreement will also require the entity or program to return such amounts to the Attorney General's Special Fund to be used in accordance with the terms of the Final Judgment.

UnitedHealth values its relationship with the State of Nevada and is committed to expanding access to health and well-being services for state residents. We look forward to working with you and your staff to fulfill the potential of this Charitable Commitment.

UnitedHealth agrees that the agreements set forth in this Charitable Commitment letter are incorporated by reference to, and enforceable by, the Final Judgment.

Yours very truly,



Forrest G. Burke
General Counsel, UnitedHealthcare

cc: Governor Jim Gibbons
Commissioner Alice A. Molasky-Arman

SCHEDULE A TO EXHIBIT C

I. HEALTH AND HUMAN SERVICES

HHS	Grant to HHS for enhancing health and welfare for Nevadans.	Year 1: \$1,500,000 Year 3: \$67,446 Year 4: \$67,447 Year 5: \$67,446 Total \$1,702,339
Community Health	The Nevada State Health Division Community Health Nursing program provides public health nursing in primary clinic locations and satellite locations across rural Nevada. Community Health services are provided at low cost or on a sliding scale dependent on income for wellness programs such as family planning, health education, cancer screening, well child examinations, etc. This donation will enhance the provision of such primary and preventive care programs which provide the 'safety net' for health care in rural areas. Community Health provides services primarily to low-income working families, the uninsured and other high-risk populations, and the donation would replace lost funding over a three year period.	Years 1-3: \$124,000 Total \$372,000.
Mammograms	Nevada Health Centers operates the <i>Nevada Health Centers Mammovan</i> . The <i>Mammovan</i> is a mobile mammography van that travels to underserved areas of Nevada to provide mammograms to geographically isolated and/or uninsured women who probably would not seek out mammography services on their own. On occasion, the Mammovan travels with a Physician Assistant who provides clinical breast exams, pelvic exams and pap smears.	Year 2: \$25,000 Years 3-5: \$75,000 Total \$250,000.
Medicaid	Website administered by the State of Nevada containing information on the quality of Nevada hospitals. These quality rankings cause hospitals to	Year 4: \$250,000

	compete in quality of care, thereby improving outcome measures for patients.	
Medicaid	Website administered by the State of Nevada allowing consumers to compare prescription drug prices to allow consumers, including seniors and the disabled, to price shop.	Year 4: \$160,000
Triage – Mental Health	The State of Nevada ranks 37 th in mental health spending among the states in the area of mental health, and is #4 for suicide rates. Mental health patients contribute to overflowing emergency rooms, especially in Southern Nevada. Triage is a program which diverts the mentally ill and inebriated from emergency rooms and 'detox centers' so they can receive appropriate services. The donation for this program would restore most of the \$600,000 in funds which were cut over two years in both Northern and Southern Nevada. We recommend splitting the funds evenly between Northern Nevada and Southern Nevada. Although Northern Nevada serves less people, the budget cuts were greater in the North on a pro rata basis.	\$250,000 in Year 1 \$250,000 in Year 2 Total: \$500,000
Mobile Mental Health	The mobile mental health program is a program focused on Reno/Sparks, and which was supposed to be implemented beginning in 2009. Thus, by replacing all lost funding in 2009 and 2010, this program will be able to commence service.	\$151,000 in Year 1 \$194,000 in Year 2 Total: \$345,000
Nevada Family Resource Centers	There are 18 Family Resource Centers (FRCs) throughout Nevada providing information, referrals, and case management to residents in each Service Area. FRCs collaborate with local and state agencies and organizations to help individuals and families access needed services and support. In the urban areas of Clark and Washoe counties, there are multiple FRC sites located to serve higher density at-risk populations. In Washoe County, there are five satellite locations	Year 1: \$102,302 Year 2: \$170,988 Total: \$273,290

4 – EXHIBIT C TO FINAL JUDGMENT

**STATE OF NEVADA v. UNITEDHEALTH GROUP INCORPORATED and
SIERRA HEALTH SERVICES, INC.**

	and in Clark County there are five separate sites in the greater Las Vegas area with three additional sites serving northern and southern rural Clark County. Most FRC sites are co-located with Family to Family programs that provide parenting classes and support groups with outreach to at-risk populations. Additional services may be offered through leveraged funding, including: immunizations and well-baby checks, access to health care, and information and referral services for senior citizens to assist them in accessing resources and programs available in their homes and community.	
Autism Program	The Nevada Autism Program provides assistance to families with children who have autism spectrum disorder.	Year 2: \$87,600
Nevada 211	Nevada 211 is a 'one stop shop' for information on health and other services. For example, one call to Nevada 211 provides access to basic human services, physical and mental health resources, etc.	Year 1: \$103,897 Year 2: \$104,705 Total: \$208,602
Fetal Alcohol Clinics	The donation for Fetal Alcohol Clinics will fully fund 25 diagnostic clinics for fetal alcohol syndrome, in both northern and southern Nevada.	Year 1: \$101,169
Emergency Medical Services	The donation will assist with purchasing EMS equipment and updating ambulances across the state. There are matching funds available from local governments for these purchases.	Year 4: \$300,000

TOTAL

YEAR 1	\$	2,181,368.00
YEAR 2	\$	913,293.00
YEAR 3	\$	460,446.00
YEAR 4	\$	852,447.00
YEAR 5	\$	142,446.00
SUBTOTAL HHS	\$	4,550,000.00

II. PROGRAMS OUTSIDE HHS INFRASTRUCTURE

UMC	<p>Community Access Fund to be used for assisting, facilitating or enhancing healthcare delivery to the uninsured and underinsured population in Southern Nevada.</p> <p><i>This organization is not a part of the State of Nevada for purposes of this document.</i></p>	<p>Year 1 -\$2,000,000 Years 2-4: \$1,268,500/year Year 5: \$1,369,500</p> <p>Total \$7,175,000</p>
SNHD	<p>Grant for the Southern Nevada Health District to provide 23,517 free immunizations for small businesses per year, for three years, and serving 100 high-risk families with first-time births with free enrollment in the Nurse-Family Partnership program, including 3,000 home visits. This grant would represent approximately 16% of the funding for the described programs, and is more than the requested amounts.</p> <p><i>This organization is not a part of the State of Nevada for purposes of this document.</i></p>	<p>Year 1 - \$632,632 Year 2 - \$663,465 Year 3 - \$703,903</p> <p>Total: \$2,000,000</p>
GOV-CHA	<p>Fund one position within the Governor's Consumer Healthcare Assistance program for small employer education and advocacy for 5 years. Funds would also allow Gov-CHA representatives with training, travel and to attend programs to educate the public.</p>	<p>Years 1-5: \$125,000.</p> <p>Total \$625,000</p>
DOI	<p>Revolving fund within DOI, to provide DOI with necessary resources to pay for audits of all insurers 'up-front'. Fund to be reimbursed by individual insurers following DOI audits.</p>	<p>Year 1: \$350,000</p>
UNLV	<p>Nursing Program. Matching funds from Sierra Health Services.</p> <p><i>This organization is not a part of the State of Nevada for purposes of this document.</i></p>	<p>Years 1-5: \$50,000</p> <p>Total \$250,000.</p>
Blue Ribbon Panel	<p>Grant to cover administrative expenses for annual Attorney General Blue Ribbon panel held to discuss healthcare delivery issues affecting the State of Nevada, bringing to the table various groups including government, private employers and provider representatives.</p>	<p>Years 1-5: \$10,000</p> <p>Total: \$50,000</p>

TOTAL

YEAR 1	\$	2,817,632.00
YEAR 2	\$	2,116,965.00
YEAR 3	\$	2,507,403.00
YEAR 4	\$	1,453,500.00
YEAR 5	\$	1,554,500.00
<hr/>		
SUBTOTAL NON-HHS	\$	10,450,000.00

TOTAL OF ALL PROGRAMS PER YEAR

YEAR 1	\$	4,999,000.00
YEAR 2	\$	3,030,258.00
YEAR 3	\$	2,967,849.00
YEAR 4	\$	2,305,947.00
YEAR 5	\$	1,696,946.00
 TOTAL	 \$	 15,000,000.00

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON THE REVERSE OF THE FORM.)

I. (a) PLAINTIFFS State of Nevada (b) County of Residence of First Listed Plaintiff <u>Las Vegas</u> (EXCEPT IN U.S. PLAINTIFF CASES) (c) Attorney's (Firm Name, Address, and Telephone Number) Marie Martin-Kerr, Attorney General's Bureau of Consumer Protection, 100 N. Carson, Carson City, NV 89701 / (775) 684-1298	DEFENDANTS County of Residence of First Listed Defendant _____ (IN U.S. PLAINTIFF CASES ONLY) NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED. Attorneys (If Known) Connie Akridge, Jones Vargas, 3773 Howard Hughes Parkway, Suite 300S, Las Vegas, NV 89169/ (702) 862-3300
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II. BASIS OF JURISDICTION (Place an "X" in One Box Only) <input type="checkbox"/> 1 U.S. Government Plaintiff <input type="checkbox"/> 2 U.S. Government Defendant <input checked="" type="checkbox"/> 3 Federal Question (U.S. Government Not a Party) <input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)	III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant) <table style="width: 100%;"> <tr> <th></th> <th>PTF</th> <th>DEF</th> <th></th> <th>PTF</th> <th>DEF</th> </tr> <tr> <td>Citizen of This State</td> <td><input type="checkbox"/> 1</td> <td><input type="checkbox"/> 1</td> <td>Incorporated or Principal Place of Business In This State</td> <td><input type="checkbox"/> 4</td> <td><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td><input type="checkbox"/> 2</td> <td><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business In Another State</td> <td><input type="checkbox"/> 5</td> <td><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td><input type="checkbox"/> 3</td> <td><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td><input type="checkbox"/> 6</td> <td><input type="checkbox"/> 6</td> </tr> </table>		PTF	DEF		PTF	DEF	Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
	PTF	DEF		PTF	DEF																				
Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4																				
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Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6																				

IV. NATURE OF SUIT (Place an "X" in One Box Only)					
CONTRACT <input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	TORTS PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury	PERSONAL INJURY <input type="checkbox"/> 362 Personal Injury - Med. Malpractice <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	FORFEITURE/PENALTY <input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	BANKRUPTCY <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	OTHER STATUTES <input type="checkbox"/> 400 State Reapportionment <input checked="" type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes
REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 Amer. w/Disabilities - Employment <input type="checkbox"/> 446 Amer. w/Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus: <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition			

V. ORIGIN (Place an "X" in One Box Only)						
<input checked="" type="checkbox"/> 1 Original Proceeding	<input type="checkbox"/> 2 Removed from State Court	<input type="checkbox"/> 3 Remanded from Appellate Court	<input type="checkbox"/> 4 Reinstated or Reopened	<input type="checkbox"/> 5 Transferred from another district (specify)	<input checked="" type="checkbox"/> 6 Multidistrict Litigation	<input type="checkbox"/> 7 Appeal to District Judge from Magistrate Judgment

VI. CAUSE OF ACTION	Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): <u>15 USC Section 18</u> Brief description of cause: <u>Complaint for violation of the Clayton Antitrust Act and Nevada UTPA (NRS 598A)</u>
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VII. REQUESTED IN COMPLAINT:	<input type="checkbox"/> CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23	DEMAND \$ _____ CHECK YES only if demanded in complaint: JURY DEMAND: <input type="checkbox"/> Yes <input type="checkbox"/> No
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VIII. RELATED CASE(S) IF ANY	(See instructions): JUDGE <u>TBD</u>	DOCKET NUMBER <u>TBD</u>
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DATE <u>02/25/2008</u>	SIGNATURE OF ATTORNEY OF RECORD
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FOR OFFICE USE ONLY				
RECEIPT # _____	AMOUNT _____	APPLYING IFP _____	JUDGE _____	MAG. JUDGE _____

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**IN THE UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

**THE STATE OF NEVADA by its ATTORNEY
GENERAL CATHERINE CORTEZ MASTO;**

Plaintiff,

v.

**UNITEDHEALTH GROUP INCORPORATED and
SIERRA HEALTH SERVICES, INC.,**

Defendants.

Civil Action No. _____

Filed:

COMPLAINT FOR
VIOLATIONS OF THE
CLAYTON ANTITRUST ACT
AND NEVADA'S UNFAIR
TRADE PRACTICES ACT (NRS
§ 598A)

COMPLAINT

The State of Nevada, acting under the direction of the Nevada Attorney General, brings this action to enjoin defendant UnitedHealth Group Incorporated ("United") from acquiring assets of its competitor in the health insurance and ancillary markets, defendant

Sierra Health Services, Inc. ("Sierra"), in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and the Nevada Unfair Trade Practice Act, NRS § 598A, *et seq.* and alleges as follows:

1.

Unless enjoined, United's proposed acquisition of Sierra will substantially increase concentration in an already highly concentrated market that is no broader than Medicare Advantage health insurance plans sold to senior citizens ("seniors") and other Medicare-eligible individuals in Clark and Nye Counties, Nevada, ("the Las Vegas area"). As defined by federal law, Medicare Advantage plans consist of Medicare Advantage health maintenance organization plans ("MA-HMO"), Medicare Advantage preferred provider organization plans ("MA-PPO"), and Medicare Advantage private fee-for-service plans ("MA-PFFS"). See 42 U.S.C. § 1395w-21(a)(2). United and Sierra together account for approximately 94 percent of the total enrollment in Medicare Advantage plans in the Las Vegas area, which totals approximately \$840 million in annual commerce.

2.

Congress created the Medicare Advantage program as a private market alternative to government provided traditional Medicare. In establishing the Medicare Advantage program, Congress intended that vigorous competition among private Medicare Advantage insurers would lead insurers to offer seniors richer and more affordable benefits, than traditional Medicare, provide a wider array of health-insurance choices, and be more responsive to the demands of seniors.

3.

The acquisition will decrease competition substantially among Medicare Advantage plans in the Las Vegas area and eliminate substantial head-to-head competition between United (through the PacifiCare health insurance business that United acquired in 2005) and Sierra in the provision of such plans. The competition

between United and Sierra has, for years, benefited thousands of seniors. Through competition, United's and Sierra's plans provide seniors with substantially greater benefits than those available under traditional Medicare alternatives, saving seniors thousands of dollars in yearly health care costs. The proposed acquisition will end that competition, eliminating the pressure that these close competitors place on each other to maintain attractive benefits, lower prices, and high-quality health care.

4.

United's acquisition of Sierra is likely to reduce competition substantially in the sale of Medicare Advantage plans in the Las Vegas area in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18 and NRS § 598A.060(1)(f). Accordingly, the Plaintiff seeks an order permanently enjoining the transaction.

I. JURISDICTION AND VENUE

5

The State of Nevada files this Complaint by its Attorney General pursuant to Section 16 of the Clayton Act, as amended, 15 U.S.C. § 26 and Nevada Unfair Trade Practice Act claim, NRS § 598A, *et sec*, to prevent and restrain defendants' violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18 and NRS § 598A.060(1)(f). Plaintiff State of Nevada brings this suit pursuant to its statutory, equitable, and/or common law powers as common law *parens patriae* on behalf of its business and property, citizens, general welfare, and economies. The State of Nevada also represents governmental entities in its proprietary capacity, which may include state departments, bureaus, agencies and political subdivisions that purchase or are likely future purchasers of health service plans.

6.

United and Sierra are engaged in interstate commerce and in activities that substantially affect interstate commerce. This Court has subject matter jurisdiction over this action and jurisdiction over the parties pursuant to Section 12 of the Clayton Act, 15

U.S.C. § 22, and 28 U.S.C. §§ 1331 and 1337(a). The court has pendent jurisdiction over the Nevada Unfair Trade Practice Act claim, NRS § 598A.060(1)(f), because this claim is so related to the federal claim that it forms part of the same case or controversy. 28 U.S.C. § 1367.

7.

Venue is proper in this District under 15 U.S.C. § 22 and 28 U.S.C. § 1391(c), in that each of the defendants is a corporation that transacts business and is found in the District of Nevada – Las Vegas.

II. DEFENDANTS AND THE PROPOSED ACQUISITION

8.

United is a corporation organized and existing under the laws of Minnesota and has its principal place of business in Minnetonka, Minnesota. United is the largest health insurer in the United States, providing health insurance and other services to more than 70 million people nationwide. In 2007, United reported revenues of approximately \$75 billion.

9.

United's Medicare Advantage products are sold under the Secure Horizons and AARP brands. United provides health insurance to approximately 27,800 Medicare Advantage enrollees in the Las Vegas area. Approximately 26,000 of these enrollees are individual enrollees whose enrollment is not affiliated with an employer or other group. The remainder are group retirees who enrolled in a United Medicare Advantage plan through an employer or other group.

10.

In the Las Vegas area, United has a well-established managed-care network that United uses to provide services to enrollees in its MA-HMO plans. Health care services provided by HealthCare Partners, LLC, The Physicians IPA, Inc., and Summit Medical Group are an integral part of United's managed-care network in the Las Vegas area.

11.

Sierra is a corporation organized and existing under the laws of Nevada and has its principal place of business in Las Vegas, Nevada. Sierra is the largest health insurer in Nevada, providing health insurance and other services to more than 655,000 people. In 2007, Sierra reported revenues of \$1.9 billion.

12.

Sierra sells Medicare Advantage plans under the Senior Dimensions, Sierra Spectrum, Sierra Nevada Spectrum, and Sierra Optima Select brands. Sierra provides health insurance to approximately 49,500 Medicare Advantage enrollees in the Las Vegas area.

13.

Sierra owns Las Vegas's largest medical group, Southwest Medical Associates, Inc. ("SMA"), which employs approximately 250 physicians and other health care professionals. SMA provides care almost exclusively to Sierra members and provides a substantial portion of the care delivered to Sierra's Medicare Advantage members.

14.

On March 11, 2007, United and Sierra entered into a merger agreement whereby United agreed to acquire all outstanding shares of Sierra. The transaction is valued at approximately \$2.6 billion.

III. THE MEDICARE ADVANTAGE INSURANCE MARKET

15.

The federal government provides and facilitates the provision of health insurance to millions of Medicare-eligible citizens through two types of programs: traditional Medicare (also known as Original Medicare) and Medicare Advantage. Under traditional Medicare, a beneficiary receives hospital coverage under Medicare Part A and can elect to receive coverage for physician and out patient services under Part B. For Part A, the

government charges no monthly premium if the beneficiary was in the workforce and paid Medicare taxes, but for Part B, the government deducts a monthly premium (currently \$96.40 for most beneficiaries) from beneficiaries' Social Security checks. In addition, beneficiaries must pay deductibles and/or co-insurance for doctor visits and hospital stays. If beneficiaries want to limit potentially catastrophic out-of-pocket costs, they need to purchase a separate Medicare Supplement plan. For prescription drug coverage, seniors enrolled in traditional Medicare must purchase Medicare Part D drug coverage for an additional premium.

16.

In contrast, Medicare Advantage plans are offered by private insurance companies. These companies compete to offer the most attractive Medicare Advantage benefits to enrollees in a region. Most successful Medicare Advantage plans, including those in the Las Vegas area, offer substantially richer benefits at lower costs to enrollees than traditional Medicare, including lower co-payments, lower co-insurance, caps on total yearly out-of-pocket costs, prescription drug coverage, vision coverage, health club memberships, and other benefits that traditional Medicare does not cover.

17.

An insurance company that seeks to offer a Medicare Advantage plan in a region must submit a bid to the Centers for Medicare and Medicaid Services ("CMS") for each Medicare Advantage plan that it intends to offer. The bid must provide the insurer's anticipated costs per member to cover the basic Medicare Part A and Part B benefits. Those costs, including an anticipated profit margin, are compared to a Medicare benchmark that reflects, in part, the government's likely cost of covering the beneficiaries. If the insurer's bid for Medicare benefits is lower than the benchmark, the Medicare program retains 25 percent of the savings and the insurer must use the other 75 percent to provide supplemental benefits or lower premiums to enrollees. Accordingly,

the lower the insurer's projected costs, the more benefits seniors enrolled in the insurer's plan will have available to them.

18.

A sufficient number of seniors in the Las Vegas area would not switch away from Medicare Advantage plans to traditional Medicare in the event of a small but significant reduction in benefits under the plans, or a small but significant increase in price, to render the benefit decrease or price increase unprofitable. Accordingly, in the Las Vegas area, the sale of Medicare Advantage plans is a relevant product market and a line of commerce under Section 7 of the Clayton Act, 15 U.S.C. § 18.

IV. RELEVANT GEOGRAPHIC MARKET

19.

Residents in the Las Vegas area (Clark and Nye Counties) may only enroll in Medicare Advantage plans that CMS approves for the county in which they live. Consequently, they could not turn to Medicare Advantage plans elsewhere in the state or in other regions in response to a reduction in competition between Sierra and United in the Las Vegas area. Accordingly, the Las Vegas area is a relevant geographic market or section of the country within the meaning of Section 7 of the Clayton Act.

V. MARKET CONCENTRATION

20.

The market for Medicare Advantage plans is highly concentrated and would become significantly more concentrated as a result of the proposed acquisition. Sierra accounts for approximately 60 percent of Medicare Advantage enrollees in the Las Vegas area. United accounts for approximately 34 percent. If consummated, the merger would give United a 94 percent market share. The Herfindahl-Hirschman Index ("HHI") (a standard measure of market concentration defined and explained in Appendix A) for the Las Vegas area Medicare Advantage market indicates that the market is highly

concentrated. The proposed merger would increase concentration by 4,080 points, from 4,756 to 8,836.

21.

Sierra and United (through PacifiCare) have accounted for well over 90 percent of Medicare Advantage enrollment in the Las Vegas area for each of the past seven years.

VI. ANTICOMPETITIVE EFFECTS

22.

Under the Medicare Advantage program, private competition for Medicare-eligible individuals has produced substantial benefits for consumers throughout the country, including in the Las Vegas area.

23.

Sierra and United have competed vigorously with each other to improve their Medicare Advantage plans and attract members. They monitor each other's benefits to stay competitive and consider each other to be very important competitors.

24.

United and Sierra compete against each other for newly Medicare-eligible individuals, try to attract members from each other, and seek to avoid losing members to each other, by offering plans with zero premiums, reducing co-payments, eliminating deductibles, improving drug coverage, offering desirable fitness benefits, and attempting to make their provider networks more attractive to potential members. Such competition will be lost in the Las Vegas area if the proposed acquisition is completed, to the substantial detriment of tens of thousands of seniors. After the acquisition, the combined United/Sierra will not have the same incentive to improve benefits as the two separate companies do today, and likely will raise prices or reduce benefits and services.

25.

Competition from existing providers of Medicare Advantage plans and new entrants is unlikely to prevent anticompetitive effects. Such firms face substantial cost,

reputation, and distribution disadvantages that will likely make them unable to prevent United from raising prices or reducing benefits and services.

26.

Accordingly, the proposed transaction likely will substantially lessen competition in violation of Section 7 of the Clayton Act and NRS § 598A.060(1)(f)

VII. VIOLATIONS ALLEGED

27.

United's acquisition of Sierra would likely substantially lessen competition in the sale of Medicare Advantage health insurance in the Las Vegas area, in violation of Section 7 of the Clayton Act, 15 U.S.C. § 18 and NRS § 598A.060(1)(f).

28.

The proposed transaction would likely have the following effects, among others:

- (a) lessening substantially actual and potential competition in the sale of Medicare Advantage insurance;
- (b) eliminating actual and potential competition between United and Sierra in the sale of Medicare Advantage insurance;
- (c) increasing prices for Medicare Advantage insurance above those that would prevail absent the acquisition; and
- (d) decreasing the level of benefits and services associated with Medicare Advantage insurance to levels below those that would prevail absent the acquisition.

VIII. PRAYER FOR RELIEF

WHEREFORE, plaintiff, the State of Nevada, requests:

1. Adjudge the proposed acquisition to violate Section 7 of the Clayton Act, 15 U.S.C. § 18;
2. Adjudge the proposed acquisition by United and Sierra be adjudged to violate Nev. Rev. Stat. § 598A.060(1)(f);

3. Permanently enjoin and restrain the defendants from carrying out the Agreement and Plan of Merger between United and Sierra dated March 11, 2007, or from entering into or carrying out any agreement, understanding, or plan by which United would merge with or acquire Sierra, its capital stock, or any of its assets;

4. Award the Plaintiff its reasonable attorneys' fees and the costs of this action; and

5. All other relief as this Court may deem just and proper

Dated this 25th day of February, 2008.

FOR PLAINTIFF THE STATE OF
NEVADA
CATHERINE CORTEZ MASTO
Nevada Attorney General
ERIC WITKOSKI
Chief Deputy Attorney General, Bureau of
Consumer Protection, and
Consumer Advocate

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APPENDIX A

Herfindahl Hirschman Index

“HHI” means the Herfindahl Hirschman Index, a commonly accepted measure of market concentration. It is calculated by squaring the market share of each firm competing in the market and then summing the resulting numbers. For example, for a market consisting of four firms with shares of 30%, 30%, 20%, and 20%, the HHI is 2600 ($30^2 + 30^2 + 20^2 + 20^2 = 2600$). The HHI takes into account the relative size distribution of the firms in a market and approaches zero when a market consists of a large number of small firms. The HHI increases both as the number of firms in the market decreases and as the disparity in size between those firms increases. Markets in which the HHI is between 1000 and 1800 points are considered to be moderately concentrated, and those in which the HHI is in excess of 1800 points are considered to be highly concentrated. See Horizontal Merger Guidelines ¶ 1.51 (revised Apr. 8, 1997). Transactions that increase the HHI by more than 100 points in concentrated markets presumptively raise antitrust concerns under the guidelines issued by the U.S. Department of Justice and Federal Trade Commission. See id.



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COMPLAINT AND FINAL JUDGMENT EXECUTIVE SUMMARY

COMPLAINT

USDOJ and Nevada Complaints. Today Nevada Attorney General Catherine Cortez Masto and the United States Department of Justice ("DOJ") simultaneously filed complaints in Nevada and the District of Columbia, alleging that the proposed acquisition of Sierra Health Services, Inc. ("Sierra") by United Health Group, Incorporated ("United") violates federal and state antitrust laws, reducing competition in the market for all Medicare Advantage products in the Las Vegas area.

Medicare Advantage. Medicare Advantage is a program administered by the federal government which provides private health insurance to seniors. In the Las Vegas area, there is vigorous competition between United's Secure Horizons and AARP branded products, and Sierra's Senior Dimensions branded products. This competition has resulted in consumers saving thousands of dollars annually, benefiting from lower prices, attractive benefits and high quality health care. The merger will create a virtual monopoly for Medicare Advantage products in the Las Vegas area, with the merging parties accounting for 94% of the market, and \$700 million in annual sales.

Product & Geographic Markets. The relevant product market is Medicare Advantage because the merged entity would be able to profitably increase prices or reduce benefits to seniors. Medicare Advantage is not the same market as Medicare. Medicare Advantage plans in the Las Vegas area differ from traditional Medicare, offering richer benefits at lower cost, including lower co-payments, lower co-insurance, caps on total yearly out-of-pocket costs, prescription drug coverage, vision coverage, health club memberships, etc. The relevant geographic market is the Las Vegas area because residents cannot switch to plans outside these areas.

Anticompetitive Effects. The merging parties compete vigorously in the Las Vegas area, monitoring the benefits provided by the other, and considering each other to be very important competitors. For example, the parties compete against each other for newly Medicare-eligible individuals, try to attract members from each other, and seek to avoid losing members to each other, by offering plans with zero premiums, reducing co-payments, eliminating deductibles, improving drug coverage, offering desirable fitness benefits, and attempting to make their provider networks more attractive to potential members. These benefits of competition would be lost to seniors in the Las Vegas area if the merger were completed as proposed by the companies.

CONSENT DECREE

Divestiture. The benefits of competition have been retained with divestiture, or the sell-off, of United's entire Medicare Advantage book of business, including its exclusive provider network. United has agreed to divest this book of business in order to gain approval to purchase Sierra. Divestiture must be accomplished within 45 days, to the satisfaction of DOJ and the Nevada Attorney

United/Sierra Proposed Acquisition
Executive Summary

General. After divestiture, and through March 31, 2009, United may not use the AARP or Secure Horizons brand in the Las Vegas area.

Nevada Final Judgment. A sound policy of improving health care in Nevada and protecting its consumers dictates that the State take proactive steps beyond maintaining the status quo. The Attorney General's Office received input from physicians, nurses, employers, brokers and insurers, and reviewed the memoranda of understanding entered into by the insurance commissioners in the states of California and Colorado in 2004 and 2005. While settlement in one case can not resolve all of the health problems facing Nevada, this settlement goes a long way towards improving health care for Nevadans.

Specific terms negotiated by the Attorney General are described below:

Health Care Providers and Insurers. Health care providers and insurers benefit from this settlement through the following requirements.

- The merging parties may not enter into or enforce certain all products clauses or most favored nations clauses for a period of two years.
- The merging parties may not enter into exclusive contracts with medical service providers for a period of two years. These contract provisions require that a physician or other medical service provider only contract with one insurer.
- The merging parties will participate in a Physicians Council, which will meet quarterly to establish goals and benchmarks to improve the relationship between United and physicians, as well as improving the quality and delivery of healthcare for all Nevadans.
- The merging parties will fund the Attorney General's Blue Ribbon Panel, to be composed of physicians, nurses and other health care providers, members of government, and the insurance community, and which will meet annually to discuss ways to improve health care in Nevada, and other issues those parties may have.
- United will pay \$250,000 over five years for scholarships for graduate level nursing students at the University of Nevada, Las Vegas from the Attorney General Charitable Contribution. Sierra Health Services will match these funds with another \$250,000 over five years, for a total of \$500,000 in nursing scholarships.
- The only public hospital in the Las Vegas area, University Medical Center ("UMC"), will receive \$7.175 million in cash from the Attorney General's charitable contribution to improve health care delivery and fund infrastructure improvements for the benefit of the one in five persons in Southern Nevada who are uninsured or underinsured.
- United is offering UMC a two-year rate guarantee, valued in the millions.
- United is offering to change the way it reimburses UMC, giving them advances of 50% on claims to avoid the harm caused by delays in payment, with an initial cash advance of \$2.2 million. This sweeping change in the way that UMC is reimbursed will avoid future harm from long delays in claims reimbursement.

- United is offering additional terms to UMC, including not steering a disproportionate amount of unprofitable patients to UMC, working with UMC to streamline and simplify billing and claims dispute procedures.

Large Employers. Large employers benefit from this settlement through the protection of their proprietary data. Many of the large employers in the Las Vegas area are self-insured, using Fiserv-Nevada as their third party administrator, giving that entity access to the rates that they independently negotiate with hospitals and other medical service providers. United announced the purchase of Fiserv late in 2007, creating the specter of United having access to that proprietary data. To avoid this, the parties have agreed to not purchase Fiserv-Nevada, which holds the proprietary data of Nevada corporations, and to not use their proprietary information in their contract negotiations with medical service providers.

Consumers. The Attorney General has required that United take steps to demonstrate that it will be a good corporate citizen in this state, and that it is dedicated to improving the quality of, and access to, health care in Nevada for consumers. Not only is United required to not pass on merger costs to consumers, but United has agreed to commit \$15 million over 5 years to organizations in Nevada.

HHS. This charitable contribution comes at a crucial time, when many health, wellness and social service programs are facing deep budget cuts which would otherwise be implemented in the next 30 days. To avoid this nightmare scenario, Nevada Health and Human Services will receive \$4.5 million, restoring up to 100% of funding for the following health and wellness programs in Nevada:

- Mental health services are desperately needed in the State of Nevada. According to a 2003 report Nevada is the worst state in the nation for provision of mental health services, and 4th for suicide rates. Mental health triage, a program which removes the mentally ill from overflowing emergency rooms, and gets them sorely needed services, will receive \$500,000 over two years, restoring 80% of the funding cut from for that program.
- A mobile mental health clinic for the Reno/Sparks area was negatively impacted in the last round of state budget cuts, and has not been able to get off the ground. The mobile mental health clinic will receive \$345,000 over two years, allowing it to commence service in 2009.
- Nevada Family Resource Centers which provide immunizations, access to health care and information, and outreach to at-risk populations across the state, will receive \$273,290 over a period of two years, restoring 100% of funding.
- Nevada Autism Program, which provides assistance to families of children with autism spectrum disorder will receive \$87,600, restoring that program to 100% of funding.
- Fetal alcohol diagnostic services are needed in Nevada. This is one of the leading causes of mental retardation in the country, and 25 diagnostic clinics across the state were cut in the last round of budget cuts. This program will receive \$101,169, restoring 100% of the funding for this program, fully paying for all fetal alcohol syndrome diagnostic clinics for one year.
- Community Health Nursing, which provides wellness programs, family planning, cancer screening, and other services to at-risk populations across the state will receive \$324,000 over three years, restoring 100% of cut funding for those programs.
- Mammovan: The mammovan is a mobile mammography service that provides mammograms and other health services to women in rural and underserved areas of Nevada. The

United/Sierra Proposed Acquisition
Executive Summary

mammovan will receive \$250,000 over four years to assist HHS with continuing to provide this service.

- Informational websites. The charitable commitment will fully reinstate all funding for two consumer websites, including \$250,000 for a website giving consumers information about hospital quality, and \$160,000 for a website giving consumers information about prescription drug prices.
- Nevada 211, Nevada's one-stop shop for information about health care and other services will have 100% of its funding restored, with a grant of \$208,602 over two years
- Funds to assist with purchasing emergency medical service equipment and improving ambulances for local governments will be restored to 100% of funding levels, with a grant of \$300,000.

Immunizations. Nevada is near the bottom of state rankings for immunization rates. The Governor's recent proclamation recognizes that Nevada is ranked 49th in the nation for children at the age of two who are fully immunized. To address the problem, the Nevada Attorney General has required that the merging parties not only fund immunizations through the Nevada Family Resource Centers, but also pay \$2 million over 3 years to the Southern Nevada Health District to assist with funding more than 23,000 free immunizations and 3,000 home visits to benefit employees of small businesses in the Las Vegas area.

Monitoring and Enforcement. The Attorney General has set up a monitoring mechanism to ensure that United delivers on the promises in the consent decree, including the imposition of substantial fines for noncompliance, and giving state regulators the tools they need to police insurers.

- The Attorney General has retained jurisdiction to monitor United's compliance with the consent decree. Failure to abide by the terms of the consent decree will result in fines of \$10,000 for the first violation, \$15,000 for the second violation, and \$25,000 for the third violation. Intentional violations will result in fines of \$100,000 each. Failure to comply will also result in loss of profits, civil contempt, and payment of attorneys' fees and costs.
- United will give the Attorney General 30 days notice of transactions which could result in high market concentrations.
- The charitable contribution will provide DOI with \$350,000 to pay for audits of all insurers to ensure that they live up to their promises to consumers and medical providers.
- The Governor's Consumer Healthcare Assistance program will receive \$625,000 to have a specialist position fully funded for five years for small employer education, and for consumer advocacy before the DOI to establish benchmarks for insurers to meet. This grant also pays for travel, training and attendance at programs to educate consumers about their health care choices.

Attorneys Fees and Costs. Additionally, United has agreed to reimburse the Attorney General \$875,000 for attorneys fees and costs.

Copies of Nevada's filings will be posted on the Attorney General's website: <http://ag.state.nv.us>. Copies of DOJ's filings are posted at <http://www.usdoj.gov/atr/index.html>.

QUICK FACT SHEET

Basic Company Information	UnitedHealth Group, Inc	Sierra Health Services, Inc
	Headquarters: Minnetoka, MN	Headquarters: Las Vegas, NV
	2006 Revenue: \$72B	2006 Revenue: \$1.7B
Senior Medicare Advantage Market in Las Vegas Area	77,000 enrollees in Clark and Nye Counties; \$1B annual commerce	
Senior Medicare Advantage Programs Offered by Merging Parties	Secure Horizons, AARP	Senior Dimensions
Highlights of Complaint Filed	<p>Filed simultaneous by DOJ and Nevada AG in US Federal District Court in Las Vegas and Washington, D.C.</p> <p>Addresses potential creation of monopoly in Medicare Advantage market in the Las Vegas area</p>	
Highlights of Consent Decree	<p>Requires United to sell off its Secure Horizons and AARP businesses within 45 days</p> <p>Merging parties must meet certain provisions in regards to building and maintaining relationships with health care providers including participating in a Physician's Council, an Attorney General's Blue Ribbon Panel, providing scholarships for nursing students, and working with UMC to improve services.</p> <p>United agrees not to purchase Fiserv-Nevada, which holds proprietary data of many large Nevada corporations.</p> <p>Merging parties agree to commit \$15M over five years to Nevada organizations. This includes funds for state mental health services, family resource centers, immunizations, community health nursing, programs for women and children with special needs, emergency medical services and information outreach including websites and Nevada 211.</p> <p>Merging parties agree to allow the Nevada Attorney General the ability to monitor their adherence to the terms of the consent decree.</p> <p>Merging parties agree to reimburse the Nevada Attorney General's Office for attorneys fees and costs.</p>	
Nevada Attorney General's Anti-trust Jurisdiction	NRS 598A defines free trade in Nevada, violations of free trade and gives the Nevada Attorney General's Office authority to investigate and take legal action on potential violations	



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FOR IMMEDIATE RELEASE
DATE: FEBRUARY 25, 2008

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MASTO ANNOUNCES DIVESTITURE AND \$15 MILLION CHARITABLE CONTRIBUTION IN THE PROPOSED ACQUISITION OF SIERRA HEALTH SERVICES, INC BY UNITED HEALTH GROUP, INCORPORATED

Las Vegas, NV— Nevada Attorney General Catherine Cortez Masto announced today that her office has filed a complaint in Nevada, alleging that the proposed acquisition of Sierra Health Services, Inc. ("Sierra") by UnitedHealth Group Incorporated ("United") violates federal and state antitrust laws, reducing competition in the market for all Medicare Advantage products in the Las Vegas area.

The Attorney General, working in cooperation with the United States Department of Justice, will require United and Sierra to divest assets related to United's Medicare Advantage business, including its exclusive provider network in the Las Vegas area, in order to proceed with the acquisition.

The Attorney General said that the transaction, as originally proposed, would have created a combined company controlling 94 percent of the Medicare Advantage health insurance market in the Las Vegas area and resulted in higher prices, fewer choices, and a reduction in the quality of Medicare Advantage plans purchased by senior citizens in the Las Vegas area.

The lawsuit filed today in the U.S. District Court for Las Vegas was intended to block the proposed acquisition. At the same time, the Attorney General filed a proposed settlement that, if approved by the court, would resolve the lawsuit and the Attorney General's competitive concerns.

The transaction would have eliminated competition between United and Sierra, the first and second largest sellers of Medicare Advantage plans in the Las Vegas area, allowing United to increase prices and reduce the quality of Medicare Advantage plans sold to seniors in the Las Vegas area. Under the proposed consent decree, United must promptly divest assets relating to its Medicare Advantage business in the Las Vegas area to Humana Inc. or another purchaser approved by the Attorney General and the Justice Department.

"This divestiture and the other remedies contained in the proposed Judgment ensure that senior citizens in Nevada will continue to benefit from competition between sellers of Medicare Advantage products," said Attorney General Cortez Masto. "My office is committed to preserving competition in the health insurance industry because this competition spurs insurers to lower prices, enhance services, and offer innovative products."

United/Sierra Proposed Acquisition
Press Release

Under the terms of the proposed Judgment, current enrollees of United's Medicare Advantage plans will continue to have substantially the same access to providers, including doctors, hospitals, and other medical services, after the divestiture as before. The proposed Judgment also imposes additional conditions that are designed to facilitate the success of the divestiture and increase the quality and delivery of health care to Nevadans.

This settlement is a milestone for Nevada. "By requiring this divestiture, we have made significant strides in antitrust enforcement in the State of Nevada," Cortez Masto said. This is only the second time in history that DOJ has worked side by side with a state to compel a health insurance carrier to sell a business division. It is also the first time that an Attorney General in a state the size of Nevada has obtained divestiture and a multi-million dollar cash contribution from a health insurance giant through merger review.

"Even though we have a small staff, our office was able to bring big benefits to Nevada consumers in the proposed consent decree that increases competition and funds programs that would not have otherwise been funded," said Consumer Advocate Eric Witkoski.

"The only other state to obtain divestiture in a health insurance merger alongside DOJ has been Texas, one of the largest states in the union," Witkoski said.

Cortez Masto has also required United to contribute \$15 million to Nevada organizations and agencies to demonstrate that it will be a good corporate citizen, and that it is dedicated to improving the quality of and access to health care in Nevada.

"This cash contribution will make a difference in the lives of many Nevadans because it will restore needed medical and social services that have been affected by the latest series of budget cuts," said Cortez Masto.

As part of the cash contribution, Nevada Health and Human Services will receive \$4.5 million, restoring up to 100% of funding for health and wellness programs in Nevada including:

- Mental health triage, a program which removes the mentally ill from overflowing emergency rooms, and gets them sorely needed services. In a 2003 report, Nevada ranked worst in the nation for mental health services, and 4th for suicide rates.
- A mobile mental health clinic for Reno and Sparks which was negatively impacted in the last round of state budget cuts will be able to commence service in 2009.
- Nevada Family Resource Centers which provide immunizations, access to health care and information, and outreach to at-risk populations across the state.
- Nevada Autism Program, which provides assistance to families of children with autism spectrum disorder
- Fetal Alcohol Clinics, to fully fund 25 diagnostic clinics for fetal alcohol syndrome, one of the leading causes of mental retardation in the country.
- Community Health Nursing, which provides wellness programs, family planning, cancer screening, and other services to at-risk populations across the state.

UNLV School of Nursing will receive \$250,000 from the Attorney General Charitable Contribution, plus \$250,000 from Sierra Health Services, to fund scholarships for graduate level nursing students.

United/Sierra Proposed Acquisition
Press Release

The Southern Nevada Health District will receive \$2 million in funding to provide more than 23,000 free immunizations to dependents of employees of small businesses, and to provide 3,000 home nursing visits for at-risk families in Southern Nevada.

The only public hospital and provider of last resort in Southern Nevada, University Medical Center will receive over \$7 million to improve health care delivery and fund infrastructure improvements for the benefit of the one in five persons in Southern Nevada who are uninsured or underinsured. United has offered UMC in a separate commitment letter a two-year rate guarantee, and sweeping changes in the way claims are administered and paid, including a cash advance of over \$2 million towards old claims.

After meeting with representatives of physicians, nurses, and employers to hear their concerns, Cortez Masto has required that United take proactive measures to protect consumers, employers and medical providers in Nevada. These provisions require that:

- United's charitable contribution will fund DOI audits to ensure that all insurers live up to their promises to consumers and medical providers.
- The Governor's Consumer Healthcare Assistance program will receive funds for small employer education, and for consumer advocacy to establish benchmarks before the DOI for insurers to meet.
- United will establish and participate in a Physicians' Council to address the concerns of physicians in Nevada, to work together to improve health care delivery across the state.
- A Blue Ribbon Panel will be established to foster ongoing interactions between the Office of the Attorney General, other state agencies, and representatives of employers, insurers and health care providers in Nevada.

"We have set up a monitoring mechanism to ensure that United delivers on the promises it has made in the consent decree, including the imposition of substantial fines for noncompliance," said Cortez Masto.

Additionally, United has agreed to reimburse the Attorney General \$875,000 for attorneys fees and costs.

The Attorney General worked closely with the Justice Department in its investigation and proposed resolution of the United-Sierra merger. The Department of Justice announced today that it will require United and Sierra to divest assets related to United's Medicare Advantage business in Las Vegas in order to proceed with United's Acquisition of Sierra.

"This matter is another example of close cooperation between our Antitrust Unit in the Bureau of Consumer Protection and DOJ's Antitrust Division resulting in an outcome that protects competition and benefits consumers," said Cortez Masto. "It is through this cooperation that I can most efficiently use the state's antitrust enforcement resources to obtain the best results possible."

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FOR IMMEDIATE RELEASE
DATE: FEBRUARY 25, 2008

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MEDIA ADVISORY

WHAT: Nevada Attorney General Catherine Cortez Masto responds to DOJ announcement regarding the proposed merger of UnitedHealth Group, Inc and Sierra Health Services, Inc.

WHEN: Monday February 25, 2008; 4:00pm

WHERE: Attorney General's Office
Mock Courtroom
100 N. Carson Street
Carson City

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FOR IMMEDIATE RELEASE
DATE: February 26, 2008

CONTACT: Brian Armstrong (702) 486-3269

MASTO ANNOUNCES SETTLEMENT WITH BARR PHARMACEUTICALS

Las Vegas, NV – Attorney General Catherine Cortez Masto today announced a \$5.9 million settlement with Barr Pharmaceuticals. The settlement stems from an antitrust law enforcement action filed by Nevada and 34 other states against Barr and Warner Chilcott, the brand name drug maker for Ovcon, a prescription oral contraceptive. The action alleged the two companies made an agreement to prevent the entry of Barr's generic version of Ovcon into the marketplace.

"Barr Pharmaceuticals worked with a competitor to prevent consumers from having access to low-cost, generic equivalents to a brand name drug," said Masto. "Nevada is committed to stopping and deterring this type of egregious conduct."

Nevada and other states filed the lawsuit in 2005 in federal court in the District of Columbia, seeking civil penalties and injunctive relief. During the litigation, Warner Chilcott abandoned the allocation agreement with Barr. Subsequently, Barr made available its generic version of Ovcon. Nonetheless, Barr is paying \$5.9 million to the states, and is agreeing not to engage in similar conduct in the future. Nevada and other states settled the lawsuit against Warner Chilcott in 2007 for \$5.5 million.

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FOR IMMEDIATE RELEASE
DATE: Monday, March 3, 2008

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[The Nevada Attorney General's Office has joined a group of federal, state and local government agencies and national consumer advocacy organizations to launch the Tenth Annual National Consumer Protection Week ("NCPW"), March 2-8, 2008. NCPW highlights consumer education efforts in the fight against fraud in communities across the nation. This year's NCPW theme is *Financial Literacy: A Sound Investment* and is intended to encourage consumers to empower themselves to make smarter decisions about managing their money and building a solid financial foundation. As part of this year's NCPW, the Attorney General's Bureau of Consumer Protection is issuing a daily press release regarding issues particularly relevant to Nevada consumers. More information about NCPW is also available at www.consumer.gov/ncpw. Thank you for your assistance in promoting this important event.]

ATTORNEY GENERAL ADVISES CONSUMERS TO REMEMBER THE BASICS WHEN IT COMES TO PROTECTING THEIR FINANCES

Carson City, NV—The Attorney General's Bureau of Consumer Protection, under the direction of Consumer Advocate Eric Witkoski, and in conjunction with the launch of the 10th Annual National Consumer Protection Week, the theme of which is *Financial Literacy: A Sound Investment*, today issued the following advisory to remind consumers of the essentials to being a well-informed, financially literate consumer.

Now more than ever, consumers need to educate themselves in ways to avoid being scammed by con artists and dishonest businesses. Before dealing with any business, and especially when making any major purchase or investment, the Attorney General's Bureau of Consumer Protection recommends consumers:

Don't expect something for nothing. Be very suspicious of advertisements, sales pitches or other offers promising "risk free" sales or investment opportunities. Remember, if it sounds too good to be true, it probably is.

Do your homework. When considering whether to purchase goods or services from any business, you should take the time to verify whether the business is licensed and insured, how long the business has been operating in Nevada, and whether complaints have been filed against the business. It is always wise to obtain references and recommendations from friends and family. In addition, be careful of strangers who approach you at home on behalf

of a business. Make sure you have the permanent address and phone number for the business so you can conduct independent research before agreeing to a purchase.

To research the complaint history of a business, contact both the Nevada Consumer Affairs Division at (702) 486-7355, (775) 688-1800, or toll-free at (800) 326-5202, and the Better Business Bureau at (702) 320-4500 or (775) 322-0657. A comprehensive site for state regulators is maintained at www.fightfraud.nv.gov. Additional information on a particular business may also be available on the internet in blogs, forums and personal websites.

Know what's in your credit report. Before you try to obtain credit for a purchase, you need to know what is in your credit report. Otherwise, you are simply at the mercy of that company's finance department. Lenders use credit reports and credit scores to decide whether to lend money and at what rate. Insurance companies, landlords, utilities and employers also check credit reports. A report that shows defaults or late payments or a low credit score can mean not getting a loan or paying a higher interest rate. Knowing your credit score will also assist you in finding out the range of interest rates or products you are eligible for. All Nevada consumers are eligible to receive a free annual credit report from each of three major credit reporting agencies. To order your report, you must go through www.annualcreditreport.com or call toll-free (877) 322-8228. The free report does not include your credit score; you must pay a fee to obtain it.

Get the Best Deal. Shop around and compare. Whether you are borrowing money or making a purchase, you need to make sure you are getting the best value for your money.

Protect your Identity. Be very leery about disclosing any personal information, especially to unfamiliar companies requesting verification over the phone. This includes your credit card numbers and expiration dates, bank account numbers, social security number, and driver's license number. Revealing this type of information may lead to identity theft and/or unauthorized charges to your accounts.

If a business with which you have a relationship contacts you and requests this type of information, and you are not comfortable giving out the requested information, hang up and contact that business directly to verify that the contact is legitimate.

Be careful when receiving e-mails that appear to be from legitimate companies asking you for your personal information and/or asking you to click on a convenient link. Hackers use this ploy to obtain your password, login and personal information.

Finally, remember that most companies will not contact you via e-mail to request your personal information. To protect yourself against identity theft, you should periodically review your bank and credit statements, shred anything with personal identifying information before discarding it, and use a secure mailbox when mailing bills or checks.

If you believe you have been a victim of a fraud, please contact the Consumer Affairs Division, part of the Nevada Department of Business and Industry, in Northern Nevada (including Reno) at (775) 688-1800, and in Las Vegas at (702) 486-7355.

For other valuable consumer protection information, please visit the Bureau of Consumer Protection website, www.ag.state.nv.us/org/bcp/education.htm and/or the State of Nevada's general fraud information website, www.fightfraud.nv.gov

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FOR IMMEDIATE RELEASE
DATE: Monday March 3, 2008

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MASTO, ATTORNEYS GENERAL CALL ON CONGRESS TO RESTORE FUNDING FOR FRONT-LINE CRIME AND DRUG ENFORCEMENT EFFORTS

(WASHINGTON, D.C.) – Calling the funding essential to the operation of state crime and drug enforcement efforts, Nevada Attorney General Catherine Cortez Masto and 55 Attorneys General from all jurisdictions of the United States today issued a letter calling on Congressional leaders to restore funding to the Edward Byrne Memorial Justice Assistance Grant Program.

Byrne-JAG is currently the only source of funding available to local and state law enforcement for multijurisdictional drug enforcement, including methamphetamine initiatives, and is a critical source of funds for drug courts, law enforcement collaboration, gang prevention, and prisoner reentry programs.

In FY 2007, the Byrne-JAG program was funded at \$520 million. For FY 2008, the Senate had originally funded the Byrne-JAG program at \$660 million and the House at \$600 million in their respective appropriations bills. However, in the omnibus FY 2008 appropriations bill signed into law in December of 2007, the Byrne-JAG program funding was cut to \$170 million for the coming year – a 67 percent decrease from 2007 funding levels.

Attorneys General assert in their letter that these cuts would devastate state law enforcement efforts by shutting down multi-jurisdictional drug and gang task forces, requiring layoffs of police and prosecutors, and cutting funding to programs proven to assist drug-addicted citizens in becoming productive members of society.

“Byrne funds are critical in our fight against drugs and violent crimes,” said Attorney General Masto. “If the severe cuts to Byrne funding are not restored, many of the multi-jurisdictional task forces will cease to exist, destroying years of cooperation and progress in crime and drug enforcement.”

The effort to restore funding has been spearheaded by Colorado Attorney General John Suthers, Maine Attorney General Steve Rowe, Mississippi Attorney General Jim Hood, Nebraska Attorney General Jon Bruning, and Ohio Attorney General Marc Dann.

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FOR IMMEDIATE RELEASE
DATE: Wednesday, March 5, 2008

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[The Nevada Attorney General's Office has joined a group of federal, state and local government agencies and national consumer advocacy organizations to launch the Tenth Annual National Consumer Protection Week ("NCPW"), March 2-8, 2008. NCPW highlights consumer education efforts in the fight against fraud in communities across the nation. This year's NCPW theme is *Financial Literacy: A Sound Investment* and is intended to encourage consumers to empower themselves to make smarter decisions about managing their money and building a solid financial foundation. As part of this year's NCPW, the Attorney General's Bureau of Consumer Protection is issuing a daily press release regarding issues particularly relevant to Nevada consumers. More information about NCPW is also available at www.consumer.gov/ncpw. Thank you for your assistance in promoting this important event.]

ATTORNEY GENERAL WARNS CONSUMERS ABOUT EXTENDED AUTOMOBILE WARRANTIES

Carson City, NV—The Attorney General's Bureau of Consumer Protection, under the direction of Consumer Advocate Eric Witkoski, today issued the following consumer advisory with important information concerning unsolicited automobile warranty expiration notices that have been bombarding Nevada consumers over the past several months. These solicitations come in the mail or over the phone and try to create a sense of urgency to encourage consumers to buy an extended warranty. The consumer, however, may already have or may not need a costly extended automobile warranty.

The solicitations may have names similar to official organizations and may be stamped with phrases such as "FINAL NOTICE to extend or reinstate your vehicle coverage." If the consumer responds to the phone call or calls the phone number provided on the card, he may be subjected to a high pressure sales pitch, which includes special discount rates and terms only available at this time. In some cases, consumers are told they must make a down payment before the company will send the contract and/or written information about the warranty.

ADVICE FROM THE BUREAU OF CONSUMER PROTECTION:

- Question if the information is true. Are you sure your warranty has expired? Check your records; a warranty you purchased when you purchased your vehicle may still be in effect.
- Ask questions about the company. What is the company's name, location, and how long has it been in business? Then check the business out, such as by calling or accessing via website the Nevada Consumer Affairs Division or the Better Business Bureau, to find out if the company has received complaints.
- Get all warranty information with all conditions in writing before you sign up or send money.
- Do not give your personal identifying or financial information over the phone.

A WARRANTY IS AN INVESTMENT - LEARN WHAT YOU ARE BUYING:

Even if all the information is positive, often a warranty is a bad investment, because the cost of a warranty may exceed the cost of likely repairs. The Attorney General's Bureau of Consumer Protection suggests that you ask these additional questions to help determine if you are making a wise investment:

- Who backs the service contract? The telemarketer may be a broker, not the provider.
- What is the cost and how much is the deductible? These will vary by type of car, age and mileage of the car and length of contract.
- What is covered and not covered? For example, "normal wear and tear" may be excluded and wear and tear may be considered to include much that may go wrong.
- How are claims handled? It is important to know where you can get service and whether you need prior authorization.
- What are your responsibilities? Some extended warranties require rigid compliance with a manufacturer's recommended maintenance.
- What is the length of the service contract? It is important to know the duration of the contract and whether it is affected if the car is sold.

ARE YOU GETTING UNWANTED WARRANTY SOLICITATION PHONE CALLS?

If you haven't registered your Nevada telephone number yet and would like to, register under both the Nevada and Federal laws for free at the national do not call registry's web site, www.donotcall.gov. If you prefer, you can also register by calling toll free (888) 382-1222.

WANT TO MAKE A COMPLAINT?

If your Nevada number has been registered on the national do not call registry for at least 31 days, you may file a complaint if you receive a call from a non-exempt telemarketer. To file a complaint, visit the national do not call registry web site at www.donotcall.gov and select the "File A Complaint" button. If you prefer, you can also file a complaint by calling toll free (888) 382-1222. In filing a complaint, you need to provide the telemarketer's name or phone number, the date the telemarketer called you, and your registered phone number.

If you believe you have been a victim of a fraud, please contact the Consumer Affairs Division, part of the Nevada Department of Business and Industry, in Northern Nevada (including Reno) at (775) 688-1800, and in Las Vegas at (702) 486-7355.

For other valuable consumer protection information, please visit the Bureau of Consumer Protection website, www.ag.state.nv.us/org/bcp/education.htm and/or the State of Nevada's general fraud information website, www.fightfraud.nv.gov

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FOR IMMEDIATE RELEASE
DATE: Wednesday March 5, 2008

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LAS VEGAS DOCTOR GUILTY OF MURDER IN DEATH OF A PATIENT

Las Vegas, NV – Attorney General Catherine Cortez Masto announced today that a Las Vegas jury has found Dr. Harriston L. Bass guilty of one count of second degree murder, 49 counts of sale of a controlled substance and six counts of possession for sale of a controlled substance. Dr. Bass was arrested and charged in December 2006 following a six month investigation.

"Dr. Bass put his own interests ahead of the well-being of his patients. This led to the death of one patient. The jury properly determined that Dr. Bass should be held accountable for his actions," said General Masto. "Chief Deputy Attorney General Conrad Hafen and his staff should be commended for their excellent work in this case."

The case originated with the Nevada Pharmnet Task Force under Detective Jennifer Reubart and Lt. Matt Alberto with the Nevada Division of Investigations, who referred the case to the Nevada Attorney General's Bureau of Criminal Justice for prosecution.

"Justice was done in this case based on the facts and evidence," said Hafen. "The defendant chose to be a drug dealer instead of a responsible medical doctor."

Sentencing has not been scheduled at this time. Dr. Bass, 53, of Las Vegas, could be sentenced for 10 years to life or 10 years to 25 years in the Nevada Department of Corrections with the possibility of parole after 10 years. As to the Sale of a Controlled Substance counts, Dr. Bass could be sentenced from 1-5 years in the Nevada Department of Corrections on each count and fined up to \$10,000. The Possession for Sale of a Controlled Substance charge carries a possible sentence of 1-4 years in the Nevada Department of Corrections and a fine of up to \$5,000.

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FOR IMMEDIATE RELEASE
DATE: Thursday, March 6, 2008

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[The Nevada Attorney General's Office has joined a group of federal, state and local government agencies and national consumer advocacy organizations to launch the Tenth Annual National Consumer Protection Week ("NCPW"), March 2-8, 2008. NCPW highlights consumer education efforts in the fight against fraud in communities across the nation. This year's NCPW theme is *Financial Literacy: A Sound Investment* and is intended to encourage consumers to empower themselves to make smarter decisions about managing their money and building a solid financial foundation. As part of this year's NCPW, the Attorney General's Bureau of Consumer Protection is issuing a daily press release regarding issues particularly relevant to Nevada consumers. More information about NCPW is also available at www.consumer.gov/ncpw. Thank you for your assistance in promoting this important event.]

ATTORNEY GENERAL WARNS CONSUMERS TO BEWARE OF "FREE TRIAL" AND "SPECIAL" OFFERS

Las Vegas, NV-- The Attorney General's Bureau of Consumer Protection, under the direction of Consumer Advocate Eric Witkoski, today issued the following consumer advisory with important information concerning "free trial offers" that often result in unexpected and unwanted charges for products and services.

The two State agencies that handle consumer complaints concerning deceptive trade practices, the Attorney General's Bureau of Consumer Protection and the Nevada Consumer Affairs Division, are experiencing a significant increase in the number of consumers complaining about unauthorized withdrawals from their bank accounts after signing up for "free trial" or "special" product offers. These consumers are often shocked to learn that their financial institutions allowed debits without their express permission, but, more often than not, it turns out the consumers unwittingly agreed to the withdrawal of funds under the terms of the offer.

Companies often use "free trial" or "special" offers to promote their products—everything from weight loss products, to club memberships, to credit card protection plans, and more. The e-mail, mail, and telephone offers often convince a consumer to agree to a small purchase or to pay shipping costs. To make this payment, the consumer is required to supply a bank account number, and the company uses the account information to perform what is called a demand draft on the account.

When dealing with a reputable business or company that you trust, a demand draft can be a time-saving and efficient method of payment. Problems arise, however, when consumers end up being charged more than they expected. Many consumers report that their intended one-time purchases resulted instead in monthly drafts to their accounts and often for amounts significantly greater than the original trial offer.

Contained in the fine print of a trial offer's terms and conditions, which, for online offers, can easily be "accepted" without ever being viewed as a consumer moves from screen to screen, is language that will turn a trial offer into a long-term offer unless the consumer cancels the contract within a certain period of time, sometimes as short as 14 days from the time the order is placed. And, in many cases, consumers report that it is difficult, if not impossible, to reach the company to cancel the trial offer within the allotted time.

The Attorney General's Bureau of Consumer Protection advises consumers to think very carefully—and proceed slowly—when considering a trial or special offer of any product. Consumers should avoid whenever possible providing financial information to, or making purchases from, any unsolicited contacts. And, even if the offer or product sounds legitimate, consumers are advised to seek independent information about the company.

Consumers who are still interested in doing business with a company after doing independent research are advised to read any agreement carefully before signing. Particular interest should be paid to the cancellation terms, and consumers need to make sure they understand whether they are authorizing a one-time charge or a recurring charge. Initial purchases may be free or just a few dollars, but consumers should know the amount they will be charged after the trial or special offer has expired.

Consumers who have a problem with canceling a trial offer, or are unable to obtain a refund from a company following a canceled trial offer, may contact the Attorney General's Bureau of Consumer Protection at (702) 486-3194 in Las Vegas or (775) 684-1180 in Carson City. A complaint form, as well as other valuable consumer protection information, is also available on the Attorney General's website at www.ag.state.nv.us.

For other valuable consumer protection information, please visit the Bureau of Consumer Protection website, www.ag.state.nv.us/org/bcp/education.htm and/or the State of Nevada's general fraud information website, www.fightfraud.nv.gov

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[The Nevada Attorney General's Office has joined a group of federal, state and local government agencies and national consumer advocacy organizations to launch the Tenth Annual National Consumer Protection Week ("NCPW"), March 2-8, 2008. NCPW highlights consumer education efforts in the fight against fraud in communities across the nation. This year's NCPW theme is *Financial Literacy: A Sound Investment* and is intended to encourage consumers to empower themselves to make smarter decisions about managing their money and building a solid financial foundation. As part of this year's NCPW, the Attorney General's Bureau of Consumer Protection is issuing a daily press release regarding issues particularly relevant to Nevada consumers. More information about NCPW is also available at www.consumer.gov/ncpw. Thank you for your assistance in promoting this important event.]

ATTORNEY GENERAL ADVISES CONSUMERS TO KNOW THEIR RIGHTS REGARDING ELECTRONIC PAYMENTS

Carson City, NV--The use of electronic transactions to pay for goods or services has become an ingrained part of everyday commerce. Consumers may now simply swipe a card at the check stand, provide credit card information over the computer, or even provide checking account information over the telephone to pay utility bills. The convenience of electronic payments is so popular that cash transactions are becoming less and less common.

However, the ease of electronic payments has made them very popular for thieves as well. The Nevada Attorney General's Bureau of Consumer Protection would like to take this opportunity to explain how electronic payments can be used by thieves to steal your money, what to do if your money is electronically stolen, and how to protect yourself.

Historically, electronic payments have been preauthorized arrangements between payors and payees, which allow for payment transactions to be paid through the use of the transmittal of account information. By presenting a credit card or using a debit machine, the customer can instantly pay for goods or services at the "point of service." More recently, new electronic payment methods have emerged – known collectively as "electronic checks" or "e-checks" – most of which, unlike traditional credit card payments or paper checks, require no signature to show authorization. This type of transaction occurs when the customer verbally provides

the merchant checking account information and the merchant simply creates an “electronic check” or “demand draft” which is presented to the customer’s bank for payment. Sometimes merchants convert paper checks to electronic checks at the time of purchase, by simply entering the bank account information at the check stand. This allows the merchant to receive payment immediately, eliminating the need to wait for payment until the check clears (the “float time”), and to receive immediate notice if there are insufficient funds in the customer’s checking account. Automatic debiting of your checking account can be a legitimate payment method; many people pay mortgages or make car payments this way.

This system of electronic payments is made possible by the creation of the Automated Clearing House or ACH Network. The ACH Network is made up of three major groups. The first are the banks which hold the customers’ accounts. The second are automated clearing houses, which are the middle men who gather the electronic payment demands and present them to the banks and then receive the requested funds back from the banks. The third group is the independent service organization which contracts with merchants to provide the electronic equipment and the contacts with the ACH network to make the transactions possible.

But this system is being abused by fraudulent business operations such as telemarketers, sweepstakes scams, or even persons sitting at computers in Nigeria. The information needed to complete electronic transfers simply consists of numbers which can be stolen, collected, and purchased over the internet. Like a counterfeit signature, once the thieves have it, no one will question the transaction. But the consumer has rights whenever an illegal or unauthorized electronic transaction is made.

If you should discover a transaction you do not recognize on your credit card statement or checking account statement, you should contact your financial institution immediately and tell them you believe that the electronic funds transfer reported on your account statement was not properly authorized or is otherwise incorrect. Depending on the timing and the circumstances, you may be able to get your money back.

Consumers have protections under a federal law, known as the Electronic Fund Transfer Act, for an unauthorized or incorrect electronic fund transfer. But there are time limits and you need to act fast. When you discover an unauthorized transaction, call your financial institution immediately if possible, but no later than 60 days from the date the first statement that you think shows an error was mailed to you. Give your name and account number and explain why you believe there is an error, what kind of error, and the dollar amount and date in question. If you call, you may be asked to send this information in writing within 10 business days. The financial institution must promptly investigate an error and resolve it within 45 days.

If the financial institution takes longer than 10 business days to complete its investigation, generally it must put back into your account the amount in question while it finishes the investigation. The financial institution must notify you of the results of its investigation. If there was an error, the institution must correct it promptly by crediting your account, which returns the money. If you do not report an unauthorized transfer that appears on your statement within 60 days after the statement is mailed to you, you risk unlimited loss on transfers made after the 60-day period. That means you could lose all the money in your account plus your maximum overdraft line of credit, if any.

When the financial institution refunds your money, that transaction is called a “charge back.” The number of “charge backs” against a merchant is monitored. If the number of charge

backs reaches a certain level, the banks and the ACH Network are notified that there is a problem with the merchant. This might result in the revocation of the merchant's ability to use the ACH Network to make electronic payments in the future.

Because all a thief needs to make an electronic transaction is your bank account and routing information, you should follow the same warning for your checking account information that applies to your credit card number - do not give out checking account information over the phone unless you are familiar with the company and agree to pay for something. Remember, if you give your checking account number over the phone to a stranger for "verification" or "computer purposes," that person could use it improperly and withdraw money from your checking account. Some simple precautions should help protect you:

- ✓ Don't give out your checking account number or credit card information over the phone or over the internet unless you initiated the call or transaction, you know the company and trust the company to receive this important information.
- ✓ Review you bank and credit card statements immediately after you receive them and call your financial institution immediately if you suspect a problem. This also applies to your telephone bills; thieves can use your telephone number to electronically bill you.
- ✓ If you discover an unauthorized transaction on your bank statement, credit card statement or telephone bill, file a complaint with the Nevada Attorney General's Bureau of Consumer Protection.

If you would like further information or believe you have been a victim of a fraudulent transaction, you may contact the Attorney General's Bureau of Consumer Protection at (702) 486-3194 in Las Vegas or (775) 684-1180 in Carson City. A complaint form, as well as other valuable consumer protection information, is also available on the Attorney General's website at www.ag.state.nv.us.

For other valuable consumer protection information, please visit the Bureau of Consumer Protection website, www.ag.state.nv.us/org/bcp/education.htm and/or the State of Nevada's general fraud information website, www.fightfraud.nv.gov

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FOR IMMEDIATE RELEASE
DATE: Tuesday, March 4, 2008

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[The Nevada Attorney General's Office has joined a group of federal, state and local government agencies and national consumer advocacy organizations to launch the Tenth Annual National Consumer Protection Week ("NCPW"), March 2-8, 2008. NCPW highlights consumer education efforts in the fight against fraud in communities across the nation. This year's NCPW theme is *Financial Literacy: A Sound Investment* and is intended to encourage consumers to empower themselves to make smarter decisions about managing their money and building a solid financial foundation. As part of this year's NCPW, the Attorney General's Bureau of Consumer Protection is issuing a daily press release regarding issues particularly relevant to Nevada consumers. More information about NCPW is also available at www.consumer.gov/ncpw. Thank you for your assistance in promoting this important event.]

ATTORNEY GENERAL WARNS SENIORS TO GET THE FACTS BEFORE CONSIDERING A "REVERSE" MORTGAGE

Las Vegas, NV-- The Attorney General's Bureau of Consumer Protection, under the direction of Consumer Advocate Eric Witkoski, today issued the following consumer advisory with important information concerning "reverse" mortgages, which allow homeowners to convert some or all of the equity in their homes to cash.

Many older Americans are turning to "reverse" mortgages to convert equity in their homes to cash, in order to supplement their retirement income, pay for health care expenses, finance home improvements, and meet a myriad of other monetary needs. To qualify for most reverse mortgage, borrowers must be at least 62 years old and live in the home subject to the mortgage. Unlike a "regular" mortgage, however, where the loan comes with the obligation to repay it in monthly installments right away, a "reverse" mortgage generally does not have to be paid back as long as the borrower remains in the home.

As with anything that sounds too good to be true, however, there is a catch. Although seniors are generally not required to repay these loans as long as they are living and remain in their homes, once they pass away or permanently leave their homes, the property essentially belongs to the lender. Under a typical arrangement, the lender places a lien on the property in exchange for the cash it provides to the borrower, which allows the lender to recoup the loan, fees and interest, by selling the home after it is vacated. This will significantly reduce or eliminate the inheritance that would have otherwise gone to the borrower's surviving loved

ones. As with all matters involving their homes, seniors should get all the facts and carefully consider the fine print before accepting the terms of a reverse mortgage.

The Attorney General's Bureau of Consumer Protection reminds seniors that whether a reverse mortgage is right for you is a big question. Consider all of your options. You may qualify for less costly alternatives. Please contact the following organizations for more information:

AARP Foundation

601 E Street, NW
Washington, DC 20049
1-800-209-8085
www.aarp.org/revmort/list

U.S. Department of Housing and Urban Development (HUD)

451 7th Street, SW
Washington, DC 20410
1-888-466-3487
www.hud.gov/offices/hsg/sfh/hecm/rmtopten.cfm

Federal Trade Commission

Consumer Response Center
600 Pennsylvania Avenue, NW
Washington, DC 20580
1-877-FTC-HELP (1-877-382-4357)
www.ftc.gov/bcp/menus/consumer/credit.shtm -- click on "Mortgages & Your Home"

Finally, seniors who believe they may have encountered a reverse mortgage scam should immediately contact the Attorney General's Bureau of Consumer Protection at (702) 486-3194 in Las Vegas or (775) 684-1180 in Carson City. A complaint form, as well as other valuable consumer protection information, is also available on the Attorney General's website at www.ag.state.nv.us.

For other valuable consumer protection information, please visit the Bureau of Consumer Protection website, www.ag.state.nv.us/org/bcp/education.htm and/or the State of Nevada's general fraud information website, www.fightfraud.nv.gov

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FOR IMMEDIATE RELEASE
DATE: Wednesday March 19, 2008

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nimoon@ag.state.nv.us

ATTORNEY GENERAL MASTO ANNOUNCES MARCH RURAL ROAD TRIP

Carson City, NV – Nevada Attorney General Catherine Cortez Masto will embark on her second “Rural Road Trip” to visit the rural communities in southern Nevada. The trip begins Monday March 24, 2008. The theme of the trip is “Putting Nevada’s Families First”. The Attorney General will be accompanied on the trip by staff members with professional expertise to discuss the challenges faced by Nevada’s rural communities and how the Attorney General’s Office plans to help address those challenges.

“The purpose of these trips is to get out of the office and meet face-to-face with residents, to hear about their concerns and talk about what our office can do to help out,” said General Masto. “We’d do a disservice to our rural residents if we focus our efforts just on Nevada’s urban areas. Our rural communities deserve our time and attention as well.”

This trip is Masto’s second “road trip” to Nevada’s rural communities since coming into office. In September 2007, General Masto and staff members traveled through communities along the eastern part of the state and I-80 corridor in northern Nevada. A third road trip is planned for fall 2008.

An itinerary for the trip and more information is available on the Attorney General’s Office website at: <http://ag.state.nv.us>

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FOR IMMEDIATE RELEASE
DATE: Friday March 28, 2008

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njmoon@ag.state.nv.us

JUDGE RULES IN FAVOR OF STATE CHILD & FAMILY SERVICES OFFICIALS

Reno, NV – Nevada Attorney General Catherine Cortez Masto announced today that the United States District Court, in and for the District of Nevada, entered an order granting summary judgment in favor of state officials from the State's Division of Child and Family Services in the case of *Barragan v. Landry*.

The case concerned the removal of 30 children by state officials from an unlicensed boarding school in White Pine County, Nevada. Several parents had sued state officials claiming the removal violated their constitutional rights and the rights of their children.

Federal district court judge Larry Hicks found that, based on information state officials had received from their investigation of the boarding school, there was reason to believe the children were in threat of serious bodily injury and the decision to remove the children was reasonable. Judge Hicks noted that had the state officials "failed to investigate the boarding school or intervene with the custody of the students, they would have been in contravention of their statutory duties, since child abuse and neglect was suspected and later substantiated."

Deputy Attorney General Andrea Nichols said, "The evidence before state officials was quite startling. So, I am pleased with the Judge's ruling because it affirms what officials from the Division of Child and Family Services had always believed: They were trying to protect the children."

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FOR IMMEDIATE RELEASE
DATE: Tuesday April 1, 2008

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(775) 230-3360 (cell)
njmoon@ag.state.nv.us

HEALTHCARE WORKER SENTENCED FOR MEDICAID FRAUD

Las Vegas – Attorney General Catherine Cortez Masto announced today that Las Vegas Dianna Smith, age 48, was sentenced for a Gross Misdemeanor violation of Medicaid Fraud. District Court Judge Stewart L. Bell sentenced her to 90 days in jail, suspended; payment of \$6,500 in restitution, penalties, and costs; serve 3 years probation plus 80 hours of community service. The case was investigated and prosecuted by the Attorney General's Medicaid Fraud Control Unit (MFCU).

MFCU Director, Tim Terry, stated that the investigation began in 2006 as a result of a citizen's complaint. The charges stemmed from a record review of home care services Ms. Smith alleged to have performed. Investigators discovered that while she was employed at a full time job she was also submitting time sheets indicating she was providing home care services to Medicaid recipients.

Attorney General Cortez Masto said, "The most unfortunate aspect of this case was that Medicaid recipients were not provided their care as approved by the system. The continued prosecution of these types of cases is sending a message to the health care community that fraudulent activities involving Medicaid recipients will not go unpunished."

The Nevada Attorney General's Medicaid Fraud Control Unit investigates and prosecutes instances of financial fraud by those providing healthcare services or goods to Medicaid patients. The unit also investigates and prosecutes elder abuse or neglect. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. Medicaid fraud information can also be found on the Attorney General's web site: <http://ag.state.nv.us>

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Bureau of Consumer Protection

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FOR IMMEDIATE RELEASE
DATE: April 1, 2008

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ATTORNEY GENERAL ADVISES NEVADANS ABOUT THEIR RIGHTS UNDER FORECLOSURE LAWS

Las Vegas, NV— Attorney General Catherine Cortez Masto wishes to advise Nevadans about their rights, under laws enacted in 2007, pertaining to pending foreclosures of their homes.

Due to the increasing number of homeowners facing foreclosure in Nevada, the Attorney General's Bureau of Consumer Protection wants homeowners to have the information they need to avoid becoming a victim of a foreclosure rescue scam.

If you hire a foreclosure consultant, be aware that, pursuant to Nevada Revised Statutes ("NRS") 645F.400, a foreclosure consultant cannot claim, demand, charge, collect or receive any compensation until after he has fully performed each covered service that he contracted to perform or represented he would perform. Any charge for services must also be fully disclosed to a homeowner. A foreclosure consultant cannot demand compensation for services in the form of any assignment of a homeowner's wages, a lien on real or personal property, assignment of a homeowner's equity, or other interest in a residence in foreclosure.

Consumers may contact the Attorney General's Bureau of Consumer Protection about home foreclosure "rescue" scams at (702) 486-3194 in Las Vegas or (775) 684-1180 in Carson City. A complaint form, as well as other valuable information on consumer protection, is also available on the Attorney General's website at www.ag.state.nv.us.

OTHER HELPFUL LINKS:

For foreclosure help in Nevada: <http://foreclosurehelp.nv.gov/ForeclosureScams.html>
Nevada 2-1-1 offers foreclosure assistance for Nevada consumers. Call 211.
Consumer Credit Counseling Service: 1-800-451-4505

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FOR IMMEDIATE RELEASE
DATE: Monday May 5, 2008

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MASTO TO JOIN ATTORNEYS GENERAL AT ENERGY SUMMIT

Carson City, NV – Nevada Attorney General Catherine Cortez Masto traveled today to Coeur d'Alene, Idaho to participate in the nation's first Energy Summit for state Attorneys General. "Our nation's Attorneys General are working together so that we can best advise our states on the issues of energy regulation and transfer and use," said Attorney General Masto.

Attorney General Masto will moderate a panel at the conference discussing energy transfer. The panel, "Bringing Energy to the Market: Pipelines & Transmission Lines," features speakers from the US Department of Energy and industry experts.

The two-day summit will include a number of experts and industry representatives, including Shell Oil Company President John Hofmeister, regulators from the U.S. Department of Energy, representatives of the oil, natural gas, coal and automotive sectors, as well as specialists in economic, financial and scientific aspects of energy.

As energy prices rise to record levels and demand continues to climb, the Attorneys General will undertake a comprehensive discussion of their legal roles and responsibilities in the development of this country's energy sources. "The rising cost of gas and energy is a topic of great concern for all Nevadans," said Attorney General Masto.

National Association of Attorneys General President and Idaho Attorney General Lawrence Wasden will host the conference, May 5-7. The conference will include discussions with the states' chief legal officers, energy industry representatives, federal regulators, environmentalists and other advocacy groups to address growing consumer concerns and the impact on state resources. The meeting will address the complex mix of competing values that dominate every part of the energy field: reliability, resource use, emissions, sustainability and long-term environmental impact.

Other topics included on the agenda are: nuclear energy; emissions and their influence on state energy solutions; the development of new energy sources; global climate change and the law; regulation and deregulation of energy markets; current and future energy demands; energy delivery methods; and, alternative fuels.

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FOR IMMEDIATE RELEASE
DATE: Wednesday May 7, 2008

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TEMPORARY RESTRAINING ORDERS AGAINST DRS DESAI & CARERERA EXTENDED

Las Vegas, NV - Attorney General Catherine Cortez Masto announced today that the temporary restraining orders enjoining Dr. Dipak Desai and Dr. Eladio Carrera from practicing medicine have been extended by agreements between the parties. As a result, neither Dr. Desai nor Dr. Carrera can currently practice medicine.

"Public protection is a vital concern for all Nevadans" said Attorney General Masto. "This is an important first step. My office will continue to pursue those individuals who have caused this health crisis and hold them accountable for their actions."

Dr. Dipak Desai has agreed to extend the Temporary Restraining Order through the completion of the disciplinary proceedings brought by the State Board of Medical Examiners. Dr. Eladio Carrera has agreed to extend the Temporary Restraining Order until a hearing can be held on July 16, 2008.

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FOR IMMEDIATE RELEASE
DATE:
Wednesday, May 7, 2008

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Sr. Deputy Attorney General
(702) 486-3194 main

DEFENDANT TO SERVE 8 to 20 YEARS MINIMUM IN CONNECTION WITH PRO BOWL TICKET SCAM

Las Vegas, NV— Attorney General Catherine Cortez Masto announced today that District Court Judge Kathy Hardcastle has sentenced **Mitchell Adam Chirchick, 40, of Las Vegas**, in connection with the sale of bogus travel packages to the NFL's 2007 Pro Bowl in Honolulu, Hawaii.

Chirchick, who pled guilty to three counts of Felony Theft of Property in Excess of \$2,500, was sentenced to consecutive terms of 4 to 10 years on Counts One and Two. Chirchick received an additional 4- to 10-year term on the third count, but it will be served concurrently with Count 2. Chirchick was also ordered to pay restitution to over 300 victims in accordance with amounts determined by the Nevada Department of Parole and Probation.

Senior Deputy Attorney General Robert Giunta, who prosecuted the case, stated there was overwhelming evidence of the crimes committed by Mr. Chirchick that led to the plea agreement in March of this year. Further, Mr. Chirchick perpetrated other travel package fraud while released from custody on this case. According to authorities in Central California, Chirchick began to sell other Pro Bowl type travel packages while out of custody in this case.

Attorney General Masto stated, "Our office works diligently and in cooperation with other agencies against such companies that harm Nevada consumers." "We believe that this sentence fits the crimes in this case and should discourage others from such fraudulent scams."

The investigation into Chirchick's activities, which was conducted jointly by the Attorney General's Bureau of Consumer Protection and the Nevada Consumer Affairs Division, revealed that the money paid by the victims did not go toward the purchase of airfare, lodging or game tickets. Instead, Chirchick diverted the funds for his personal use.

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FOR IMMEDIATE RELEASE
DATE: Tuesday June 3, 2008

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ATTORNEY GENERAL MASTO PETITIONS SUPREME COURT IN TERM LIMIT CHALLENGES

Carson City, NV - Attorney General Catherine Cortez Masto today petitioned the Nevada Supreme Court in an effort to resolve the term limit challenges facing many candidates for public office throughout the state.

In 1996, Nevadans approved a constitutional amendment limiting the terms of service for certain public officers to twelve years.

Article 15, Section 3 of the Nevada Constitution states, "No person may be elected to any state office or local governing body who has served in that office, or at the expiration of his current term if he is so serving will have served, 12 years or more, unless the permissible number of terms or duration of service is otherwise specified in this Constitution."

"The will of the voters is clear from the results of two general elections," Attorney General Masto wrote in her brief.

"The voters added term limits to Nevada's Constitution to restrict the service of officials to twelve years. While the service of Nevada's devoted officials must be applauded, the voters' will must be faithfully enforced.

The candidates and the voters who may elect them need to know with certainty that candidates will not be barred by the Constitution from serving additional terms of service," Masto wrote.

The formal filing with the Supreme Court today was an Emergency Petition for Writ of Mandamus on behalf of Secretary of State Ross Miller compelling respondents Dan Burk, Registrar of Voters for Washoe County; Harvard L. Lomax, Registrar of Voters for Clark County; and Kelly G. Helton, Churchill County Clerk to perform their ministerial duty by excluding from their respective ballots the names of certain candidates who are precluded by the Nevada Constitution from serving additional terms of service.

In an affidavit submitted with the court filing, Secretary of State Miller stated that the ballots for the primary and general elections must be prepared in a sufficient amount of time prior to the election dates of August 12, 2008, and November 4, 2008, in order to have the ballots finalized for the voting machines and for the mailing of absentee and sample ballots.

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FOR IMMEDIATE RELEASE
DATE: Wednesday June 4, 2008

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NEVADA SEEKS REJECTION OF DOE'S YUCCA MOUNTAIN LICENSE APPLICATION

Carson City, NV – Attorney General Catherine Cortez Masto and the Nevada Agency for Nuclear Projects announced today that the State has filed a formal petition asking the Nuclear Regulatory Commission (NRC) to reject the Department of Energy's (DOE) application for license to build a nuclear waste repository at Yucca Mountain.

DOE filed its long-anticipated Yucca License Application (LA) with the NRC on June 3, 2008. As expected, that application is seriously – even fatally – deficient. Some of the more glaring deficiencies include:

- Lack of a final radiation health protection standard against which DOE's proposed repository is to be evaluated. This factor alone is enough to have the application declared premature and immediately rejected.
- Lack of final NRC repository licensing regulations.
- Absence of a final design for the repository.
- Absence of final design information for the multi-purpose canister system that is intended to store, transport and dispose of spent fuel.
- Reliance on engineered barriers (thousands of titanium drip shields) for meeting health and safety standards that DOE does not intend to install in the repository until 300 years after waste has been emplaced, assuming they can be installed at all given the scarcity of titanium and the staggering costs involved.

DOE's Yucca Mountain LA comes at a time when public distrust of DOE is at an all time high. Recent surveys undertaken by Clark County and the State show that more than two thirds of Nevadans strongly distrust DOE.

“After more than 25 years of trying to make Yucca Mountain work by manipulating regulations, covering up flaws, and even falsifying and manipulating data, submission of this fraudulently defective Yucca LA only serves to reinforce and further deepen that distrust,” General Masto said. “As I see it, NRC has no choice but to reject the LA, decline to docket it and return it to DOE. Such action on the part of NRC will avoid unnecessary and wasteful expenditures of resources by NRC Staff and other potential parties who would otherwise be required to initiate a full review of an enormous LA that is hopelessly incomplete and cannot possibly be the subject of a complete or efficient review.”

Attorney General Masto has directed Nevada’s attorneys to immediately file a formal petition with the NRC demanding that DOE’s LA not be docketed and, instead, be returned to DOE until such a time as the missing information can be provided and the requisite rules and regulations governing a Yucca Mountain license are fully in place. The formal petition was filed with the NRC today.

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FOR IMMEDIATE RELEASE
DATE: Friday June 6, 2008

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MASTO JOINS SIX BASIN STATES IN GLEN CANYON DAM LAWSUIT

Carson City, NV - Attorney General Catherine Cortez Masto has announced that the State of Nevada, along with the Colorado River Commission of Nevada and the Southern Nevada Water Authority have joined with six other states to successfully intervene into a lawsuit challenging the operation of the Glen Canyon Dam.

On June 3, 2008, the United States District Court of Arizona granted a joint motion for intervention by the States of Nevada, Arizona, California, Colorado, New Mexico, Utah, and Wyoming, along with the Colorado River Commission of Nevada, the Southern Nevada Water Authority and four other entities, which intervened in support of the Bureau of Reclamation.

Attorney General Masto said, "I am pleased we have been able to work cooperatively with the seven Basin States on this issue of great importance to southern Nevada. The Colorado River provides 90% of southern Nevada's water supply. Our intervention into this litigation is part of our ongoing efforts to secure and protect this vital resource. We are working closely with our neighboring states, the Bureau of Reclamation, and other stakeholders in managing the river as a sustainable resource while protecting our water supply."

On December 7, 2007, Grand Canyon Trust, a non-profit conservation organization, filed a lawsuit against the Bureau of Reclamation and its Commissioner challenging the operation of the Glen Canyon Dam. The suit claims that Reclamation has violated the Endangered Species Act and other environmental laws by adopting a Colorado River flow regime which the Trust believes negatively impacts endangered fish, destroys their critical habitat, and degrades the natural environment in the Grand Canyon National Park as well as the Glen Canyon National Recreation Area.

Nevada has an interest in the operation of Glen Canyon Dam as it has an effect on power generation and quality of water in Lake Mead. Nevada also has an interest in protecting the current Glen Canyon Adaptive Management Program and the collaborative process for development of the Annual Operating Plan for the Colorado River Reservoirs, whereby the Federal Government consults with Nevada on actions pertaining to the operation and management of the Colorado River system.

Contact Senior Deputy Attorney General Jennifer Crandell at 702-486-2673 for additional information.

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FOR IMMEDIATE RELEASE
DATE: June 11, 2008

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ATTORNEY GENERAL ANNOUNCES COLLECTION OF MORE THAN \$1.8 MILLION TO BE SUBMITTED TO THE STATE GENERAL FUND

Las Vegas, NV— Attorney General Catherine Cortez Masto announced today that her office has succeeded in collecting in excess of \$1.8 million, due to favorable outcomes of various deceptive trade and antitrust actions. The amounts collected involve the recovery of various settlements and fees that will be placed in the State of Nevada's general fund.

"I am pleased to report my office's collection of the fees and settlements that will benefit the general fund at this critical time," said Masto. "I recognize that there is more work to be done, but I believe such funds will benefit the State."

The total amount is an accumulation of fees and costs recovered from various cases that the office has pursued, including actions on which the Nevada Attorney General's office cooperated with other State Attorneys General. The Nevada Attorney General's office undertook numerous actions to prosecute violations of the Deceptive Trade Practices Act (Chapter 598 of the Nevada Revised Statutes) and antitrust laws.

The cases include actions involving AOL (action to resolve complaints concerning customer service), Warner Chilcott (antitrust action to make less costly generic version of drug available), Guidant Corporation (action concerning defective implantable cardioverter defibrillators), Barr Pharmaceuticals (antitrust action to make less costly generic version of drug available), Caremark (deceptive trade practices action to lower consumers' costs of drugs) and Merck (investigation concerning deceptive promotion of Vioxx).

Additional information can be found on the Attorney General's web site at <http://ag.state.nv.us> and at (702) 486-3194.

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FORECLOSURE PREVENTION RESOURCE CENTER

Hosted by:
HOPE NOW Alliance

NeighborWorks® America

Office of the Nevada Attorney General
Catherine Cortez Masto

Office of the Nevada Treasurer
Kate Marshall

Office of United States Senator
Harry Reid

Participating Counselors / Resources:
Autrition Solutions
Consumer Credit Counseling Service
Fannie Mae
Freddie Mac
U.S. Housing & Urban Development
NAHREP

Participating Lenders:
Aurora
Bank of America
CMS
Citi
Countrywide
EMC
Homecomings Financial
HomEq Servicing
HSBC
Indymac Bank
JP Morgan Chase
Litton Loan Servicing
Nationstar Mortgage
OCWEN
Option One Mortgage
Select Portfolio Servicing
SunTrust Mortgage
Saxon Mortgage Inc.
Washington Mutual
Wells Fargo
Wilshire

CONTACTS:

Reid: Jon Summers / Blair Hinderliter, (202) 224-9521

Masto / Marshall: Nicole Moon, (702) 486-3379

*****MEDIA ADVISORY*****

REID, MASTO, MARSHALL TO HOST FORECLOSURE PREVENTION RESOURCE CENTER

Las Vegas, NV — Nevada Senator Harry Reid, Nevada Attorney General Catherine Cortez Masto, and Nevada Treasurer Kate Marshall are joining to organize a foreclosure prevention resource center to help Nevadans facing the threat of losing their home.

Nevada leads the nation in home foreclosures, to help those on the brink of foreclosure, Reid, Masto, and Marshall have partnered with HOPE NOW Alliance and NeighborWorks America to bring mortgage lenders, housing counselors and other resources together in one place to provide assistance.

Six counseling agencies and more than 20 lenders will be on site to provide one-on-one assistance.

WHO: Representatives of Nevada Senator Harry Reid
Attorney General Catherine Cortez Masto
Treasurer Kate Marshall
HOPE NOW Alliance
NeighborWorks America

WHAT: Foreclosure Prevention Resource Center

WHEN: Friday, June 13, 2008, 10 a.m.- 7 p.m.
Saturday, June 14, 2008, 10 a.m. - 5 p.m.

WHERE: Cashman Center
1st Floor Conference Rooms
850 Las Vegas Boulevard North
Las Vegas, NV 89101

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OFFICE OF THE ATTORNEY GENERAL

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FOR IMMEDIATE RELEASE
DATE: Friday, June 13, 2008

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MASTO ANNOUNCES SETTLEMENT WITH BRAKE TEAM AUTO REPAIR CHAIN

Las Vegas, NV— Nevada Attorney General Catherine Cortez Masto announced today that state government regulators have reached a settlement with The Brake Place d/b/a Brake Team ("Brake Team"). The settlement followed two separate joint undercover investigations by the Attorney General's Bureau of Consumer Protection and the Nevada Consumer Affairs Division in December 2007 and April 2008 targeting five of Brake Team's 11 locations in Clark County.

The investigations were undertaken after receiving complaints of alleged unfair and deceptive trade practices in Brake Team's operation of its automotive repair and maintenance businesses. This settlement is the largest to date involving an Attorney General undercover investigation of the Nevada automotive repair industry.

As part of the statewide settlement, Brake Team has agreed to pay cash restitution to individually named consumers who filed sworn complaints following the initial press conference and has agreed to perform a free brake service for 2,500 consumers who have had any repair services totaling at least \$400.00 since June 13, 2007 at any Brake Team location in Nevada. Additionally, Brake Team has agreed to pay \$45,000 in fines and penalties including civil penalties in the amount of \$37,500.00 for deceptive trade practices toward an elderly person, who served as one of the State's decoys during the investigation.

The undercover investigation in April 2008 resulted in allegations that Brake Team violated state laws by: (1) failing to comply with an agreement concerning an alleged deceptive trade violation; (2) advertising goods and services with the intent not to sell them as advertised; (3) making a false representation in a transaction; (4) falsely stating that services, replacement parts, or repairs are needed; (5) violating a state statute regulating the sale of goods or services by failing to perform repairs in accordance with the vehicle manufacturers' specifications; and (6) violating a state statute regulating the sale of goods or services by failing to perform repairs in accordance with the written estimate.

“This settlement is significant, not only for the number of consumers for whom relief will be provided, but also because it sends a message to the Nevada automotive repair industry that they must abide by consumer protection laws because state regulators are watching,” Masto said. “Abuses by the automotive repair industry, especially by those shops that harm elderly consumers, have been and will continue to be a priority for consumer protection advocates; this settlement represents a major victory in this ongoing effort,” Masto added.

The full terms of the settlement require Brake Team to:

- Revise its employee compensation structure to reduce any incentive to sell unnecessary parts and services;
- Obtain membership in the Automotive Maintenance and Repair Association;
- Train store personnel in the Motorist Assurance Program Uniform Inspection & Communication Standards;
- Institute mandatory ethics training seminars for its sales and management personnel;
- Hire a Technical Quality Assurance Manager;
- Test all brake repair technicians to ensure that they have practical, basic brake repair proficiency;
- Pay for technicians to test for Automotive Service Excellence certification;
- Implement and maintain internal quality assurance controls;
- Perform an annual cost of goods sold audit at each of its Nevada locations;
- Provide a “whistleblower” or “fraud” hotline for its employees;
- Implement a quarterly technical mystery shopper program;
- Perform a free brake service for 2,500 consumers;
- Pay restitution to individually named consumers; and
- Pay fines and penalties of \$45,000, including enhancements for an elderly person.

Consumer notification of their eligibility for restitution is being finalized and will be announced at a later date.

For other valuable consumer protection information, please visit the Bureau of Consumer Protection website, www.ag.state.nv.us/org/bcp/education.htm and/or the State of Nevada’s general fraud information website, www.fightfraud.nv.gov

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FOR IMMEDIATE RELEASE
DATE: Thursday June 19, 2008

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MASTO AND NEVADA STATE COLLEGES & UNIVERSITIES ANNOUNCE ADOPTION OF STUDENT LOAN CODE OF CONDUCT

Reno, NV - Attorney General Catherine Cortez Masto and University Chancellor Jim Rogers announced today that the Nevada System of Higher Education has adopted and agreed to abide by the Nevada Student Loan Code of Conduct. The Code was designed to assure students and their parents have adequate information and protection when choosing a lender.

The Attorney General's Office has been working closely with representatives of NSHE over the past several months to outline the goals of the Code of Conduct and to develop the final written Code. Among the ten provisions listed in the Code, colleges and universities are prohibited from receiving anything of value from any lending institution in exchange for preferential treatment. In addition, on all "preferred lender lists," colleges must fully disclose the criteria and process used to select preferred lenders.

"Students and parents deserve full disclosure when making important financial decisions about student loans," said Attorney General Masto. "This partnership will help current and future Nevada university students and their families by ensuring they have adequate information and protection when choosing a lender. "

"What this does is codify that our colleges and universities are committed to helping students find the best financial aid options available to them, in the most transparent and affordable manner possible" said Vice Chancellor of Academic and Student Affairs Jane Nichols.

Masto applauded the NSHE for its dedication to Nevada's college students, and expressed appreciation to the Attorney General's Bureau of Consumer Protection for working with the NSHE in the drafting and execution of the final Code document.

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FOR IMMEDIATE RELEASE
DATE: June 23, 2008

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NEVADA COUNCIL FOR THE PREVENTION OF DOMESTIC VIOLENCE TO MEET IN LOVELOCK

Reno—The Nevada Council for the Prevention of Domestic Violence (NCPDV) will hold its next meeting at 10 a.m. on June 24, 2008, at the Lovelock Community Center located at 820 6th Street in Lovelock, NV. The NCPDV, chaired by Attorney General Catherine Cortez Masto, will be discussing along with other pertinent issues the need for improvements in domestic violence assistance and prevention efforts among the underserved and rural populations of Nevada.

The NCPDV, whose mission is to encourage the elimination of domestic violence and sexual assault in Nevada, has been the statewide coordinating Council since 1995. The NCPDV has played an instrumental role in providing guidance and direction to many agencies and groups in the state for domestic violence prevention programming, policies and funding. The NCPDV encourages the implementation of programs that promote domestic violence prevention, and the development of coordinated community responses that enhance victim safety and strengthen offender accountability.

The NDVPC consists of about 25 individuals from throughout Nevada who represent a variety of disciplines and systems, including law enforcement, the judiciary, prosecution, victim services, health care, education and others. Survivors of domestic violence are also members of the Council.

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FOR IMMEDIATE RELEASE
DATE: Wednesday, June 25, 2008

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HEALTHCARE WORKER SENTENCED FOR MEDICAID FRAUD

Las Vegas – Attorney General Catherine Cortez Masto announced today that Las Vegas Toni Griffin, age 34, was sentenced for Medicaid Fraud. Griffin pled guilty to a gross misdemeanor offense: Failure to Maintain Adequate Records. District Court Judge Sally Loehrer sentenced her to 60 days in jail, suspended, payment of \$2,870.00 in restitution, penalties, and costs, serve 3 years probation, plus 16 hours of community service per month. The case was investigated and prosecuted by the Attorney General's Medicaid Fraud Control Unit (MFCU).

Attorney General Cortez Masto said "Though the financial loss in this case appears small, the continued prosecution of this type of crime is sending a message to the health care community that fraudulent activities involving Medicaid recipients will not go unpunished."

MFCU Director, Tim Terry, said the investigation began in 2007 after information was obtained that personal care aid services were not being provided to a Medicaid recipient. Medicaid has a personal care aid program to keep people living independently in their own homes by providing basic services, including bathing, dressing, cleaning, and meal preparation. Medicaid contracts with home care companies that in turn employ individuals to provide the actual day-to-day care. The investigation developed information that Griffin was not at patient's homes for the time periods she claimed to be providing services.

The Nevada Attorney General's Medicaid Fraud Control Unit investigates and prosecutes instances of elder abuse or neglect. The unit also investigates and prosecutes financial fraud by those providing healthcare services or goods to Medicaid patients. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. Medicaid fraud information can also be found on the Attorney General's web site: <http://ag.state.nv.us>



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FOR IMMEDIATE RELEASE
DATE: Tuesday July 1, 2008

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FORMER DETR EMPLOYEE SENTENCED ON MISCONDUCT CHARGES

Carson City – Attorney General Catherine Cortez Masto announced today that Jeraldine Archuleta, age 47 of Carson City, was sentenced for Obtaining Money By False Pretenses, and Misconduct Of A Public Officer, both felonies. Archuleta pled guilty to the offenses in exchange for dismissal of additional charges.

Archuleta, a former employee of the Department of Employment, Training & Rehabilitation's Employment Security Division, was accused of processing fraudulent unemployment benefit claims for family friends and acquaintances. In exchange for Archuleta's guilty pleas, the State also agreed not to file additional charges related to unemployment benefits Archuleta obtained for herself after resigning her position with the State. Archuleta agreed to pay restitution for both the charged and uncharged conduct.

District Court Judge William Maddox sentenced Archuleta to 12 months to 36 months in prison, suspended the sentence and placed Archuleta on probation for 5 years. Judge Maddox further ordered Archuleta to pay \$14,122.20 in restitution and complete 40 hours of community service.

"The money that Ms. Archuleta unscrupulously doled out to her family should have been gone to a Nevada family in need," said Attorney General Masto. "I am pleased that the court has held her accountable for her actions."

The Attorney General's Special Prosecutions Unit prosecuted this case as a public integrity crime. The case was investigated through the joint efforts of investigators from the Attorney General's Office and the Department of Employment, Training & Rehabilitation's Employment Security Division.

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NEVADA ATTORNEY GENERAL ENTERS INTO AGREEMENT WITH MONEYGRAM

Las Vegas, NV- Nevada Attorney General Catherine Cortez Masto announced today that MoneyGram Payment Systems, Inc., has entered into an Assurance of Voluntary Compliance (AVC) with Nevada and 43 other States and the District of Columbia, in response to concerns about the use of the company's wire transfer services by fraudulent telemarketers. Under the AVC, MoneyGram will, among other things, fund a \$1.1 million national consumer awareness program and set out very prominent consumer warnings on the forms used by consumers to wire money.

Commenting on the AVC, Attorney General Masto noted the importance of enlisting "third parties" like MoneyGram in the campaign against consumer fraud. "To keep perpetrators from defrauding consumers, we need to make it harder for them to utilize traditional methods of transferring money," said General Masto. "Agreements like this one with MoneyGram—with its model fraud warning, consumer education program, and enhanced training for money transfer agents—are steps in the right direction."

MoneyGram, based in Minneapolis, offers money transfer services by wire at over 25,000 locations in the United States and over 100,000 locations around the world, including grocery stores, gas stations and other retail businesses.

The AVC addresses the problem of the high number of "fraud-induced transfers"—that is, money wired by consumers to fraudulent telemarketers and other scam artists. For example, some telemarketers, often based in other countries, use a "lottery" scam, in which they tell vulnerable consumers they have won a large sum of money but must pay taxes or other charges in order to claim the winnings. The victims are then directed to send the money by wire, because wire transfers are fast, there are transfer agents in most communities, and funds can be picked up in multiple locations.

The problem of fraud-induced transfers is substantial. In 2003, a survey conducted by seven states of transfers over \$300 to Canada by another major money transfer company estimated that over 29 percent of those transfers were fraud-induced, resulting in consumer losses in the year 2002 of approximately \$113 million nationally.

Among the terms of the AVC just reached with MoneyGram are:

- Prominent warnings to consumers of the dangers of fraud-induced wire transfers must appear in English and Spanish on the front page of MoneyGram's Send Form, and comparable warnings are required for telephone and Web transfers. The warning is to occupy at least 40 percent of the area of the Send Form's front page.
- MoneyGram will pay \$1.1 million for a national consumer education program on how to avoid fraud-induced transfers, to be overseen by the AARP Foundation.
- MoneyGram will continue its current policy of reimbursing the amount of any transfer to a consumer who requests, prior to pickup, that the transfer be stopped, and reimbursing transfer fees as well if the consumer reasonably claims that the transfer was fraud-induced.
- MoneyGram will send prominent anti-fraud messages to its agents electronically every month or whenever a proposed transfer exceeds a certain amount, revise and enhance the anti-fraud training programs the company provides its agents, and provide special training to agents with elevated fraud levels at their locations.
- MoneyGram will take appropriate action to suspend or terminate agent locations that are involved in fraud or that do not take reasonable steps to reduce fraud.
- MoneyGram will block wire transfers from specific consumers or to specific recipients when the company receives information from a state that there are good faith grounds to believe that fraud will occur, until such time as the consumer is counseled on fraud and requests resumption of the transfer.
- MoneyGram will ensure that money transfers sent from the United States can only be picked up in the country designated by the sender, with a potential extension of this policy to the state or provincial level if the pickup of fraud-induced transfers in states or provinces to which consumers do not intend to send money becomes a significant problem in the future.

Also signing the AVC were the States of Alabama, Alaska, Arizona, Arkansas, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, Washington, West Virginia and Wyoming, and the District of Columbia.

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FOR IMMEDIATE RELEASE
DATE: Thursday July 17, 2008

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MASTO APPLAUDS AGREEMENT BY CABLE OPERATORS TO CURB CHILD PORN ON THE INTERNET

Carson City, NV – Attorney General Masto applauded today's agreement between the National Cable & Telecommunications Association (NCTA) and the National Center for Missing and Exploited Children (NCMEC) that will curb the availability of child pornography on the Internet.

"This agreement is another important step in protecting children from Internet predators," said Attorney General Masto. "My fellow attorneys general and I will continue to work diligently to prevent these predators from storing and sharing child pornography. I want to thank Cox Communications and Charter Communications, along with the other cable operators for being good corporate citizens by stepping up to the plate and shutting down these sites."

Under the unprecedented industry-wide agreement, all cable operators represented on NCTA's Board of Directors have agreed sign a Memorandum of Understanding (MOU) with NCMEC agreeing to use NCMEC's database of websites identified as containing child pornography, to ensure that no such site is hosted on servers owned or controlled by those companies. The companies will also report these incidents to NCMEC's CyberTipline and where appropriate revise their policies around other potential sources of child pornography, such as, for example, newsgroups.

The NCTA companies' commitment represents the largest number of broadband subscribers protected by the terms of the agreement, as they offer broadband Internet service to more than 112 million homes, representing 87 percent of all homes in the U.S.

The two largest cable operators in Nevada, Cox Communications and Charter Communications are part of this group, which has agreed to execute the MOU within 30 days.

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FOR IMMEDIATE RELEASE
DATE: Friday July 18, 2008

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ATTORNEY GENERAL'S RURAL ROAD TRIP HEADS TO MESQUITE

Carson City, NV – Nevada Attorney General Catherine Cortez Masto will head to the southern Nevada community of Mesquite on Friday July 25, 2008 as part of the office's Rural Road Trip program. The theme of the trip is "Putting Nevada's Families First".

"The purpose of these trips is to get out of the office and meet face-to-face with residents, to hear about their concerns and talk about what our office can do to help out," General Masto added. "We'd do a disservice to our rural residents if we focus our efforts just on Nevada's urban areas. Our rural communities deserve our time and attention as well."

The Attorney General will be accompanied on the trip by staff members with professional expertise to discuss the challenges faced by Nevada's rural communities and how the Attorney General's Office plans to help address those challenges.

The Attorney General has completed two previous rural road trips, one in September 2007 to communities along the eastern and northern parts of Nevada and one in March 2008 to several southern Nevada communities. The next trip is planned for September 2008.

An itinerary for the trip and more information is available on the Attorney General's Office website at: <http://ag.state.nv.us>

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FOR IMMEDIATE RELEASE
DATE: Monday July 21, 2008

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FORMER STATE EMPLOYEE PLEADS GUILTY TO EMBEZZLEMENT

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto announced today that John E. Delap III, age 30, of Las Vegas, has pled guilty to two Category B felony counts of Theft with a Value of Property in Excess of \$2,500.00, in connection with his former employment as the Deputy Executive Director of the Nevada State Board of Osteopathic Medicine. Each count carries a possible sentence of 1 to 10 years in prison.

“The Attorney General’s office takes charges of misconduct by State employees very seriously, particularly when the misconduct involves theft of public funds,” said Attorney General Masto. “Anyone with knowledge of such activities by State employees should report it to the Attorney General’s office for investigation.”

Delap’s guilty plea follows an extensive investigation conducted by the Attorney General’s Bureau of Criminal Justice, which revealed that during his employment by the Nevada State Board of Osteopathic Medicine between November 2004 and January 2006, Delap embezzled \$60,698.54 of the Board’s money by forging checks made payable to himself and others, illegally obtaining and using a State Board credit card to purchase personal items and embezzling additional funds to pay off the credit card debt and hide the embezzlement.

The sentencing hearing in this matter is scheduled for September 9, 2008 at 8:30 in District Court Department 15.

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FOR IMMEDIATE RELEASE
DATE: Monday August 25, 2008

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FEDERAL TRADE COMMISSION REFINES TELEMARKETING SALES RULE

Las Vegas, NV— Attorney General Catherine Cortez Masto wishes to inform Nevadans of some recent changes to the telemarketing sales rule of the Federal Trade Commission. One amendment expressly bars telemarketing calls which deliver a prerecorded message, unless a consumer has already agreed to accept such calls from the seller. This amendment affects calls answered in person as well as those received by an answering machine or voicemail. Another amendment is designed to reduce the occurrence of “call abandonment,” which occurs when a consumer picks up the phone, only to hear dead air or a hang-up.

“The changes to the Federal Trade Commission’s telemarketing sales rule should result in fewer unwanted, intrusive calls at home,” advised General Masto. “Also, anyone who has not yet registered with the federal do-not-call list can still do so at anytime. Adding your phone number to the do-not-call list will significantly reduce the number of calls you receive.”

Calls which are purely informational are not affected by the amended rule. These are calls which do not involve an attempt to sell any goods or services. For instance, you will still receive calls about a canceled flight.

Certain exemptions do apply. Prerecorded messages that are subject to the Health Insurance Portability and Accountability Act (HIPAA) can be placed. Charitable solicitation calls placed by for-profit telemarketers on behalf of non-profit organizations to members of, or previous donors to, the organization can also be placed. However, these calls must include a prompt keypress or voice-activated opt-out mechanism.

By December 1, 2008, sellers and telemarketers must provide an automated keypress or voice-activated interactive opt-out mechanism at the outset of all prerecorded messages.

Sellers can continue to place calls with prerecorded messages to consumers with whom they have an established business relationship for one year after the new rule is published in the Federal Register, which is expected to occur soon. After that time, no prerecorded message calls can be made without the consumer’s express permission.

Prerecorded telemarketing calls must disclose, at the outset of the call, that the recipient may ask to be placed on the company's internal do-not-call list at any time during the message. Where a call is answered by a person, an automated interactive voice or keypress-activated opt-out mechanism which adds the phone number to the company's do-not-call list and then immediately ends the call must also be made available. Where a call is picked up by an answering machine or voicemail, the seller must provide a toll-free number which allows the consumer to be connected to an automated interactive voice or keypress-activated opt-out mechanism anytime after the message is received.

You can register for the do-not-call list online at www.donotcall.gov. You may also call toll-free, 1-888-382-1222 (or TTY, 1-866-290-4236) from the number you wish to register. It costs nothing to register.

Additional consumer protection information can be found on the Attorney General's web site at <http://ag.state.nv.us> and at (702) 486-3194.

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FOR IMMEDIATE RELEASE
DATE: August 28, 2008

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COURT UPHOLDS BAN ON TYPEWRITERS AT NEVADA STATE PRISONS

Carson City, NV – Attorney General Catherine Cortez Masto announced today that the United States District Court has found the Nevada Department of Corrections' ban on the possession of personal typewriters by Nevada inmates to be constitutional.

Typewriters were initially banned at Ely State Prison, Nevada's maximum security facility, in March 2007 following two incidents in which parts of typewriters were fashioned into weapons. One incident resulted in the death of an inmate and a correctional officer was threatened in the second incident. This ban was later extended to all Nevada institutions.

On August 27, 2008, the Honorable Larry R. Hicks issued an order stating the Nevada Department of Corrections has the right to declare typewriters as unauthorized property and that this ban does not violate inmate due process rights or First Amendment rights.

"Director Howard Skolnik was trying to make our prisons as safe as possible for both inmates and correctional officers. Judge Hicks ruled properly when he concluded safety and security are of primary importance to the Nevada Department of Corrections," said Deputy Attorney General Alicia Lerud.

Inmates arguing against the ban have claimed the ban impermissibly infringed upon their right to court access. In issuing his ruling, Judge Hicks found that there was inadequate evidence to show the ban prevented inmates from accessing the courts. Hicks wrote, "The ban on typewriters occurred because prison officials determined that possession of typewriters aid the ability of inmates to breach safety and security." He then went on to say, "It cannot be disputed that the State has a legitimate interest in maintaining security and order in its prisons."

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FOR IMMEDIATE RELEASE

DATE: Wednesday September 3, 2008

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MEDICAID FRAUD CONTROL UNIT CHIEF TIM TERRY RETIRES FROM STATE SERVICE

Carson City, NV – Attorney General Catherine Cortez Masto announced today the retirement of Chief Deputy Attorney General L. Timothy Terry effective November 26, 2008 after 20 years of government service to return to private practice. Terry has worked as the head of the Medicaid Fraud Control Unit (“MFCU”) in the Attorney General’s Office for the past 17 years. In that capacity he has overseen a professional staff of 15 employees responsible for investigating and prosecuting allegations of Medicaid provider fraud and the abuse/neglect of nursing home patients as well as board and care facility residents.

“Tim Terry is innovative and was often at the forefront of new developments concerning the prosecution of fraud committed by Medicaid providers,” said Attorney General Masto. “Tim’s work in the area of pharmaceutical pricing fraud gained national attention on several occasions. He also spearheaded many of our earlier elder neglect cases. His services, achievements and dedication will be missed.”

Masto noted that Terry has been involved with hundreds of cases since the inception of the MFCU in 1991 which have led to dozens of criminal convictions and the recovery of tens of millions of dollars for the Nevada Medicaid program. Earlier this year Terry concluded the case of Nevada v. Merck which resulted in a nationwide recovery against Merck for \$400M.

“It has been my sincere pleasure to have served the citizens of Nevada through my work in the Attorney General’s Office these past 17 years,” said Terry. “While I will miss the many friends and colleagues in the office, and the many friends I have come to know and work with in Attorney General Offices across the country, I am looking forward to new adventures and challenges.”

Terry’s government service began in 1978 when he served as a law clerk to the Honorable Gordon Thompson at the Nevada Supreme Court and thereafter as Deputy Supervising Staff Attorney for the Court until 1981. Terry was involved in the private practice of law in Carson City from 1981 until 1991 when he was appointed MFCU Director by then Attorney General Frankie Sue Del Papa.

Mark N. Kemberling will replace Terry as Chief of the Attorney General’s MFCU. Kemberling is presently the Deputy Director of the MFCU. Kemberling started with the Attorney General’s MFCU in 1996. Earlier assignments included positions with the U.S. Department of Justice as an Attorney Advisor for Nevada’s United States Trustee program, and as a Special Agent with the FBI. He has also worked in the private sector and as an enforcement agent with Nevada’s Gaming Control Board.

"We are fortunate that Mark Kemberling has more than 10 years of practice in this field of law," added Masto. "We will draw on his knowledge and experience to ensure the Medicaid Fraud Control Unit continues to operate with high standards and successful accomplishments for our citizens."

"I'm grateful for the opportunity to serve as part of the Attorney General's office. Mr. Terry has compiled a well qualified and dedicated staff. They are essential in maintaining a successful investigative and prosecutorial unit within the office," said Kemberling.

The Attorney General's Medicaid Fraud Control Unit investigates and prosecutes financial fraud committed by those providing healthcare services and goods to Medicaid patients. Anyone wishing to report suspicions regarding any of these concerns may contact the Medicaid Fraud Control Unit in Carson City (775) 684-1191 or in Las Vegas (702) 486-3187. Medicaid fraud information can also be found on the Attorney General's web site: <http://ag.state.nv.us>.

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FOR IMMEDIATE RELEASE
DATE: Friday September 5, 2008

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NEVADA DISTRICT COURT JUDGE RICHARD A. WAGNER NAMED 2008 WILLIAM J. RAGGIO AWARD RECIPIENT

Carson City, NV -- Attorney General Catherine Cortez Masto and the Nevada Advisory Council for Prosecuting Attorneys have named Nevada District Court Judge Richard A. Wagner as recipient of the William J. Raggio Award for 2008. This award is presented annually to a current or former prosecutor who has contributed significantly to the improvement of the administration of justice in Nevada.

"I extend my sincere congratulations to Judge Wagner in his receiving of this award," said Attorney General Masto. "Judge Wagner's continued dedication and commitment to Nevada's legal community is commendable and I thank him for his service."

Judge Wagner is being recognized for his exemplary service as a dedicated prosecutor and judge in Nevada, as Pershing County District Attorney and then District Court Judge for the Sixth Judicial District, and his strong commitment to justice for all people.

The award is named in honor of former Washoe County District Attorney and current Senator Majority Leader William J. Raggio. Previous recipients are: Senator Raggio in 1998, Ben Graham in 1999, Thomas L. Leen in 2000, William T. Koot in 2001, Mills B. Lane in 2003, Melvyn T. Harmon in 2004, Howard D. McKibben in 2005, Noel Waters in 2006, and Kristin Erickson in 2007. Frankie Sue Del Papa and Stewart Bell were co-recipients of the award in 2002.

From 1975 to 1991, Richard Wagner served with honor and distinction as the District Attorney of Pershing County, elected to all four terms without opposition. During this period he prosecuted many cases, seeking justice and achieving convictions of defendants charged with crimes as varied as cattle rustling, kidnapping and murder. The most notable case Wagner prosecuted involved the murder of two teenage girls by California serial killer Gerald Gallago, which resulted in Gallago's conviction and sentence to death. Since his election to the bench in 1990, Wagner has served with honor and distinction as District Court Judge for the Sixth Judicial District, encompassing Humboldt, Lander and Pershing Counties.

The Advisory Council is an executive branch state agency created pursuant to NRS chapter 241A with a broad statutory mandate to provide leadership, resources and legislative advocacy on legal and public policy issues related to the duties of Nevada's prosecutors. Attorney General Mastro serves as chairwoman for the Advisory Council.

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FOR IMMEDIATE RELEASE
DATE: Friday September 5, 2008

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APPLICATIONS AVAILABLE FOR VIOLENCE AGAINST WOMEN GRANT PROGRAM

Carson City, NV -- Attorney General Catherine Cortez Masto has announced the availability of funds under the **STOP** (Service - Training - Officers - Prosecution) Violence Against Women Act (VAWA) Grant program. Nevada has been allocated funds from the U.S. Department of Justice (DOJ) under the VAWA Grant program. The grant money will be awarded to qualified programs that meet the specific federal and state VAWA Grant objectives.

"Ending the cycle of domestic violence in Nevada is a priority for me as Attorney General and the money we receive from the STOP Grant program enables my office and the programs we support to have a bigger impact in helping victims and educating the public on how to prevent abuse," said Attorney General Masto.

The purpose of the **STOP** Violence Against Women Program is to encourage the development and implementation of more effective law enforcement, court, and prosecution strategies to combat violent crimes against women, and the development and enhancement of victim services in cases involving crimes against women. The STOP Program envisions a partnership among law enforcement, prosecution, courts and victim services organizations to enhance victim safety and hold offenders accountable for their crimes against women.

The Attorney General's Office will administer the **STOP** Grant funds on behalf of programs throughout Nevada. Sub-grant application kits are available on the Attorney General web page (listed under "Upcoming Events"), at <http://ag.state.nv.us>. Since the inception of this program in 1995, more than \$12 million has been distributed statewide to organizations and groups to assist in combating crimes against women.

For more information on the grant program, please call Dorene Whitworth, Office of the Attorney General, at (775) 684-1110. Applications are due by **October 17, 2008**

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FOR IMMEDIATE RELEASE
DATE: Monday September 8, 2008

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FORMER STATE EMPLOYEE SENTENCED ON THEFT CHARGES

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto announced today that John E. Delap III, age 30, of Las Vegas, was sentenced this morning to two consecutive counts of 12 to 48 months in prison after pleading guilty to two Category B felony counts of Theft With a Value of Property in Excess of \$2,500.00 stemming from his former employment as the Deputy Executive Director of the Nevada State Board of Osteopathic Medicine. His sentence was suspended and he was placed on a fixed term of five (5) years probation. His probation is contingent on his agreement to pay restitution in the amount of \$60,698.54 to the State Board of Osteopathic Medicine prior to expiration of his probationary term.

“Mr. Delap abused his role with the Osteopathic Medicine Board and stole public funds for his own personal use. I am pleased that the courts have held him accountable for his actions,” said Attorney General Masto.

Delap’s sentence follows an extensive investigation conducted by the Attorney General’s Bureau of Criminal Justice, which revealed that during his employment by the Nevada State Board of Osteopathic Medicine between November 2004 and January 2006, Delap embezzled \$60,698.54 of the Board’s money by forging checks made payable to himself and others, illegally obtaining and using a State Board credit card to purchase personal items and embezzling additional funds to pay off the credit card debt and hide the embezzlement.

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FOR IMMEDIATE RELEASE
DATE: Tuesday September 9, 2008

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STATEMENT FROM ATTORNEY GENERAL CATHERINE CORTEZ MASTO REGARDING NRC'S DECISION TO DOCKET DOE'S YUCCA MOUNTAIN LICENSE APPLICATION

"While the Nuclear Regulatory Commission's decision to docket the Department of Energy's Yucca Mountain License Application comes as no surprise, Nevada is once again disappointed that NRC has made this decision over Nevada's objections that the 8600-page license application is legally deficient. The NRC has reached this decision despite the glaring absence of a final radiation protection standard and a repository design. We consider the NRC's decision to be a formality, and our legal team will analyze all of Nevada's options for proceeding. Following an in-depth analysis and discussion of Nevada's strategic options, Nevada will continue to pursue all viable options to defeat the ill-conceived Yucca Mountain project."

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FOR IMMEDIATE RELEASE
Date: Thursday, September 11, 2008

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kdelaney@ag.nv.gov

ATTORNEY GENERAL WARNS CONSUMERS TO BEWARE OF "MYSTERY SHOPPER" SCAM

Las Vegas, NV-- Attorney General Catherine Cortez Masto today issued the following consumer advisory with important information concerning a recent rash of complaints involving solicitations to participate in a "mystery" or "secret" shopper program.

The scam artists play on the public's general knowledge of "mystery" or "secret" shopper programs that are utilized by major companies to evaluate the operations of their retailers, and they flood the internet and offline media with recruitment ads. In some cases, recruitment is also done through unsolicited mailings. The ads offer consumers the opportunity to earn hundreds of dollars per week by acting as a shopper, and the follow-up mailings include official-looking instructions and an authentic-looking business or cashier's check for several thousand dollars. The check is supposed to cover the costs of completing the shopper program tasks and providing the consumer with his or her training pay.

"Unfortunately for the unsuspecting consumers who respond to the mystery shopper program advertising, the check they will receive is a fake, and the opportunity they believe will earn them extra pay is a scam," warns Nevada Attorney General Catherine Cortez Masto. "Most scammers ask an intended victim to 'evaluate' a money transfer service as part of the program, by requiring the consumer to wire funds as directed. If the consumer follows these instructions, the check he or she deposited will bounce, so the consumer will lose at least the amount of the check, and more if the bank imposes a fee."

The scam works by taking advantage of the time delay between when the check is deposited and when the bank discovers it is counterfeit. In some cases, due to the quality of the "fake" check, it can take up to two weeks for a bank to make the determination and remove the funds already credited to its customer's account as a courtesy.

Although there are many scams involving bogus mystery shopper opportunities, there are legitimate opportunities available as well. Consumers who are interested in such programs should keep the following tips in mind:

- Legitimate mystery shopping programs will never promise fast cash or ask you to cash a check and wire any funds to an address unknown to you.
- Be skeptical of any mystery shopping promoters who charge a fee for access to the program.
- The Mystery Shopping Program Association (MSPA) website at www.mysteryshop.org has information on how to register to be a mystery shopper with a MSPA-member company and other valuable information about the industry to help ensure the program is legitimate and right for you.

Consumers who have received or fallen victim to a mystery shopper scam solicitation may contact the Attorney General's Bureau of Consumer Protection at (702) 486-3194 in Las Vegas or (775) 684-1180 in Carson City. A complaint form, as well as other valuable consumer protection information, is also available on the Attorney General's website at www.ag.state.nv.us.

For other valuable consumer protection information, please visit the Bureau of Consumer Protection website, www.ag.state.nv.us/org/bcp/education.htm and/or the State of Nevada's general fraud information website, www.fightfraud.nv.gov

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FOR IMMEDIATE RELEASE
Date: September 23, 2008

CONTACT: Linda Fitzgerald
(775) 684-1112

State Employee Arrested for Misconduct

Attorney General Catherine Cortez Masto announced the arrest today of Brian Hunt, an employee of the State Department of Information Technology, for multiple breaches of security within the Richard H. Bryan Office Building in Carson City, Nevada.

“This is a troubling breach of security within state government. It appears that Hunt abused his position to obtain unlawful access to state property for a personal benefit. The full extent of the breach will be uncovered through further investigation.” said Attorney General Catherine Cortez Masto.

Hunt was arrested for Misconduct of a Public Officer, a category E felony in violation of NRS 197.110(b), and Obtaining and Using Personal Identifying Information for Unlawful Purpose by a Public employee, a category B felony in violation of NRS 205.464(1). The arrest of Hunt was made as he was leaving the Carson City Jail on other criminal charges.



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FOR IMMEDIATE RELEASE
Date: September 26, 2008

CONTACT: Conrad Hafen
(702) 486-3420

COLLEGE OF SOUTHERN NEVADA EMPLOYEES INDICTED

Attorney General Catherine Cortez Masto today announced that a Clark County Grand Jury has indicted four College of Southern Nevada (CSN) employees.

The indicted CSN employees and their related counts are as follows: William "Bob" Gilbert, 13 counts of Theft and 4 counts of Misconduct of a Public Officer; Thad Skinner, 10 counts of Principal to the Crime of Theft; Mathew Goins 3 counts of Principal to the Crime of Theft and 2 counts of Obtaining Money by False Pretenses; and George Casal 2 counts of Obtaining Money by False Pretenses.

"In March 2007, our Public Integrity Unit began an investigation into allegations that Gilbert and CSN employees under his supervision were engaged in using materials and equipment from CSN to build Gilbert's million dollar home on Mount Charleston. Based on the evidence presented to the grand jury, it appears CSN has lost thousands of dollars in materials and equipment and Gilbert's house was built at Nevada taxpayers' expense," Chief Criminal Deputy Attorney General Conrad Hafen said.

It is anticipated these four individuals will be arraigned within the next two weeks and a trial date scheduled within the next 6 months.



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FOR IMMEDIATE RELEASE
Date: September 29, 2008

CONTACT: Tim Terry
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NEVADA SETTLES WITH CEPHALON FOR \$6.9M

Attorney General Catherine Cortez Masto announced today that the Nevada Medicaid Fraud Control Unit (“MFCU”) has reached tentative agreement with Cephalon, Inc. (the maker of Provigil, Gabitril and Actiq) to settle fraud issues against the drug manufacturer for \$6.9M. The settlement is part of a nationwide settlement in which Cephalon will pay a total of \$425M for damages to Medicaid programs across the country. The settlement includes a \$50M criminal fine against the company arising from criminal charges filed by the United States Attorney’s Office for the Eastern District of Pennsylvania.

According to MFCU Director Tim Terry, the settlement resolves allegations that Cephalon promoted the drugs Provigil, Gabitril and Actiq for uses other than what the U. S. Food and Drug Administration (“FDA”) approved. Cephalon also funded continuing medical education programs, through millions of dollars in grants, to promote the off-label use of these drugs.

Terry noted the following with respect to the involved drugs:

Provigil – Although FDA-approved to treat only narcolepsy and sleep disorders, Cephalon marketed Provigil as a non-stimulant drug to treat sleepiness, tiredness, decreased activity, lack of energy and fatigue.

Gabitril – Although FDA-approved as a partial treatment for seizures, Cephalon marketed Gabitril as a remedy for anxiety, insomnia and pain. Following reports of seizures in patients taking Gabitril that did

not have epilepsy, the FDA required Cephalon to send warnings to physicians advising them of the risk of seizure in connection with off-label use of Gabitril.

Actiq - Although FDA approved to treat opioid-tolerant cancer patients (or those patients for whom morphine-based pain killers were no longer effective), Cephalon marketed Actiq for conditions including migraines, sickle-cell pain crises, injuries, and radiation therapy.

“The settlement will reimburse the federal government and participating states for excessive amounts paid by Medicaid programs as a result of Cephalon’s improper off-label marketing campaign,” said Mastro. Additionally, Cephalon will enter into a Corporate Integrity Agreement (“CIA”) with the U. S. Department of Health and Human Services, Office of the Inspector General, requiring strict scrutiny of its future marketing and sales practices.



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FOR IMMEDIATE RELEASE
Date: September 30, 2008

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kprentice@ag.nv.gov (775) 688-1872

MEDIA ADVISORY

ATTORNEY GENERAL CATHERINE CORTEZ MASTO COMMEMORATES THE 21ST NATIONAL DOMESTIC VIOLENCE AWARENESS MONTH

Reno, Nevada—October is National Domestic Violence Awareness Month. Attorney General Catherine Cortez Masto will announce the new “Peace Begins at Home” Girl Scout Domestic Violence Merit Patch at the Girl Scout of the Sierra Nevada Council Headquarters located at 605 Washington Street, Reno, Nevada on **October 4, 2008 at 11 am.**

“Eliminating domestic violence requires collaborative prevention efforts. My office has been involved with the creation of this new patch for the last year. Almost 37,000 victims in Nevada contacted agencies in 2007 for assistance. Over 12,000 of these victims were children. Engaging Nevada’s youth to discover the qualities of healthy and respectful relationships will help break the cycle of violence,” said Attorney General Catherine Cortez Masto.

The Peace Begins at Home Domestic Violence Merit Patch Event’s speakers include:

- Catherine Cortez Masto, Nevada Attorney General,
- Reno Mayor, Bob Cashell,
- Sue Meuschke, Nevada Network Against Domestic Violence,
- Linda Reed, Girl Scouts of the Sierra Nevada, and
- Susan Hauser, Junior League of Reno.

Domestic Violence Awareness Month was created in 1987 to promote increased rights and services for domestic violence victims; to educate the public about the crisis of domestic violence and the prevalence of this epidemic in all of our lives; and to encourage involvement and support from our community for domestic violence victims and those who serve them.

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FOR IMMEDIATE RELEASE

DATE: Tuesday, September 30, 2008

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ATTORNEY GENERAL ANNOUNCES OCTOBER RURAL ROAD TRIP

Las Vegas, NV— Nevada Attorney General Catherine Cortez Masto will embark on her fourth “Rural Road Trip” on Monday, October 6, 2008. The theme of the trip is “Putting Nevada’s Families First”. The trip will visit the rural communities along the U.S. 95 corridor in western and central Nevada including Yerington, Hawthorne, Tonopah, Goldfield, and Beatty.

The Attorney General will be accompanied on the trip by staff members with professional expertise to discuss the challenges faced by Nevada’s rural communities and how the Attorney General’s Office plans to help address those challenges.

“The purpose of these trips is to get out of the office and meet face-to-face with residents, to hear about their concerns and talk about what our office can do to help out,” said General Masto. “We do a disservice to our rural residents if we focus our efforts just on Nevada’s urban areas. Our rural communities deserve our time and attention as well.”

An itinerary for the trip and more information is available on the Attorney General’s Office website at: <http://ag.state.nv.us>

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FOR IMMEDIATE RELEASE
Date: October 3, 2008

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MEDIA ADVISORY

ATTORNEY GENERAL CATHERINE CORTEZ MASTO DISPLAYS PURPLE FLAGS TO RAISE AWARENESS OF DOMESTIC VIOLENCE

Carson City, NV – Attorney General Catherine Cortez Masto highlights Domestic Violence Awareness Month by displaying several hundred purple flags on its front lawn this week. Each flag represents 100 of the 36,835 people who sought assistance from domestic violence programs in Nevada during 2007.

The Attorney General's Office also distributed 2,000 "Purple Ribbon Pins" to public health agencies across the state to raise awareness of domestic violence in the health care industry for "Health Cares About Domestic Violence Day" on October 8th.

"Unfortunately, Nevada ranks #1 in the rate of women murdered by men for the second year in a row according to the Violence Policy Center. This needs to change and addressing this issue is one of my priorities as our state's Attorney General," said General Masto.

Domestic Violence Awareness Month was created in 1987 to promote increased rights and services for domestic violence victims; to educate the public about the crisis of domestic violence and the prevalence of this epidemic in all of our lives; and to encourage involvement and support from our community for domestic violence victims and those who serve them.

More information on domestic violence and resources in Nevada is available on the Attorney General's Office website at: <http://ag.state.nv.us>.

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OFFICE OF THE ATTORNEY GENERAL Bureau of Consumer Protection

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FOR IMMEDIATE RELEASE
DATE: October 6, 2008

CONTACT: Ernest Figueroa 775-684-1197

ATTORNEY GENERAL ANNOUNCES SETTLEMENT WITH COUNTRYWIDE TO HELP BORROWERS FACING FORECLOSURE

Las Vegas, NV— Attorney General Catherine Cortez Masto announced today that her office has reached an agreement with Countrywide Financial that will help almost 400,000 borrowers across the nation facing foreclosure.

"Our citizens are suffering from the mortgage foreclosure crisis. We lead the nation in foreclosures. My office has been working with Countrywide and the larger settlement states to bring some immediate relief for Nevada homeowners. Today, we are finalizing the details of the proposed settlement. The proposed settlement is intended to help those eligible Nevadans stay in their homes during these pressing economic times. We will have more details available in the coming days," Masto said.

General Masto said Monday that mortgage lender Countrywide Financial Corp. has agreed to provide loan modifications to up to 397,000 borrowers nationwide under a settlement with Nevada and other states. Permanent relief to borrowers could equal about \$7 to \$8 billion nationwide, the states believe.

The tentative agreement was reached late Sunday by several states with Bank of America, which acquired Countrywide Financial on July 1, 2008.

Under the agreement, eligible subprime borrowers will be able to modify the terms of their loans to make monthly payments more affordable. Modified loan terms will vary according to the circumstances of the borrower, but they may include an automatic freeze or reduction in interest rates, conversion to fixed-term loans, and refinancing or reduction of principal owed.

Assuming every eligible borrower and investor participates, this loan modification program will provide benefits to eligible borrowers in Nevada as follows:

- Suspension of foreclosures for eligible borrowers with subprime and pay-option adjustable rate loans pending determination of borrower ability to afford loan modifications;
- Loan modifications valued at up to \$219 million worth of reduced interest payments and, for certain borrowers, reduction of their principal balances;
- Waiver of late fees of up to \$2.2 million;
- Waiver of prepayment penalties of up to \$2.16 million for borrowers who receive modifications to, pay off, or refinance their loans;
- \$3 million in payments to borrowers who are 120 or more days delinquent or whose homes have already been foreclosed; and
- Approximately \$4.8 million in additional payments to borrowers who, in the future, will be unable to afford monthly payments under the loan modification program and lose their homes to foreclosure.

Countrywide said the loan modification program will be ready for implementation by December 1, 2008, and that the company would engage in proactive outreach to eligible customers by then. Countrywide also noted that foreclosure sales will not be initiated or advanced for borrowers likely to qualify until Countrywide has made an affirmative decision on a borrower's eligibility.

The toll-free number for Countrywide subprime customers who want more information is 800-669-6607. There also will be information soon at Countrywide's website, www.countrywide.com.

The tentative settlement resolves allegations that Countrywide used unfair and deceptive tactics in its loan origination and servicing activities – and that borrowers often were put in structurally unfair and unaffordable loans. Countrywide is the largest provider of subprime mortgages in the U.S.

Countrywide said the loan modification program was designed to achieve affordable and sustainable mortgage payments for borrowers who financed their homes with subprime loans or pay-option adjustable rate mortgages ("ARMs") serviced by Countrywide that were originated prior to December 31, 2007, and who are seriously delinquent or are likely to become seriously delinquent as a result of loan features, such as interest rate resets or payment recasts.

Under the settlement, which does not constitute an admission of wrongdoing, Bank of America/Countrywide also agreed to: stop offering pay option ARMs and significantly curtail offering "low-documentation" and "no-documentation" loans; initiate an early identification and contact program for people who have trouble making their payments; and continue working with non-profits, federal agencies, and state Attorneys General on ways to use REO (real estate owned) and other properties for community development.

The Bank of America/Countrywide settlement resolves investigations into Countrywide's lending practices in Arizona, Iowa, Nevada, Ohio, Texas and Washington. The settlement also resolves lawsuits against Countrywide initiated by Illinois, California and

Florida. Other states also are participating in the settlement.

Additional information as well as other valuable information on consumer protection, is also available on the Attorney General's website at www.ag.state.nv.us.

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DATE: 10/07/08

CONTACT: Jo Ann Gibbs (702) 486-3789

NEVADA, 32 STATES REACH LANDMARK \$62 MILLION SETTLEMENT WITH ELI LILLY

Las Vegas, NV-Attorney General Catherine Cortez Masto announced today that she, along with 31 other Attorneys General, has reached a record \$62 million settlement with Eli Lilly and Company arising from alleged improper marketing of the antipsychotic drug Zyprexa. This is the largest ever multi-state consumer protection-based pharmaceutical settlement, following closely on the heels of the May 2008 \$58 million agreement with Merck regarding its product Vioxx.

In a complaint filed today along with the settlement agreement, Attorney General Masto alleged that Eli Lilly engaged in unfair and deceptive practices when it marketed Zyprexa for off-label uses and failed to adequately disclose the drug's potential side effects to health care providers. Following a 1.5-year investigation, Eli Lilly agreed to change how it markets Zyprexa and to cease promoting its "off-label" uses, which are not approved by the U.S. Food and Drug Administration ("FDA").

"This landmark settlement comes after a lengthy investigation into the conduct of Eli Lilly. By working together, my fellow attorneys general and I were able to correct the behavior of Eli Lilly. Nevada will benefit greatly from these efforts," Attorney General Masto said.

Zyprexa is the brand name for the prescription drug olanzapine. The drug was first marketed for use in adults with schizophrenia in 1996. Since then, the FDA has approved Zyprexa for the treatment of acute mixed or manic episodes of bipolar I disorder and for maintenance treatment of bipolar disorder. While these drugs may reduce the risk of these symptoms associated with first-generation antipsychotics, they also produce dangerous side effects, including weight gain, hyperglycemia, diabetes, cardiovascular complications, an increased risk of mortality in elderly patients with dementia, and other severe conditions. Zyprexa has been associated with a high risk of weight gain, hyperglycemia, and diabetes.

In 2001, Eli Lilly began an aggressive marketing campaign called "Viva Zyprexa!" As part of that campaign, the company marketed Zyprexa for a number of off-label uses. For example, it marketed Zyprexa for pediatric use, for use at high dosage levels, for the treatment of symptoms rather than diagnosed conditions, and in the elderly for the treatment and/or chemical restraint of patients suffering from dementia. While a physician is allowed to

prescribe drugs for off-label uses, the law prohibits pharmaceutical manufacturers from marketing their products for off-label uses.

Among other things, the settlement mandates that for a six-year time period extending beyond the patent term for Zyprexa, Eli Lilly shall not make any false, misleading or deceptive claims regarding Zyprexa; shall require its medical staff, rather than its marketing staff, to have ultimate responsibility for developing and approving the medical content for all medical letters and medical references regarding Zyprexa, including those that may describe off-label information, and that such information not be referred to or used in a promotional manner; shall provide each signatory Attorney General a list of health care provider promotional speakers and consultants who were paid more than \$100 for promotional speaking and/or consulting by Eli Lilly; and shall register clinical trials and submit results as required by federal law.

In addition to Nevada, the participating states in the settlement are: Arizona, Alabama, California, Delaware, Florida, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Missouri, Nebraska, New Jersey, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Texas, Vermont, Washington, Wisconsin, and the District of Columbia.

Nevada will receive \$1,132,766 as its share of the settlement. Senior Deputy Attorney General Jo Ann Gibbs of the Attorney General's Bureau of Consumer Protection handled the case for Nevada.



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FOR IMMEDIATE RELEASE
October 8, 2008

Contact: Rob Bony
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ATTORNEY GENERAL MASTO ANNOUNCES AGREEMENT WITH SHELL OIL TO CURB TOBACCO SALES TO MINORS

47 Attorneys General Sign Agreement, Covering More Than 13,000 Shell Outlets

Attorney General Masto today announced that she has joined the Attorneys General of 45 states and the District of Columbia in an agreement with Shell Oil Products US and its joint venture Motiva Enterprises LLC. This agreement will cover more than 13,000 Shell outlets nationwide. There are approximately 130 Shell stations in Nevada. Shell and Motiva have agreed to adopt procedures designed to reduce sales of cigarettes to minors at these locations.

"We commend Shell for joining us in this important ongoing effort to keep tobacco out of the hands of young people. This agreement is an important contribution to the overall effort by my office to promote the health and safety of our children," General Masto said.

The Shell "Assurance of Voluntary Compliance" (AVC) was produced by an ongoing, multi-state enforcement effort among the Attorneys General, and incorporates "best practices" developed by the Attorneys General in consultation with public health researchers and state and federal tobacco control officials. This AVC includes provisions for comprehensive training of retail personnel regarding laws prohibiting tobacco sales to minors, independent compliance checks to monitor sales practices at certain convenience stores at Shell stations, and potential sanctions against contract operators that sell tobacco to minors, among other terms.

Other recent multi-state agreements cover gas station convenience stores selling fuel under the Conoco, Phillips 66 or 76, Exxon, Mobil, BP, Amoco, ARCO and Chevron brand names, and retail and pharmacy chains Kroger, 7-Eleven, Walgreens, Rite Aid, CVS, and Wal-Mart.

Studies show that most adult smokers began smoking before the age of 18, and that young people are particularly susceptible to the hazards of tobacco, often showing signs of addiction after smoking only a few cigarettes.

“For every child that doesn’t become a smoker, that’s a health victory, for the child and for the state. With this agreement, Shell joins the growing list of companies demonstrating their commitment to lead efforts against youth access to tobacco, in Nevada and nationwide,” General Masto said.

XXX



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FOR IMMEDIATE RELEASE
October 10, 2008

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ATTORNEY GENERAL CATHERINE CORTEZ MASTO FILES CHALLENGE TO YUCCA MOUNTAIN RADIATION STANDARD

Carson City, NV -- Nevada Attorney General Catherine Cortez Masto announced today that her office is filing suit in the U.S. District Court of Appeals for the District of Columbia Circuit seeking to invalidate the recently announced Environmental Protection Agency (EPA) radiation standard for the proposed high-level nuclear waste repository at Yucca Mountain. EPA recently issued its final radiation standard for the proposed Yucca Mountain repository after Nevada's successful 2004 challenge invalidated an earlier EPA radiation standard.

EPA's issuance of the final standard September 30, 2008 comes roughly three weeks after the Nuclear Regulatory Commission (NRC) formally docketed the Department of Energy (DOE) repository application for licensing review. NRC, whose own repository licensing requirements must reflect the EPA standard, has said it cannot license a repository until the final EPA standard is in place. As with the draft standard EPA issued nearly three years ago, the final standard is a two-tiered regulation that would establish for 1 million years the levels of radiation from a repository at Yucca Mountain. The EPA retained its earlier proposed 15 millirem annual dose limit for the first 10,000 years after the waste is emplaced, but allows up to 100 millirem dose after 10,000 years.

"The new EPA standard once again fails to protect the health and safety of Nevada citizens, and the environment," said Attorney General Catherine Cortez Masto. "EPA has obviously worked closely with DOE to adjust its radiation standard in an attempt to steamroll this project through licensing, but has failed to protect Nevadans from cancer-causing radioactive contamination. DOE's own data shows that water infiltration will corrode nuclear waste packages and radioactivity will inevitably leak into Nevada's groundwater, delivering lethal doses of radiation to the public and irreparably contaminating the groundwater," explained Cortez Masto.

"Instead of working to protect the health and safety of Nevadans and striving to find reasonable solutions to the nation's nuclear waste problem, EPA and DOE are ignoring science in favor of a project which presents unacceptable risks to the public and presents American taxpayers with a \$90 billion dollar liability they can ill afford," she concluded.



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FOR IMMEDIATE RELEASE

Date: October 14, 2008

CONTACT: Conrad Hafen
702-486-3420

MEDIA ADVISORY

MAN SENTENCED TO FOUR YEARS IN PRISON IN IDENTITY THEFT CASE

Las Vegas - Attorney General Catherine Cortez Masto announced that Terry Parris, age 44, was sentenced earlier today by District Court Judge Jackie Glass to a maximum of four years in prison in connection with an identity theft case. Parris had previously entered a guilty plea to a felony charge of Fraud in Connection with Application for License or Identification Card, a felony under NRS 483.530.

An investigation by the Nevada Department of Motor Vehicles revealed that Parris had previously obtained a Nevada driver's license in the name Jose Sosa. The victim contacted the DMV, which cancelled the license in April 2008. Parris was arrested after he contacted the DMV for further information. Parris told investigators that he purchased the false identity approximately fifteen years ago and had been using the identity of Jose Sosa ever since to conceal previous felony convictions Parris had from California.

The Office of the Attorney General has been involved in several projects to combat identity theft including prosecutions, community outreach, and the Identity Theft Passport program. "Victims of identity theft spend enormous amounts of time cleaning up the damage to their credit and reputation. Law enforcement and the judicial system play an important role in combating identity theft, and today's sentence send a serious message to those who may be considering stealing the identity of an innocent victim" stated Catherine Cortez Masto.

Parris was taken into custody following the sentencing hearing. He will be eligible for release on parole after a minimum of sixteen months in prison.



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FOR IMMEDIATE RELEASE

Date: October 17, 2008

CONTACT: Ronda Clifton
Senior Deputy Attorney General
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DEFENDANT SENTENCED ON AUTOMOBILE INSURANCE FRAUD CASE

Reno, NV— Attorney General Catherine Cortez Masto announced today that District Court Judge Brent Adams has sentenced Mohammed Alshehry, 28, of Reno in connection with staging an accident in September 2006 in order to use the insurance money to buy a new automobile.

Alshehry entered a plea of no contest to one count of Felony Insurance Fraud and was sentenced to serve 12 to 32 months in prison which was suspended under the terms of a plea agreement. As part of the suspended sentence, Judge Adams ordered Alshehry to be placed on probation for five years and to pay restitution in the amount of \$23,000.

An investigation by the Office of the Attorney General and the Reno Police Department revealed that Alshehry staged an accident in September 2006 by having his girlfriend drive a U-Haul truck into a parked 1999 Mercedes while his mother, Rachel Palma, was inside.

Witnesses to the crime came forward and stated that Alshehry had intentionally planned the crash to collect money from American Family Insurance.

Senior Deputy Attorney General Ronda Clifton, who prosecuted the case, stated there was overwhelming evidence of the crime committed by Alshehry that led to the plea agreement in August of this year. Although the insurance company for the rental truck denied Alshehry's claim, approximately \$14,000 was paid to the car's lien holder and an additional \$9,000 was paid to Alshehry's mother.

"Our office works diligently and in cooperation with other agencies against such fraudulent insurance claims," Attorney General Masto stated. "We believe that this sentence fits the crime in this case and should discourage others from such fraudulent scams."



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FOR IMMEDIATE RELEASE

Date: October 17, 2008

CONTACT: Linda Fitzgerald
775-684-1100

ATTORNEY GENERAL MASTO ANNOUNCES HER SUPPORT OF NATIONAL TEEN DRIVER SAFETY WEEK

Las Vegas, NV — Attorney General Catherine Cortez Masto announced today her support for the goals and ideals of National Teen Driver Safety Week. The week is observed the third week of October each year, and will be held October 19 to 25, 2008. It is a time in which intensive programming is used to educate teens on the risks associated with driving and encourage them to drive more safely. “Passengers” is this year’s theme.

According to the National Transportation Safety Board (NTSB), teen drivers represent less than 7 percent of the driving public, but account for more than 13 percent of drivers involved in all deadly crashes. In 2007, 7,360 youth under the age of 21 were involved in fatal vehicle crashes.

“We know that there are several important facts regarding the incidence of teens involved in vehicle crashes,” stated Attorney General Masto. “Driver error or speeding is the leading cause of teen driver crashes. We can better inform students of the severity of a vehicle crash and the very real consequences to themselves, their passengers, and the general public of operating a vehicle in an unsafe manner.”

Statistics provided by the NTSB show that sixteen-year-old drivers are more than twice as likely to be involved in fatal crashes as older drivers. “We know that the younger the driver the more likely they are to be involved in a fatal crash. Two-thirds of the passengers who were killed in teen driver crashes were teenagers themselves. We can also limit many distractions – cell phones, food/beverage consumption, loud music, etc. – that make it increasingly difficult for the driver to focus their attention on operating their vehicle in a safe manner,” said Attorney General Masto. “It is important to reinforce the idea that once a vehicle is in motion, the driver must devote his or her full attention to the task at hand – operating that vehicle safely. The phone call can wait. The sip of soda or bite of a burger can wait. Nothing is more important than getting from point A to point B safely.”

Attorney General Masto said she was proud to support this initiative to help keep our state’s roadways safe. “We all – federal, state, and local governments, as well as the general public – need to support efforts to effectively educate teens and families about ways to address increased safety measures for teen drivers. Far too many students lose a classmate, a friend, or a companion to a vehicle crash each year. Now is the time to act to prevent future tragedies.”

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FOR IMMEDIATE RELEASE
Wednesday, October 22, 2008

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ATTORNEY GENERAL FILES JUDGMENT AGAINST PFIZER INC. REGARDING THE COMPANY'S MARKETING OF BEXTRA AND CELEBREX

Las Vegas, NV-Attorney General Catherine Cortez Masto today filed a stipulated judgment with Pfizer Inc. resolving a five-year investigation by 33 states concerning the company's promotion of the "Cox-2" drugs Celebrex® and Bextra®. Pfizer will pay a \$60 million payment to the participating states. Nevada's share will be \$720,126. The judgment filed in the Clark County District Court will largely restrict Pfizer's ability to deceptively promote all Pfizer products.

"This judgment, along with our other recent drug cases, should send a strong message to the pharmaceutical industry that we will not tolerate deceptive and misleading drug promotion. The comprehensive injunctive relief obtained in this case is outstanding and addresses all concerns identified over five years of investigation," Attorney General Masto stated.

The multistate investigation was initiated in 2003 to determine whether Pfizer and another drug company, Pharmacia, subsequently purchased by Pfizer, misrepresented that their jointly-sold Cox-2 drug Celebrex was safer and more effective than traditional non-steroidal anti-inflammatory drugs (NSAIDS) such as Ibuprofen (Advil®) and naproxen (Aleve®). As the investigation proceeded, additional concerns were raised regarding Pfizer's second generation Cox-2 drug Bextra. Ultimately, the investigation concluded that Pfizer engaged in an aggressive, deceptive and unlawful campaign to promote Bextra "off label" for uses that had been expressly rejected by the Food and Drug Administration ("FDA"). "Off-label" uses are uses that are not approved by the FDA. While a physician is allowed to prescribe drugs for off-label uses, the law prohibits pharmaceutical manufacturers from marketing their products for off-label uses.

Inexpensive, generically available NSAIDS have been used for many years to treat pain and inflammation; however, NSAIDS have the potential to cause serious gastrointestinal ("GI") side effects such as bleeding and perforations. The Cox-2 drugs Celebrex, Vioxx and Bextra were designed to reduce pain and inflammation without the negative GI

side effects of traditional NSAIDS. Although significantly more expensive than traditional NSAIDS, Cox-2 drugs have not been shown to be more effective in relieving pain than traditional NSAIDS and neither Celebrex nor Bextra were ever proven to significantly reduce serious GI adverse events compared to traditional NSAIDS. Moreover, there are significant concerns that all three Cox-2 drugs increase the risk of serious cardiovascular adverse events such as heart attacks and strokes. Bextra also carries a risk of a serious and sometimes fatal skin condition. In 2005, due to safety concerns, Bextra and Vioxx were withdrawn from the marketplace and the FDA required a “black box” safety warning for Celebrex.

The states allege that despite the fact that significant safety concerns led the FDA to reject a request to market high dose Bextra for acute and surgical pain, Pfizer conducted a systematic, multi-pronged “off-label” promotional campaign for these very indications the FDA denied. This promotion included distributing hundreds of thousands of copies of a positive study from the denied application, as well as other positive studies relating to use of high dose Bextra, without distributing or disclosing the negative study that was the basis for the FDA’s rejection, or disclosing that the FDA had expressly rejected approving Bextra for acute and surgical pain.

The States allege these efforts continued even after Pfizer completed a study that confirmed the FDA’s reason for rejecting the acute and surgical pain indications for Bextra. This study ultimately contributed to the FDA’s decision to withdraw Bextra from the marketplace, even at the low doses that had been previously approved.

Today’s judgment contains injunctive terms addressing all concerns raised during the investigation regarding both Celebrex and Bextra. Among provisions included in the Judgment are terms that will help prevent deceptive use of scientific data when marketing to doctors, the “Ghost writing” of articles and studies and distributing samples with the intent to encourage off-label prescribing.

In addition, the judgment requires Pfizer to submit all “direct-to-consumer” (“DTC”) television drug advertisements to the FDA for approval and comply with any FDA comment before running the advertisement. Finally, the judgment generally prohibits Pfizer from deceptive and misleading advertising and promotion of any Pfizer drug, requires Pfizer to register all clinical trials, post clinical trial results, and ensure that subjects in clinical trials sponsored by Pfizer give adequate informed consent.

Joining Nevada in today’s settlement are: Alaska, Arizona, Arkansas, California, Connecticut, Florida, District of Columbia, Idaho, Illinois, Iowa, Kansas, Maine, Maryland, Massachusetts, Michigan, Montana, Nebraska, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Vermont, Washington, and Wisconsin.

Senior Deputy Jo Ann Gibbs of the Attorney General’s Bureau of Consumer Protection represented Nevada in the multistate settlement.

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FOR IMMEDIATE RELEASE
DATE: October 24, 2008

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702-486-3420

MEDIA RELEASE

SUSPECT ARRESTED ON FIRST DEGREE KIDNAPPING CHARGES

Las Vegas, NV -Attorney General Catherine Cortez Masto announced today that a child abducted six months ago by his non-custodial mother from the custody of the District Court of Garfield County, Oklahoma and his father, was located and recovered in Las Vegas by investigators of the Attorney General's Office. Paula Michelle Mitchell was arrested on charges of First Degree Kidnapping and booked into the Clark County Detention Center, and the four-year old child, along with his 18 month old half-brother, were turned over to the custody of the Department of Family Services.

"The safety and welfare of Nevada's children is our highest priority in the Office of the Attorney General", said Attorney General Catherine Cortez Masto. "After the defendant evaded the civil court system for several years and disobeyed direct court orders to return the child, we are gratified to be able to facilitate the reunification of this young kidnapping victim with his understandably very happy father who has been searching for him for over two years."

Paula Michelle Mitchell had been evading the father of the child for several years by moving from state to state to avoid service of custody petitions and to inhibit the father of the children from finding her or his son. She had filed several petitions in the Las Vegas family court to change the names of the children and to terminate the parental rights of the father, claiming that he had neglected and abandoned the children. After having several of her requests granted by family court judges without having to notify the child's father because of her assertion that she did not know where he was, the family court judges vacated the orders on findings that she did in fact know where the father of the children was, and that she had lied to the court. She had seen the father of the child just two weeks earlier. One Las Vegas family court judge remarked to Mitchell in a hearing earlier this year that she was risking being charged with kidnapping.

Mitchell was finally located by the child's father in Oklahoma in 2007, and attended a hearing in court in that state in April, 2008, in which the judge exercised temporary emergency jurisdiction over the child and granted custody to his father. Rather than return the child to the custody of the Oklahoma court in April as ordered by the judge, Mitchell fled and returned to Las Vegas where she continued with her petitions in family court to terminate the parental rights of the child's father, until she was located by him and the orders were set aside based on fraud.

Kidnapping in the First Degree in Nevada is punishable by a sentence of Life in prison, with the possibility of parole. Persons charged with a crime but not yet convicted are presumed to be not guilty.

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FOR IMMEDIATE RELEASE
DATE: October 27, 2008

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ATTORNEY GENERAL ANNOUNCES ARREST OF THE OWNERS OF CAL-NEVA TRANSPORT AND TOW FOR EMBEZZLEMENT OF TOWED VEHICLES

Las Vegas, NV – Attorney General Catherine Cortez Masto announced today the arrest of Randall Bondy and Daiana Azpilcueta, owners and operators of Cal-Neva Transport and Tow, Inc. ("Cal-Neva Transport and Tow"), on multiple felony counts of theft by embezzlement of vehicles involuntary towed.

The charges carry a potential penalty of up to five years' imprisonment and a \$10,000 fine on each felony count. The allegations against Bondy and Azpilcueta will be tried in a court of law and the defendants are presumed innocent until proven otherwise.

The complaints filed in Carson City Justice Court allege that Bondy and Azpilcueta embezzled vehicles towed by Cal-Neva Transport and Tow when they refused to release the vehicles to the owners. One victim related to this arrest is Avis Budget Car Rentals who had one of its stolen rental cars towed by Cal-Neva Transport and Tow.

"The Attorney General's Office serves as a public resource for complaints concerning these practices," said Attorney General Masto.

If your vehicle has been involuntarily towed by Cal-Neva Transport and Tow, and the company will not return the vehicle upon payment of towing fees, contact the Nevada Attorney General's Office in Carson City at (775) 684-1180.

To report deceptive trade practices over the Internet, access the Attorney General's website at <http://ag.state.nv.us> to file an online complaint. The telephone number for the Attorney General's bureau of Consumer Protection is (775) 684-1180 in northern Nevada or (702) 486-3194 in southern Nevada.

Additional consumer protection information can be found on the Attorney General's web site at <http://ag.state.nv.us> and at (702) 486-3194.

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FOR IMMEDIATE RELEASE
DATE: October 27, 2008

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HALLOWEEN SAFETY TIPS FOR PARENTS

Attorney General Catherine Cortez Masto and Nevada State Children's Advocate Vic Schulze hope to increase the safety of Nevada's children this Halloween by reminding parents of the following Halloween safety tips promulgated by the National Center for Missing and Exploited Children.

1. Be sure older children are in groups and younger children are accompanied by a trusted adult when trick or treating.
2. Accompany younger children to the door of every home they approach and make sure parents and guardians are familiar with every home and all people from which the children receive treats.
3. Teach children to never enter a home without prior permission from their parents or guardians.
4. Teach children to never approach a vehicle, occupied or not, unless they are accompanied by a parent or guardian.
5. Make sure all children wear reflective clothing and carry a glow stick when out at dusk and at night.
6. Make sure children are able to see and breath properly and easily when using facial masks. All costumes and masks should be clearly marked as flame resistant.
7. Teach children to never approach a home that is not well lit both inside and outside.
8. Teach children to stay alert for any suspicious incidents and report them to their parents, guardians, and/or the proper authority.
9. Teach children if anyone tries to grab them to make a scene: loudly yell "this person is not my father/mother/guardian"; and make every effort to get away by kicking, screaming, and resisting.
10. Consider organizing or attending parties at home, in schools, or in community centers as a good alternative to trick or treating.

“Halloween is a fun time for children, but adults should be aware of the challenges to child safety that come from large numbers of children being out and about after dark,” said Attorney General Mastro. “Taking preventive steps toward child safety can reduce the risk of abduction, exploitation and danger.”

For more information about child safety topics, please visit the web site of the National Center for Missing and Exploited Children at www.missingkids.com.

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FOR IMMEDIATE RELEASE
DATE: October 29, 2008

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ATTORNEY GENERAL SUPPORTS CRITICAL EFFORTS TO IMPROVE NEVADA HIGH SCHOOL GRADUATION RATE

Reno, NV- Nevada Attorney General Catherine Cortez Masto today recognized the critical efforts of the statewide *Ready for Life* movement to increase the number of youth graduating from Nevada high schools with a strong and successful connection to the job market by the age of 25.

"Young people are the key to our future. Our community leaders should be commended for working collaboratively to develop a statewide action plan to improve Nevada's graduation rate and help ensure our youth are 'ready for life!'"

Masto underscored the urgency of the movement with the following facts:

- Currently, only 62 percent of Nevada's youth graduate high school on time, the worst graduation statistics in the U.S.
- Only 10% of youth entering high school graduate with a four year degree. This is a major concern for all Nevadans, with significant personal, economic, social, and community implications.
- Research finds that high school dropouts earn less, pay fewer taxes, and are more likely to collect welfare and turn to a life of crime than those who graduate from high school.
- High school dropouts are 3 ½ times more likely than high school graduates to be arrested and more than 8 times as likely to be incarcerated.
- Throughout the country, 68% of state prison inmates have not received a high school diploma. Yet, according to research, a 10% increase in graduation rates has historically been shown to reduce murder and assault rates by approximately 20%.

More information about Nevada Public Education Foundation's *Ready for Life* movement is available at <http://www.readyforlifenv.org>.

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FOR IMMEDIATE RELEASE
DATE: October 30, 2008

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ATTORNEY GENERAL NAMES NEW PUBLIC INFORMATION OFFICER

Carson City, NV: Nevada Attorney General Catherine Cortez Masto announced today that Edie Cartwright will join the Attorney General staff as Public Information Officer.

Cartwright has 35 years experience in corporate Public Relations in the aerospace and defense industry including TRW, L-3 and Aerojet. She most recently served as Director, Public Relations and Communications for L-3 Integrated Systems in Dallas, Texas. Cartwright and her husband have relocated to Reno, where they lived in the early 1980's.

"The Attorney General's office is dedicated to keeping the public informed about the many issues so important to our State," said Attorney General Masto. "The addition of Edie Cartwright to our staff will help us achieve this goal."

For further information or to contact the PIO, call or e-mail
ecartwright@ag.nv.gov or (775) 684.1189.

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FOR IMMEDIATE RELEASE
DATE: October 30, 2008

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COMPANY AGREES TO SAFEGUARDS FOR STUDENT INFORMATION

Las Vegas, NV – The Attorneys General of 36 states and the District of Columbia have agreed to require Educational Research Center of America, Inc. (“ERCA”), a not-for-profit data collection firm based in Morristown, New Jersey, to tighten up its practices for obtaining and handling personal information it collects from high school student surveys.

The States alleged that ERCA offered gift cards to educators for distributing the surveys to students for the purpose of collection of personal information without disclosing to the students or their parents a method of opting out of the survey.

The ERCA surveys ask high school and junior high students for personal information including ethnic background, honors received, participation in sports and extracurricular activities, and the religious affiliation, if any, of a college they would choose. ERCA offered educators \$40 and \$50 gift cards from companies including Staples, VISA, and Office Max in an attempt to entice educators to have students complete the surveys. The company received hundreds of thousands of completed surveys from students.

Student information obtained by ERCA has been marketed and provided to colleges and other educational institutions. The information was also made available to commercial businesses that market products and services to students. Commercial use of the collected information was disclosed to educators and students.

“Collection of personal information from minors for the purpose of commercial use without providing an option of opting out of survey participation will not be tolerated in Nevada,” said Attorney General Catherine Cortez Masto.

Under the multistate agreement, ERCA must clearly disclose how students or parents of students under 18 can opt out of completing the data collection survey. ERCA is also prohibited from offering anything of monetary value to educators relating to the collection of personal information from students. Prohibiting such practices is especially important, the states said, because information gathered by ERCA from students is sometimes sold for commercial marketing purposes.

ERCA did not admit any violation of state consumer protection statutes. As part of the settlement, ERCA will pay \$200,000 to the states for investigative costs, attorney fees, and consumer education and litigation.

Senior Deputy Jo Ann Gibbs of the Attorney General's Bureau of Consumer Protection represented Nevada in the settlement. In addition to Nevada, the Attorneys General of the following 35 states and the District of Columbia joined in the settlement with ERCA: Alabama, Alaska, Arizona, Connecticut, Delaware, Hawaii, Illinois, Indiana, Iowa, Louisiana, Maine, Maryland, Michigan, Mississippi, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia, and Wyoming.



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DATE: October 30, 2008

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FORMER STATE EMPLOYEE PLEADS GUILTY TO THEFT

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto announced today that Suzette Brown, age 46, of Las Vegas, entered a guilty plea to one (1) Count of Theft, a category B felony, in connection with her former employment as a Services Specialist with the State of Nevada Division of Welfare. The felony count carries a possible sentence of 1 to 10 years in prison.

“Employee misconduct is taken very seriously by my office,” said Attorney General Masto. “Theft of public funds intended to benefit less fortunate Nevadans is particularly egregious. Anyone with knowledge of such activities by State employees should report it to the Attorney General’s office for investigation.”

Brown’s guilty plea follows an extensive investigation conducted by the Attorney General’s Bureau of Criminal Justice. The investigation revealed that during her employment by the Nevada State Welfare Division between January 1, 2004, through October 10, 2007, Brown created fraudulent and unauthorized welfare claim files in the names of her own family members. She approved allotments, initiated and managed the cases, requested, approved, and personally used food stamp cards and illegally made purchases for herself with the food stamp cards in the total amount of \$47,676.00.

The sentencing hearing in this matter is scheduled for December 22, 2008 at 8:30 am in District Court Department 7.

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FOR IMMEDIATE RELEASE
DATE: November 3, 2008

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ATTORNEY GENERAL WARNS CONSUMERS AGAINST FOREIGN LOTTERIES

Las Vegas, NV—The Attorney General's Bureau of Consumer Protection today issued a consumer advisory regarding foreign lotteries. This advisory is part of the ongoing effort to protect consumers through education.

Every day millions of foreign lottery mailings are sent to consumers throughout the United States. They include lottery promotions originating from Canada or from as far away as Australia and Europe. Excited by the prospect of instant wealth, consumers are responding to these solicitations to the tune of \$120 million a year, according to the U.S. Postal Inspection Service. With the ability to send free email messages from anywhere in the world, an increasing number of consumers are being enticed to buy chances in high stakes foreign lotteries.

While many legitimate foreign lotteries do exist, entries are not typically solicited in other countries. Most promotions for foreign lotteries received by consumers in the United States are, in fact, nothing more than a tool used by con-artists to deceive people. Often consumers are told they must send money immediately for processing fees or taxes. Consumers are also asked to provide their credit card or bank account numbers, only to later learn that unauthorized withdrawals have been made from their bank accounts or additional charges have been placed on their credit cards.

In other instances, the solicitation includes an authentic looking check and informs the consumer to deposit the check and send payment for the processing fees or taxes from the consumer's own bank account. After the consumer deposits the check and sends their own check for payment, the consumer learns that the check sent with the solicitation is counterfeit.

The Attorney General's office warns consumers who are considering responding to a foreign lottery to be aware of the following:

- There are no secret systems for winning foreign lotteries. Your chances of winning more than the cost of your tickets are slim to none.
- If you purchase one foreign lottery ticket, expect many more bogus offers for lottery or investment "opportunities." Your name will likely be placed on "sucker lists" that fraudulent telemarketers buy and sell.
- Scam artists often ask for your credit card and bank account numbers. Do not relinquish this information.
- The safest thing to do if you receive a solicitation for a foreign lottery promotion is to ignore it!

Consumers who receive a foreign lottery solicitation are encouraged to send it to their Postmaster; e-mails may be sent to the Federal Trade Commission at uce@ftc.gov. To file a complaint or get free information about this and other consumer protection issues, go to www.ftc.gov or call toll-free 1-877-FTC-HELP (1-877-382-4357); TTY 1-866-653-4261.

For other valuable consumer protection information, please visit the Attorney General's office website at www.ag.state.nv.us/divisions/bcp.htm.

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FOR IMMEDIATE RELEASE
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ATTORNEY GENERAL ANNOUNCES ARRESTS IN MORTGAGE LOAN SCAM AGAINST SENIOR CITIZEN

Las Vegas, NV— Attorney General Catherine Cortez Masto, announced today the arrests of Roxanne Lynette McCoy and Shanease Renee Bauman, employees of Proserve Mortgage.

The arrests were made in connection with an alleged scheme involving the submission of forged loan application documents to a bank for a mortgage loan, after being informed by the victim, Jeri Cooper, age 69, that she could not afford the loan and did not want to complete the loan application process. A third suspect, Laticia Renee Carter, also a Proserve Mortgage employee, remains at large.

The State alleges the defendants forged the elderly victim's signature on several loan application documents and fraudulently submitted the loan for funding to the lender in order to collect a commission on the loan. The victim had expressly told the defendants that she could not afford the monthly payments and did not wish to complete the loan application process after learning of the payment terms. The State alleges that, as a result, the elderly victim is being held responsible for payment of the loan and now faces possible foreclosure.

"Mortgage related crimes affect everyone in the community and we intend to prosecute these aggressively," said Attorney General Masto. "In this particular case, the victim is a senior citizen. Protecting Nevada's seniors is a priority for my administration."

Defendants Carter, McCoy and Bauman are each charged with multiple felonies including: one (1) count of Forgery, one (1) count of Obtaining Signature by False Pretenses, one (1) count of Theft and one (1) count of Mortgage Lending Fraud. The initial appearance in Justice Court for Bauman and McCoy is set for December 3 at 7:45 am in Las Vegas Justice Court Department 10.

The case was filed by prosecutors assigned to the Attorney General's Mortgage Fraud Task Force, which was created by Attorney General Masto in early

2008 to address mortgage fraud scams throughout Nevada. The task force combines the resources of several Attorney General Bureaus, including the Bureau of Criminal Justice and the Bureau of Consumer Protection. It works closely with other State agencies including the Mortgage Lending Division to investigate and prosecute mortgage fraud crimes in Nevada.

The charges against the named individuals are merely allegations. The Defendants are presumed innocent until or unless proven otherwise in a court of law.

Consumers who wish to report mortgage fraud are asked to contact the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3194 to obtain a complaint form. Consumers with internet access may also obtain a Consumer Complaint Form, as well as other consumer protection and contact information, on the Attorney General's website at www.ag.state.nv.us.



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FOR IMMEDIATE RELEASE
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ATTORNEY GENERAL ANNOUNCES CHARGES AGAINST INTERNET PAYDAY LENDER CASH TODAY, LTD.

Company is Also Known as Leads Global Inc. and Roving International, Inc.

Carson City, NV— Nevada Attorney General Catherine Cortez Masto announced today the State of Nevada and the Federal Trade Commission (FTC) have charged 10 related Internet payday lenders and their principals, based mainly in the United Kingdom, with violating federal and state law by not disclosing key loan terms to U.S. consumers and using abusive and deceptive collection tactics.

Leads Global, Inc. and Roving International, Inc. are Nevada corporations which maintain mail drops in Reno, Nevada to conceal the fact the real operation was located in the United Kingdom.

"Internet payday lenders must know that Nevada will not allow deceptive lending practices to exist in this State," said Attorney General Catherine Cortez Masto. "These lenders will be charged and prosecuted."

According to the complaint filed by the State of Nevada and the FTC, through websites such as www.cash2today4u.com, the defendants offered consumers loans of \$500 or less within 24 hours without requiring a credit check, proof of income, or documentation. Consumers who applied for a loan on their website were required to submit an online application that asked for their bank account and Social Security numbers.

The complaint said Cash Today, Ltd. representatives called consumers who applied for loans through the website told them that they qualified for a loan which had to be

repaid by their next payday. Typically, the loan was in the amount of \$200. Consumers were charged a loan fee ranging from \$35 to \$80. During the phone call, the Cash Today representative said the loan was not fully repaid by the required date, it would be extended automatically for an extra fee that would be debited from the consumer's bank account "until the loan is repaid." Consumers were required to provide the payday lender access to their bank accounts for payment of the fees.

The payday lenders did not disclose key loan terms in writing, such as annual percentage rate, the payment schedule, the amount financed, the total of payments, and any late payment fees. The complaint states consumers who asked for written disclosures were told that the transaction was verbal only. Some consumers were told written disclosures would be sent to them after the phone call, but were never received.

After repaying the original loan amount, and sometimes hundreds of dollars in excess of the loan, many consumers terminated the lenders' access to their bank accounts, often by closing the accounts. Once access to accounts was denied, consumers received abusive and deceptive collection calls by the payday lender aimed at regaining access to consumers' bank accounts.

According to the complaint, Cash Today, Ltd. falsely claimed that consumers were legally obligated to repay the loans, even though the loans did not comply with payday lending laws in many consumers' states and the defendants were not licensed to make consumer loans in those states. The defendants falsely threatened consumers with arrest, lawsuits, property seizure, or wage garnishment, and repeatedly called consumers, coworkers, and employers at their workplace, using abusive language and disclosing consumers' purported debts.

The corporate defendants are: Cash Today, Ltd.; The Heathmill Village, Ltd.; Leads Global, Inc.; Waterfront Investments, Inc.; ACH Cash, Inc.; HBS Services, Inc.; Lotus Leads, Inc.; First4Leads, Inc.; Roving International, Inc.; and The Harris Holdings, Ltd.; each also doing business as Cash Today; Route 66 Funding; Global Financial Services International, Ltd.; Interim Cash, Ltd.; and BIG-INT, Ltd. The individual defendants are Aaron Gershfield, Ivor Gershfield, and Jim Harris.

The defendants are charged with violating the FTC Act by using unfair and deceptive collection tactics, including falsely threatening consumers with arrest or imprisonment, falsely claiming consumers are legally obligated to pay the debts, making false threats to take legal action that they cannot take, repeatedly calling consumers at work, using abusive and profane language, and disclosing consumers' purported debts to coworkers, employers, and other third parties.

Cash Today, Ltd. has been charged with violating the Truth in Lending Act and Regulation Z by failing to make required written disclosures, clearly and conspicuously, before consummating a consumer credit transaction, including the amount financed, itemization of the amount financed, the finance charge, the annual percentage rate, the payment schedule, the total of payments, and any late payment fees. In addition, it is charged with violating Nevada's Deceptive Trade Act by not disclosing loan terms, making false representations in collecting debts, and selling loans to consumers without licenses.

A check with the Better Business Bureau or even a quick Google search of a company's reputation can save a lot of trouble later on. For more information on how you can help prevent illegal deceptive trade, you may contact the Office of the Nevada

Attorney General, Bureau of Consumer Protection at (775) 684-1169 in northern Nevada, or (702) 486-3194 in southern Nevada.



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ATTORNEY GENERAL SEEKS TO PREVENT VALLEY EYE FROM PRACTICING MEDICINE

Las Vegas, NV— Attorney General Catherine Cortez Masto on behalf of the Nevada State Board of Medical Examiners today filed in the 8th Judicial District Court for Restraining Orders and Injunctions against the physicians associated with Valley Eye, an eye surgery clinic located in Las Vegas.

The legal filings document the reports to the Medical Examiners from thirty patients who had LASIK surgery performed at Valley Eye and who suffered damage to their vision as a result.

"The State Board of Medical Examiners and I are working to prevent unlicensed and unqualified physicians from harming the people of our State," said Attorney General Cortez Masto. "I filed this action to protect our citizens."

The Attorney General seeks to have the medical licenses of the doctors associated with Valley Eye - Drs. Anamika Jain, Stella Yi Chou and Paul Cutarelli suspended pending the disciplinary action brought by the State Board of Medical Examiners. In addition, the Attorney General is seeking a Restraining Order and Injunction against the practice of medicine by Valley Eye.

Further, the Attorney General is seeking to prevent Vikas Jain, who is associated with the Valley Eye clinic, from practicing medicine in Nevada without a license. Vikas Jain previously held a medical license from the State of Ohio. The license was permanently revoked after a hearing documenting 22 Ohio patients who had complained about the eye treatments he had provided to them.

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TOBACCO MASTER SETTLEMENT AGREEMENT CELEBRATES 10 YEAR ANNIVERSARY

Carson City, NV: "Ten years after state attorneys general and big tobacco reached a landmark agreement, cigarette smoking is down and attitudes about tobacco have changed for the better," Attorney General Catherine Cortez Masto said today.

Cortez Masto and attorneys general around the country are marking the 10-year anniversary of the Master Settlement Agreement (MSA) this month. The agreement was finalized on November 23, 1998.

The most significant legal reform of the tobacco industry and an important public health achievement, the MSA imposes sweeping changes in tobacco advertising, bans the tobacco companies from targeting children, allocates funding for tobacco education efforts and provides the states annual payments based on the number of cigarettes sold in the country. The total of payments over 25 years is projected to be in excess of \$206 billion, and payments will continue as long as cigarettes are sold.

The largest legal settlement in the history of the world, the MSA has spawned a cultural shift in societal attitudes toward smoking, and the result is a healthier population as a whole.

"The past ten years have changed the way we as a society view tobacco use," Attorney General Masto said. "Ten years ago, Joe Camel was everywhere and the Marlboro Man was riding shotgun. One of the most important things the MSA accomplished was to change the way the tobacco companies market their products. The MSA introduced protections and restrictions that were unheard of 10 years ago."

These advertising restrictions reduced mainstream exposure to images of tobacco products, and with it, tolerance for exposure to cigarette smoke. Since the MSA, two

dozen states have banned smoking in public places including bars and restaurants, and Masto explains statistics show that changes in societal norms can also be felt even closer to home.

“CDC statistics show that as of 2003, 72.2 percent of American households are now smoke-free,” Attorney General Masto said. “That’s an increase of almost 30 percent over the preceding decade. Additionally, ballparks and universities and municipalities are slowly adopting policies that will limit Americans’ exposure to second-hand smoke. There is no question – these changes will lead to fewer smoking-related illnesses and, ultimately, fewer smokers.”

According to the U.S. Department of Agriculture, U.S. consumption has declined by more than 100 billion cigarettes over the past decade. The decline is significant because the U.S. Department of Health and Human Services estimates that 80 percent of lung cancer deaths in women and 90 percent of lung cancer deaths in men can be attributed to smoking.

Also, according to data from the CDC and the U.S. Census Bureau, 5.8 million American high school students smoked in 1997, and ten years later, that number is 3.5 million.

Signed by the attorneys general of 52 jurisdictions and more than 40 tobacco companies, the MSA is the result of a years-long legal battle in which attorneys general across the country filed lawsuits asking for restraints against the industry and monetary damages for state funds spent treating smoking-related illnesses. The attorneys general also accused the companies of marketing tobacco products to children and of concealing the dangers associated with tobacco use.

One of the MSA’s most important public health contributions was the creation of a national public health foundation dedicated to reducing tobacco use in the United States. Funding negotiated by the states created the American Legacy Foundation® with the mission to build a world where young people reject tobacco and anyone can quit. Legacy has invested approximately \$600 million in the nation’s most successful youth smoking prevention campaign, truth®, which has been credited with 22 percent of the overall decline in youth smoking during its first two years (from 2000-2002) according to an article published in the *American Journal of Public Health*.

“We are definitely better off now than we were ten years ago in terms of declining adult and youth smoking rates,” said Cheryl G. Heaton, Dr. PH., President and CEO of the American Legacy Foundation. “This progress is in part due to the Master Settlement Agreement and to national, state and local measures. When combined, they became a ripple that resulted in a decade-long tidal wave in tobacco control. The outcome has been a widespread sea change in social norms surrounding the issue of tobacco use in the U.S. resulting in saved lives and saved money, but much more needs to be done.”

“Public health was always at the heart of our lawsuits, and the MSA’s public health gains and marketing restrictions are its true benefits,” Attorney General Masto said.

“The MSA changed the way the industry does business, and our states and our country are becoming healthier for it.”

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ATTORNEY GENERAL CORTEZ MASTO FILES SUIT AGAINST HORMONE THERAPY DRUG MANUFACTURERS

Las Vegas, NV: Nevada Attorney General Catherina Cortez Masto today filed suit against Wyeth and Pfizer, two leading manufacturers of hormone therapy drugs commonly prescribed to women at menopause.

The suit alleges that Wyeth's sale of Premarin, Prempro and Premphase, and Pfizer's sale of Provera, involved deceptive trade practices which misled Nevada consumers and physicians about the safety and efficacy of these drugs.

"When drug companies purposefully misrepresent the safety and efficacy of their drugs, or promote their drugs in a deceptive way, everybody loses," said Attorney General Cortez Masto. "We're confident we have the facts necessary to prove this case, and we hope this lawsuit and its outcome will deter improper drug company practices in Nevada."

The suit contends that Wyeth and Pfizer intentionally minimized the risks and exaggerated the benefits of taking their hormone therapy drugs, resulting in over-prescribing and a dramatic increase in hormone-positive breast cancers in post-menopausal women.

The lawsuit was filed by the Nevada Attorney General's office in conjunction with White & Wetherall, LLP, a Nevada law firm, and Littlepage Booth, a Texas law firm. These private firms have been litigating similar cases on behalf of individual Nevada women for over four years, resulting in numerous settlements and a 2007 verdict in Reno on behalf of three women with breast cancer. The verdict is presently on appeal by Wyeth.

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ATTORNEY GENERAL ANNOUNCES GUILTY PLEA IN MORTGAGE LOAN SCAM

Las Vegas, NV – Nevada Attorney General Catherine Cortez Masto announced today that Mathew Marlon, age 64, of Las Vegas, pled guilty this morning to nine (9) gross misdemeanor counts of Making False Representations Regarding Title and one (1) gross misdemeanor count of Making a Fraudulent Conveyance in connection with a mortgage foreclosure rescue scam involving Las Vegas victims.

“I created a Mortgage Fraud task force within my office to combine the resources of several State agencies, including the Nevada Secretary of State, to address the serious problem of mortgage related crimes in Nevada. It is my hope that successful prosecutions such as this will have a deterrent effect and prevent or lessen the rise in mortgage related crimes in our community,” said Attorney General Masto. “

District Court Judge Michelle Leavitt sentenced Marlon to pay fines in the amount of \$20,000 to the State and ordered that he pay restitution to Clark County in the amount of \$86,990.60 for property transfer taxes that were owed on the properties. Judge Leavitt also ordered that Marlon pay restitution to the victim homeowners in the amount of \$43,009.40 for a total of \$130,000 in restitution.

Marlon's guilty plea and sentence follows an extensive investigation conducted by the Nevada Secretary of State's Office, working in conjunction with the Attorney General's Mortgage Fraud task force. The investigation revealed that on or between July 2007 and November 2007, Marlon falsely represented to local homeowners that were facing foreclosure, that he would purchase their houses and land located in Clark County, Nevada, for a price which equaled the sum of the outstanding mortgages, together with a small cash payment, and promised that he would payoff the mortgages to prevent the property from being

foreclosed upon by the mortgage holders. Marlon asked the various homeowners to sign a Grant Bargain Sale Deed, and Declaration of Property Value Form, which indicated a transfer of the property from the homeowners individually to various corporations alleged to be wholly owned by the various homeowners. The documents were false and fraudulent because the homeowners were not the owners of the various corporations and the sole purpose of the transference of the properties to the various corporations was to allow Marlon to record the Grant Bargain Sale Deeds in the name of the various corporations, in order to conceal his identity and avoid payment of transfer taxes to the County.

The victim homeowners signed the papers believing that Marlon was purchasing their homes, and gave actual possession of the homes to Marlon, who took possession without paying any transfer taxes to Clark County as required by State law.

Consumers who wish to report mortgage fraud are asked to contact the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3194 to obtain a complaint form. Consumers with internet access may also obtain a Consumer Complaint Form, as well as other consumer protection and contact information, on the Attorney General's website at www.ag.state.nv.us.



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ATTORNEY GENERAL, HOMELAND SECURITY CHAIR STRESS STATE NEEDS IN LETTER TO PRESIDENT-ELECT OBAMA

Carson City, NV: - Attorney General Catherine Cortez Masto and Dr. Dale Carrison, Chairman of the Nevada Commission on Homeland Security, sent a letter to President-Elect Barack Obama to underscore Nevada's homeland security needs.

"Chairman Carrison and I feel it is imperative that Homeland Security Grant funding continue for Nevada in order to secure our State from terrorism or natural disasters," said Attorney General Cortez Masto.

"The Attorney General and I will work together to protect continued funding of these very important initiatives," said Chairman Carrison

The letter to the President-elect reviewed the state initiatives which, in the past, have received grant funding from the Department of Homeland Security Grants program. These initiatives address man-made and natural emergencies and disasters and include interoperable communications among first responders and law enforcement agencies; evacuation; sheltering; mass care and training exercises.

Masto and Carrison stressed the DHS funding program is essential for Nevada's efforts to achieve a maximum readiness capability and asked for Obama's support in the continuation of the Homeland Security grants Program in the future.

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ATTORNEY GENERAL CORTEZ MASTO ANNOUNCES RECOVERY OF ABDUCTED TWO-YEAR-OLD

Las Vegas, NV - Attorney General Catherine Cortez Masto announced today a two year old child abducted on October 6, 2008, from Las Vegas by her father, Richard Steven Haddad, was recovered and reunited with her mother in Calgary, Alberta.

"We are grateful to our American and Canadian partners in law enforcement and the National Center for Missing and Exploited Children for the child's quick return," said Cortez-Masto. "These hardworking public servants should be applauded for their efforts."

The child had been left at her day care center in Las Vegas by her mother on October 2, 2008. The child was to spend several days with her father in Las Vegas. When the mother returned to the day care center to pick up the child, she learned that Haddad had not returned the child to the day care center as agreed. An investigation by the Henderson Police department found that when the child's mother called Haddad to learn the child's whereabouts, he told her he wanted to keep the child at his Las Vegas home for another week, and would drop her off at the child's day care center after that time. However, the child was not returned to the day care center as promised.

When Henderson police visited Haddad's residence, they found it unoccupied. Police investigation found the father had taken the child to Sky Harbor International Airport in Phoenix, Arizona, and flew with her to Calgary, Alberta. It is unknown to police how the abducting father was able to gain entry into Canada with the child, as, according to her mother, she had no passport, and had been entered into the FBI's National Database as a missing child.

After a lead report was issued by the National Center for Missing and Exploited Children on a possible sighting of the child in Canada, Haddad was taken into custody in Calgary. The child was placed in protective custody until

her mother could travel from Las Vegas to Alberta to reunite with her. Haddad was released from custody on bond, returned to Las Vegas and arrested at McCarran International Airport on a warrant from Las Vegas Justice Court requested by the Attorney General's Office.

Vic Schulze, Senior Deputy Attorney General and Nevada State Children's Advocate, filed felony criminal charges against Haddad on October 24, 2008 for Unlawful Detention, Removal, or Concealment of a Child.

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ATTORNEY GENERAL EXPANDS CHILD PROTECTION PROGRAM TO NEVADA RURAL AREAS

Las Vegas: A child protection program sponsored by Attorney General Catherine Cortez Masto will be presented to K to 3rd graders in schools in Goldfield, Silver Peak and Fishlake Valley on December 9. The program will be presented in Duckwater and Gabbs in January 2009.

"Shout Out Loud" has been presented to more than 2500 K-3 children in Clark County over the past year and is being expanded to include Nevada's rural areas.

"These programs are designed to educate young children on how to protect themselves in abduction and sexual abuse situations," said Attorney General Masto.

Victor Schulze, the Children's Advocate in the Attorney General's office, will present the in-school program to K through 3rd grade children utilizing age-appropriate strategies and practical tools to lessen the potential risk of abductions and sexual assault.

The in-school program uses a puppet named Tobie. During the program, the presenter has a conversation with the puppet on the rules for safety, including "always ask first" before going with someone. The "I am the boss of my body" part of the program relates to being touched in the "private zone," the area of the body that a bathing suit covers.

Shout Out Loud was designed within the guidelines issued by the National Center for Missing and Exploited Children for abduction and assault reduction instruction for children. It is presented by the Nevada Attorney General's office in conjunction with the Nevada Child Seekers and the Safe and Drug Free Schools program of the Clark County School District.

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ATTORNEY GENERAL ANNOUNCES ARRESTS IN FORECLOSURE RESCUE SCAM

Las Vegas, NV— Attorney General Catherine Cortez Masto announced today the arrest of William Vargas, one of three defendants who allegedly operated a foreclosure rescue scam in Las Vegas since February 2007, under the business name of Federal Housing Aid.

Two additional defendants are still at large with warrants issued for their arrest. Paula Luna is believed to be in California and Michael Sinclair is believed to have fled to the Philippines. The Vargas arrest was made by investigators working for the Attorney General's Mortgage Fraud Task Force, created in early 2008, to investigate and prosecute mortgage related crimes in Nevada.

"Foreclosure rescue scams are particularly egregious because they target victims who are already experiencing financial hardship," said Attorney General Cortez Masto. "These types of scams prey on vulnerable victims who are desperate for hope and who are looking for ways to avoid foreclosure. The victims end up paying whatever money they have left to the perpetrators, only to end up in a worse position than before they were scammed"

The alleged scheme involved the collection of upfront fees for the purpose of assisting the victims with avoiding foreclosure on their homes. The suspects allegedly charged the victims between \$899 to \$1500 for foreclosure rescue services and offered a 100% money back guaranty, claiming their company would refund the money if the foreclosure could not be stopped.

Collection of fees upfront is in violation of Nevada Revised Statute 645D.400, which makes it unlawful for a mortgage consultant to collect or receive any compensation until after the consultant has fully performed the consulting services that he contracted to perform or represented that he would perform. The State alleges that the defendants failed to provide the foreclosure rescue services and failed to refund the victims' money as promised.

Defendants Vargas, Sinclair and Luna are each charged with multiple felonies including: One (1) felony count of Theft of a Person 60 Years or Older; seven (7) felony counts of Theft by Material Misrepresentation; and eight (8) misdemeanor counts of Deceptive Trade Practice. The initial appearance in Justice Court is set for December 10 at 7:30 am in Las Vegas Justice Court Department 9.

The case was filed by prosecutors assigned to the Attorney General's Mortgage Fraud Task Force, which was created by Attorney General Masto in early 2008 to address mortgage fraud scams throughout Nevada. The task force combines the resources of several Attorney General Bureaus, including the Bureau of Criminal Justice and the Bureau of Consumer Protection. It works closely with other State agencies including the Mortgage Lending Division to investigate and prosecute mortgage fraud crimes in Nevada.

The charges against the named individuals are merely allegations. The defendants are presumed innocent until or unless proven otherwise in a court of law.

Consumers who wish to report mortgage fraud are asked to contact the Attorney General's Bureau of Consumer Protection in Las Vegas at (702) 486-3194 to obtain a complaint form. Consumers with internet access may also obtain a Consumer Complaint Form, as well as other consumer protection and contact information, on the Attorney General's website at www.ag.state.nv.us.

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ATTORNEY GENERAL WARNS CONSUMERS AND BUSINESSES OF FUNDRAISING SCAMS TARGETING SCHOOL ATHLETIC SPONSORS

Las Vegas, NV—Attorney General Catherine Cortez Masto today issued a consumer advisory concerning solicitations from advertising companies offering to place ads on school athletic posters as a fundraising effort. The advisory comes as a result of complaints from businesses who have been approached to be local school athletic sponsors.

One such company has targeted sponsors for the Pahrump Valley High School in Nye County. The advertising company claims to be a booster for the school and is authorized to print an athletic poster on the school's behalf, with money from the business ads on the poster provided to the school to support athletics. In some instances, the caller has claimed to be from the school athletic department itself. The company has contacted businesses in Pahrump and Las Vegas. Pahrump Valley High School did not authorize the poster and has not entered into any agreements to receive funds for the advertising.

"In addition to harming business owners and individuals who contribute financially, fundraising scams frustrate the legitimate fundraising efforts of the organization needing the financial assistance," said Attorney General Cortez Masto. "Businesses and consumers, understandably concerned about fraudulent fundraising, often choose not to donate rather than risk becoming victims."

Similar complaints of fundraising scams have been reported in the states of Washington, Oregon, Michigan, Wisconsin, and New York. In some cases, the advertising company sent invoices to the businesses, even after they declined to participate in the fundraiser. When the invoices were not paid, collection notices with threats of further action followed.

Fundraising scams concerning booster clubs often take place around the holidays, when school sports are active and community members are in the giving mood. Local, small businesses are often targeted because of their desire to improve their communities and, at the same time, receive positive, public advertising.

Before donating, the Bureau of Consumer Protection advises business owners and consumers to contact the school designated to confirm that their contributions are going to that school or one of its officially-recognized boosters and the organization soliciting the donation is legitimate.

Business owners or consumers who believe that they may have been targeted by, or fallen victim to, a fundraising scam are encouraged to contact the Attorney General's Bureau of Consumer Protection at (702) 486-3194 in Las Vegas or (775) 684-1180 in Carson City. A complaint form, as well as other valuable consumer protection information, is also available on the Attorney General's website at www.ag.state.nv.us.

For other valuable consumer protection information, please visit the Bureau of Consumer Protection website, www.ag.state.nv.us/org/bcp/education.htm and/or the State of Nevada's general fraud information website, www.fightfraud.nv.gov

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FOR IMMEDIATE RELEASE
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ATTORNEY GENERAL SIGNS AN AGREEMENT OF UNDERSTANDING WITH BAJA CALIFORNIA AND CHIHUAHUA, MEXICO IN THE FIGHT AGAINST ORGANIZED CRIME

Las Vegas, NV: - Nevada Attorney General Catherine Cortez Masto and the Attorneys General from Baja California and Chihuahua, Mexico today signed an Agreement of Understanding enabling Nevada and the two Mexican states to share legal and educational knowledge and exchange information on best practices in the area of criminal investigations.

"Current international conditions and challenges in the fight against organized crime have magnified the role of both the United States of America and the United Mexican States attorneys general to ensure justice and safety for all citizens," said Nevada Attorney General Catherine Cortez Masto. "It is only when citizens are safe and assured of justice that economic prosperity can flourish."

Cortez Masto signed agreements with Attorney General Rommel Manjarrez of Baja California and Attorney General Patricia Gonzalez of the State of Chihuahua, Mexico

The alliance between states in the U.S. and Mexico grew out of the Conference of Western Attorneys General (CWAG), the National Association of Attorneys General (NAAG) and the USAID's Rule of Law project. The project assists Mexico state attorneys general and law enforcement as they pursue federal and state judicial reform efforts aimed at strengthening the rule of law and transitioning from an inquisitorial, written system to an oral, adversarial system.

The agreement between Nevada and Baja California and Chihuahua provides administrative and management training to the Attorneys General offices that include division of work assignments, creation of work groups, and assistance in the development of policy guidelines. The program will create training seminars for Mexican law enforcement personnel that will include state crime lab training, evidence gathering techniques, money laundering workshops and information exchange on criminal and civil court procedures and practices.

In addition, the two Mexican states will agree to share information on wanted criminals that might have fled to the United States, create a task force to combat human trafficking and guarantee the presence of Spanish and English interpreter when needed.

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ATTORNEY GENERAL CORTEZ MASTO JOINS SETTLEMENT WITH MAKERS OF AIRBORNE EFFERVESCENT HEALTH FORMULA

Las Vegas, NV- Attorney General Catherine Cortez Masto announced that Nevada, along with 31 other states and the District of Columbia, filed settlements today with the makers of Airborne Health Inc., the Florida-based maker of the Airborne Effervescent Health Formula, and its founders and current owners, Victoria Knight-McDowell and her husband, Thomas John McDowell.

Under the settlement, the defendants will pay \$7 million to the attorneys general to settle allegations they made unsubstantiated and unlawful marketing claims concerning their products. The \$7 million payment is the largest payment to date in a multistate settlement with a dietary supplement producer. As a member of the executive committee, Nevada will receive \$460,000 as its share of the settlement payment.

"Companies must learn that they cannot make unsubstantiated claims about their products through advertising or any other means in Nevada," said Attorney General Cortez Masto.

The lawsuit alleges that the defendants made health-related claims in the marketing, packaging, advertising, offering, and selling of their line of dietary supplements that were not substantiated by reliable and competent scientific evidence. The attorneys general allege the defendants explicitly and implicitly claimed to sell a cold prevention remedy, a sore throat remedy, a germ fighter, and an allergy remedy without adequate substantiation to prove that the products could perform as advertised at the time the claims were made. They also allege that the defendants failed to adequately warn consumers about potential health risks to select populations, including pregnant women, under old formulations of Airborne that contained 5,000 International Units of Vitamin A per dose. Currently, the level of Vitamin A in Airborne is 2,000 International Units.

In addition, the defendants are prohibited from marketing any product that contains directions for use that would, if followed, result in an individual ingesting 15,000 International Units of Vitamin A or more per day. While the scientific literature is not completely uniform, with some studies placing the toxicity levels of Vitamin A at 100,000 International Units of Vitamin A, other studies place the toxicity levels of Vitamin A at much lower amounts – particularly for pregnant women and children. If a consumer followed the current directions for use, he would ingest 6,000 International Units of Vitamin A.

Under the settlement, the defendants have agreed not to make any express or implied claim concerning the health benefit, performance, efficacy or safety of their dietary supplement products unless, at the time the claim is made, competent and reliable scientific evidence exists to substantiate each claim. Specifically, the defendants are prohibited from saying “take at the first sign of a cold symptom,” and other claims that imply that Airborne can diagnose, mitigate, prevent, treat, or cure colds, coughs, the flu, an upper respiratory infection or allergies. By law, advertisements for dietary supplements like Airborne cannot make such drug claims even if they can provide substantiation, unless and until they have been approved as a drug by the FDA.

Airborne – Original is the number one selling dietary supplement in its category and is sold at most major retailers. It consists of Vitamin A, E, zinc, selenium and large doses of Vitamin C. Today’s settlement covers all Airborne products including Airborne – Original; Airborne – Pink Grapefruit; Airborne – Lemon-Lime; Airborne – Nighttime; Airborne, Jr.; Airborne On-The-Go; Airborne Seasonal Relief; Airborne Sore Throat Gummi Lozenges; Airborne Soothing Throat Gummi Lozenges; Airborne Power Pixies; or any substantially similar product the Defendants produce in the future.

Airborne is the number one selling product in the cold and cough aisles of major retailers. Under the settlement, the defendants are prohibited from requiring, demanding, or otherwise influencing where a retailer places its products through direct affirmative action.

The multistate settlement follows settlements the defendants reached with the Federal Trade Commission and a private class action, *Wilson v. Airborne, Inc., et al.*, filed in federal district court in the Central District of California. Under the terms of those settlements, consumers could receive restitution under a fund totaling \$23.5 million, if they made their claims by September 15, 2008. Under the settlement reached with the FTC, an additional \$6.5 million would be added to the fund if the number of claims exceeded \$23.5 million.

The defendants have not admitted to any wrongdoing and deny the factual allegations asserted in the attorneys generals’ complaint.

Consumers who have complaints about unsubstantiated health or advertising claims should contact the Attorney General’s Bureau of Consumer Protection at

(702) 486-3194 in Las Vegas or (775) 684-1180 in Carson City. A complaint form, as well as other valuable consumer protection information, is also available on the Attorney General's website at www.ag.state.nv.us.

For other valuable consumer protection information, please visit the Bureau of Consumer Protection website, www.ag.state.nv.us/org/bcp/education.htm and/or the State of Nevada's general fraud information website, www.fightfraud.nv.gov

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ATTORNEY GENERAL CATHERINE CORTEZ MASTO JOINS \$12 MILLION SETTLEMENT WITH TOY MAKER MATTEL FOR USE OF EXCESSIVE LEAD PAINT

Las Vegas: Attorney General Cortez Masto has joined the Attorneys General of 37 other states in a settlement agreement with Mattel, Inc. and Fisher-Price, Inc., its subsidiary, resolving a 16-month long investigation that resulted in a voluntary recall of the company's toys for excessive lead paint.

The agreement, filed today in Clark County District Court, requires Mattel to make a payment of \$12 million by January 30, 2009, to be divided among the participating states. Nevada will receive \$210,595 as its share of the settlement.

"It is particularly egregious when products for children are manufactured in such a way as to endanger their health and well-being," said Attorney General Cortez Masto.

From August 2, 2007 through October 25, 2007, the United States Consumer Product Safety Commission ("CPSC") recalled approximately 2 million Mattel and Fisher-Price toys manufactured in China, alleging the toys contained excessive lead in accessible surface coatings. At the time of the recalls, the CPSC standard permitted for lead in accessible surface coatings was 600 parts per million. Lead levels taken of the recalled toys during the course of the states'

investigation uncovered that levels not only exceeded the federal standard, but in some instances, tested over 10,000 ppm and 50,000 ppm.

The agreement reached by the Attorneys General and effective for toys manufactured after November 30, 2008, includes more stringent standards for accessible lead both in surface coatings and substrates. Since the Attorneys General first contacted Mattel in August 2007, Congress has enacted the Consumer Product Safety Improvement Act ("CPSIA") starting in February, 2009, which provides more stringent standards for lead in surface coatings and substrates. Mattel agreed to phase in more stringent standards ahead of the timelines provided by the CPSIA. Mattel has also agreed to notify the Attorneys General if it confirms excessive lead in any of its products in violation of state or federal law, or the Consent Judgment, and to work with the Attorneys General to remedy such violations.

The states were led by an Executive Committee, consisting of Assistant Attorneys General in Arizona, Florida, Illinois, Kentucky, Massachusetts, Missouri, Ohio, Pennsylvania and Vermont. California also took part in negotiations, reaching a separate agreement under its Safe Drinking Water and Toxic Enforcement Act.

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**ATTORNEY GENERAL OFFICE SUCCESSFUL
IN WINNING ENJOINMENT AGAINST VALLEY EYE**

Las Vegas: Attorney General Catherine Cortez Masto announced today that Judge David Barker has issued a ruling prohibiting Vikas Jain, Anamika Jain, Valley Eye and Stella Chou from practicing medicine. The ruling came after a hearing this morning on the case.

"The Board of Medical Examiners and I sought to protect the people of the state of Nevada from the practices of Valley Eye" said Attorney General Catherine Cortez Masto, "We are gratified that Judge Barker recognized the threat to our citizens and has prevented these doctors from practicing."

The Office of the Attorney General on behalf of the Board of Medical Examiners had sought to prevent Valley Eye from continuing its LASIK practice after receiving numerous complaints from patients who had undergone LASIK procedures at Valley Eye and were alleging damage to their eyesight.

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Nevada points out at least 229 objections in petition filed Friday to deny license for nuclear waste dump planned for Yucca Mountain

LAS VEGAS – Summarizing decades of research and opposition to the nuclear waste repository planned for Yucca Mountain, Nevada Attorney General Catherine Cortez Masto filed Nevada's official petition to the Nuclear Regulatory Commission on Friday documenting 229 contentions that state officials believe present a detailed basis to prevent NRC from licensing the project.

NRC is considering a license application from the U.S. Department of Energy to build a proposed nuclear waste repository at Yucca Mountain, about 90 miles northwest of Las Vegas. If approved, it would be the first such project of its kind anywhere in the world.

"Nevada has been fighting the federal government on this issue for nearly 30 years and will continue all appropriate efforts to prevent this dangerously unsafe facility," said Cortez Masto.

Nevada's petition summarizes its arguments and urges the NRC to move quickly to deny DOE's application to construct the proposed Yucca Mountain nuclear waste dump. The contentions, among other claims, indicate that releases of radionuclides will be greater and occur much earlier than DOE claims. In addition, whole areas of relevant science have been excluded from consideration, including greenhouse gas-induced climate change and the lowering of the topography of Yucca Mountain by erosion.

"We needed hundreds of pages just to document the most blatant problems with DOE's application," she said. "Although Nevada has known for years about many of these problems, we are approaching a real time of reckoning."

(more)

“Yucca Mountain is an unsuitable and unsafe site, and transporting high-level nuclear waste to Yucca Mountain from nuclear power plants and elsewhere is unsafe and unnecessary, especially when the waste can be safely stored where it is now.”

At a news conference in Las Vegas on Friday, Cortez Masto was joined by Bob Loux, executive director of the state’s Agency for Nuclear Projects, who has been fighting the project for three decades.

They outlined Nevada’s petition to the NRC, underscoring the state’s most significant safety, environmental and legal objections to the Yucca Mountain Project. Besides questioning the competence of DOE, Nevada emphasizes that DOE has continually elevated schedule over safety.

Cortez Masto has repeatedly argued that DOE’s application is “inadequate and incomplete.” It fails to address a long list of dangers ranging from high radiation exposure affecting workers at the site to terrorist attacks aimed at trucks and trains transporting nuclear waste across the country.

“DOE has done a poor job of gathering and supporting its scientific data. Its critically important models, especially on movement of water within the mountain, cannot be validated by the data,” Cortez Masto emphasized.

One of the most glaring deficiencies is DOE’s plan to keep nuclear radiation from leaking into the environment by installing so-called drip shields – which have yet to be invented and are planned by DOE to be installed more than 100 years after the dump is built. Another is DOE’s proposed waste “aging” facility, nothing more than a thinly veiled and illegal temporary storage facility, calculated to get the country’s nuclear waste into Nevada at the earliest possible date.

“This issue alone is reason enough to reject DOE’s application,” Loux said. “DOE is asking us to believe that it will invent these drip shields and the robots it will likely need to install them more than 100 years from now, after all the waste is placed in the tunnels inside Yucca Mountain. We obviously don’t believe this can or will ever happen. Furthermore, the fact that DOE now admits these drip shields are necessary to keep the waste canisters from corroding and leaking radiation into the groundwater proves that Yucca Mountain is one of the absolute worst places to bury this waste in the first place.”

Cortez Masto said the 229 contentions documented in the petition are detailed in more than 1,200 pages developed by Nevada’s expert scientific, engineering, and legal team. She said Nevada was required to file this petition within 60 days of Oct. 22, when NRC scheduled its hearing on DOE’s application.

For a copy of the petition, available next week, or for more information on Nevada's fight against the Yucca Mountain Project, visit www.state.nv.us/nucwaste.

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ATTORNEY GENERAL CATHERINE CORTEZ MASTO SETTLES WITH DRUG MAKER BRISTOL-MYERS SQUIBB FOR VIOLATING COURT ORDERS

LAS VEGAS – Attorney General Catherine Cortez Masto announced a multi-state settlement with Bristol-Myers Squibb Company (“BMS”) resolving contentions that BMS violated court orders in two earlier antitrust lawsuits. In settling, BMS acknowledged its responsibility, agreed to pay \$1.1 million, and consented to court orders designed to avoid future misconduct.

“I am delighted to work with my colleagues throughout the United States to achieve these settlements for the benefit of our citizens,” Attorney General Cortez Masto said. “We are sending a message to all companies that we will not tolerate non-compliance with court orders or agreements made with the State of Nevada.”

In the two prior cases, BMS had settled States’ charges that BMS had unlawfully deprived consumers of cheaper generic versions of its drugs Buspar and Taxol. Among other relief, the court orders in those two cases required BMS to notify the States of patent litigation settlements with generic drug competitors, as well as provide them with yearly compliance reports.

In March 2006, BMS reached a settlement with generic drug manufacturer Apotex, Inc. in a patent infringement lawsuit involving BMS’ blockbuster drug, Plavix. The Plavix settlement triggered BMS’ notification obligations under the earlier court orders in the Buspar and Taxol cases, and was subject to States’ approval. According to the States, the Plavix settlement provided was inaccurate and incomplete, as were BMS’ 2007 and 2008 compliance reports, because they failed to disclose non-documented, “side” arrangements that a BMS official had made with Apotex. BMS’ failure to inform the States of the secret arrangements violated the Buspar and Taxol court orders.

As a result of the multi-state investigation, BMS acknowledged responsibility for making incomplete and false statements to the States, and agreed to pay \$1.1 million to all 50 states, the District of Columbia, and four U.S. territories. Nevada’s share of these

funds is approximately \$12,000. BMS further agreed to revised court orders extending its reporting obligations to the States, and establishing harsh monetary penalties for any future violations of the Buspar or Taxol court orders. In June 2007, BMS pled guilty to federal criminal charges relating to its conduct in notifying federal officials of the same settlement with Apotex.

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