

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

Matthew T. Zilhaver, Individually and On Behalf of All Others Similarly Situated,	x	
	:	
Plaintiff,	:	No.
	:	
vs.	:	<u>CLASS ACTION COMPLAINT</u>
	:	<u>FOR VIOLATIONS OF ERISA</u>
	:	
UNITEDHEALTH GROUP, INC.,	:	
UNITEDHEALTH GROUP PLAN	:	
COMMITTEE, JOSEPH O.	:	JURY TRIAL DEMANDED
WEISSENBORN, SUSAN T.	:	
THORESON, PATRICIA S. GILROY,	:	
JAMES A. JOHNSON, DONNA E.	:	
SHALALA, GAIL R. WILENSKY,	:	
WILLIAM W. McGUIRE, and STEPHEN	:	
J. HEMSLEY,	:	
	x	
Defendants.		

Plaintiff Matthew T. Zilhaver, individually and on behalf of all other persons similarly situated (the “Participants”), and on behalf of the UnitedHealth Group 401(K) Savings Plan, (the “Plan”)¹, by his attorneys, alleges the following for his complaint.

NATURE OF THE ACTION

1. Plaintiff, who was a Participant in the Plan during time periods relevant to this Complaint, brings this civil enforcement action under Section 502 (a) of the Employee Retirement Income Security Act (“ERISA”), 29 U.S.C §1132(a), for plan-wide relief on behalf of a class of all

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The “Plan,” as referred to in this Complaint, includes all defined contribution retirement plans sponsored or administered by UnitedHealth Group, Inc. at any time between December 31, 2000 and April 7, 2006, including but not limited to the UnitedHealth Group Employee Stock Ownership Plan, the name of the Plan during at least parts of the years 2001 and 2002.

Participants in the Plan for whose individual accounts Plan held shares of UnitedHealth Group, Inc. common stock (hereinafter referred to as “UnitedHealth” or the “Company”) as part of the UnitedHealth Group Stock Fund investment option in the Plan (the “Class”) at any time between December 31, 2000 and April 7, 2006, inclusive (the “Class Period”). Defendants are the named and *de facto* fiduciaries of the Plan, who are deemed “fiduciaries” under the broad definition of fiduciary under section 3(21)(A) of ERISA, 29 U.S.C. § 1002(21)(A). Plaintiff brings this action on behalf of the Plan and the Class pursuant to ERISA § 502(a)(2) and (3), 29 U.S.C. § 11132(a)(2) and (3).

2. As more fully set forth below, Defendants breached their fiduciary duties to the Plan and the Participants, including those fiduciary duties set forth in ERISA § 404, 29 U.S.C. § 1104, and Department of Labor (“DOL”) Regulations, 29 C.F.R. 2550. Defendants breached their fiduciary duties to the Participants in various ways, including, but not limited to, (i) misrepresenting and failing to disclose material facts to the Participants in connection with the administration of the Plan; (ii) failing to exercise their fiduciary duties to the Participants solely in the interests of the Participants for the exclusive purpose of providing benefits to Participants and their beneficiaries; (iii) failing to manage the Plan’s assets with the care, skill, prudence or diligence of a prudent person under the circumstances; (iv) imprudently failing to diversify the investments in the Plan so as to minimize the risk of large losses; and (v) permitting the Participants to continue to elect to invest their retirement monies in UnitedHealth common stock when it was imprudent to do so, and when the Participants were not provided with timely, accurate and complete information concerning the Company as required by applicable law. As a result of these wrongful acts, pursuant to ERISA § 409(a), 29 U.S.C. § 1109(a), Defendants are personally liable to make good to the Plan the losses resulting from each such breach of fiduciary duty. In addition, under § 502(a)(3) of ERISA (29

U.S.C. § 1132(a)(3)), Plaintiff seeks other forms of appropriate equitable relief, including, without limitation, injunctive relief and, as available under applicable law, imposition of a constructive trust, restitution, and other monetary relief. Insofar as any Defendant is sued alternatively as a knowing participant in a breach of fiduciary duty for equitable relief, Plaintiff intends to proceed pursuant to § 502(a)(3) of ERISA (29 U.S.C. § 1132(a)(3)).

3. Plaintiff alleges that the defendants breached their fiduciary duties by negligently misrepresenting and negligently failing to disclose material information necessary for Participants to make informed decisions concerning Plan assets and benefits and the appropriateness of the Plan investment in UnitedHealth stock, including, but not limited to, the backdating of stock option grants to Defendants William M. McGuire and Stephen J. Hemsley, the related concealment of the Company's true financial and operating condition and the concealment of serious problems relating to the Company's senior management integrity and competence and legal compliance.

4. When the true nature of the Company's problems relating to the backdating of stock option grants to the Company's senior management were disclosed at the end of the Class Period, the trading price of UnitedHealth' stock dropped precipitously and the Participants' retirement savings in the Plan were significantly diminished.

JURISDICTION AND VENUE

5. Plaintiff's claims arise under and pursuant to ERISA § 502, 29 U.S.C. § 1132.

6. This Court has jurisdiction over this action pursuant to ERISA § 502(e)(1), 29 U.S.C. § 1132(e)(1).

7. Venue is proper in this District pursuant to ERISA § 502(e)(2), 29 U.S.C. § 1132(e)

(2), because this is the district where the Plan is administered, where the breaches took place and where one or more Defendants reside or may be found.

PARTIES

8. Plaintiff Matthew T. Zilhaver is a resident of the State of Colorado. Plaintiff Zilhaver was a participant in the Plan from approximately January 2006 until approximately May 2006 and, during that time period, held units of the UnitedHealth Group Stock Fund in his individual account under the Plan. Plaintiff Zilhaver suffered loss in his individual account under the Plan in connection with his holding of units of the UnitedHealth Group Stock Fund.

9. Defendant UnitedHealth is a Minnesota corporation with its executive offices and principal place of business 990 Bren Road East, Minnetonka, MN 55343.

10. UnitedHealth was a fiduciary because it disseminated to Participants Summary Plan Descriptions (individually and collectively, "SPD"). Fiduciaries of the Plan are required under ERISA to furnish certain information to Participants. For example, ERISA §101, 29 U.S.C. § 1021, requires the Plan's Administrator to furnish to Participants the SPD. ERISA §102, 29 U.S.C. §1022, provides that the SPD must apprise Participants of their rights and obligations under the Plan. The SPD and all information contained or incorporated therein constitute representations in a fiduciary capacity upon which Participants are entitled to rely in determining the identity and responsibilities of fiduciaries under the Plan and in making decisions concerning their benefits and investment and management of the Plan's assets allocated to their accounts.

11. Defendant UnitedHealth Plan Committee was the named administrator of the

Plan during the Class Period. Members of the UnitedHealth Plan Committee were fiduciaries of the Plan within the meaning of ERISA Section 3(21)(A) in the each member exercised discretionary authority with respect to the management, administration, and disposition of Plan assets.

12. Defendant Joseph O. Weissenborn was a member of the UnitedHealth Plan Committee during times relevant to this Complaint. Weissenborn signed the IRS Form 5500 of the Plan for the years 2001 and 2002 under the listing “individual signing as plan administrator.”

13. Defendant Susan T. Thoreson was a member of the UnitedHealth Plan Committee during times relevant to this Complaint. Thoreson signed the IRS Form 5500 of the Plan for the year 2003 under the listing “individual signing as plan administrator.”

14. Defendant Patricia S. Gilroy was a member of the UnitedHealth Plan Committee during times relevant to this Complaint. Gilroy signed the IRS Form 5500 of the Plan for the years 2004 under the listing “individual signing as plan administrator.”

15. Defendant James A. Johnson was a fiduciary of the Plan at times relevant to this Complaint in that he served on another committee which administered or helped to administer the Plan and the assets of the Plan, the Compensation and Human Resources Committee of the Board of Directors of the Company. That committee, and James A. Johnson as a member of that committee, had oversight responsibility for the administration of the Plan.

16. Defendant Donna E. Shalala was a fiduciary of the Plan at times relevant to this Complaint in that she served on another committee which administered or helped to administer the Plan and the assets of the Plan, the Compensation and Human Resources Committee of the Board of Directors of the Company. That committee, and Donna E. Shalala as a member of that committee, had oversight responsibility for the administration of the Plan.

17. Defendant Gail R. Wilensky was a fiduciary of the Plan at times relevant to this Complaint in that she served on another committee which administered or helped to administer the Plan and the assets of the Plan, the Compensation and Human Resources Committee of the Board of Directors of the Company. That committee, and Gail R. Wilensky as a member of that committee, had oversight responsibility for the administration of the Plan.

18. Defendant William C. McGuire (“McGuire”) has been Chairman of the Board of Directors and Chief Executive Officer of UnitedHealth since 1991. He has been a director of UnitedHealth since 1989. McGuire personally benefitted from the back-dated stock option grants described herein.

19. Defendant Stephen J. Hemsley has served as Chief Operating Officer of UnitedHealth since 1998 and President of UnitedHealth since 1999. He has been a director of UnitedHealth since 2000. Hemsley personally benefitted from the back-dated stock option grants described herein.

20. Defendants Joseph O. Weissenborn, Susan T. Ghoreson, Patricia S. Gilroy, James A. Johnson, Donna E. Shalala, Gail R. Wilensky, William W. McGuire, and Stephen J. Hemsley are hereinafter referred to as the “Individual Defendants.”

21. All of the Individual Defendants were *de facto* fiduciaries of the Plan as a result of their discretionary authority or control over the Plan under the very broad definition of “fiduciary” set forth in ERISA at § 3(21)(A), 29 U.S.C. § 1002(21)(A). A person or entity is a fiduciary even if the Plan does not name him as such or by its terms assign fiduciary duties to him where, by his conduct, he engages in fiduciary activities. Those who have discretion over management of the Plan or the Plan’s assets are fiduciaries regardless of the labels or duties assigned to them by the language

of the Plan. Moreover, in order to fulfill the express remedial purpose of ERISA, the definition of “fiduciary” is to be construed broadly.

CLASS ACTION ALLEGATIONS

22. Plaintiff brings this action in part as a class action pursuant to Rules 23(a) and (b)(1) and (3) of the Federal Rules of Civil Procedure on behalf of a class consisting of all Participants in the Plan for whose individual accounts the Plan purchased and/or held shares of UnitedHealth common stock (whether in the form of shares of common stock or units of the UnitedHealth Group Stock Fund) at any time during the Class Period (i.e., between December 31, 2000 and April 7, 2006, both dates inclusive).

23. The members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is unknown to plaintiff at this time and can only be ascertained through appropriate discovery, plaintiff believes there are, at a minimum, thousands of members of the Class in that UnitedHealth’ public statements represent that it had tens of thousands of employees in the United States during the Class Period, and a substantial number of these employees were Participants in the Plan for whose account the Plan held UnitedHealth securities.

24. Common questions of law and fact exist as to all members of the Class and predominate over any questions affecting solely individual members of the Class. Among the questions of law and fact common to the Class are:

- a. whether defendants were fiduciaries of the Plan and/or the Participants;
- b. whether defendants breached their fiduciary duties;
- c. whether the Plan and the Participants were injured by such breaches; and

d. whether the Class is entitled to damages and injunctive relief.

25. Plaintiff's claims are typical of the claims of the members of the Class, as plaintiff and members of the Class sustained injury arising out of Defendants' wrongful conduct in breaching their fiduciary duties and violating ERISA as complained of herein.

26. Plaintiff will fairly and adequately protect the interests of the members of the Class. Plaintiff has retained competent counsel. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

27. Prosecution of separate actions by members of the Class would create a risk of inconsistent adjudications with respect to individual members of the class which would establish incompatible standards of conduct for defendants, or adjudications with respect to individual members of the class would, as a practical matter, be dispositive of the interests of the other members not parties to the adjudications or substantially impair or impede their ability to protect their interests.

28. A class action is superior to other available methods for the fair and efficient adjudication of the controversy since joinder of all members of the Class is impracticable. Furthermore, because the injury suffered by the individual Class members may be relatively small, the expense and burden of individual litigation makes it impracticable for the Class members individually to redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

DESCRIPTION OF THE PLAN

29. The Plan is an employee benefit Plan within the meaning of ERISA §§ 3(3) and 3(2)(A), 29 U.S.C. §§ 1002(3) and 1002(2)(A).

30. The Plan is a “defined contribution” or “individual account” Plan with the meaning of ERISA § 3(34), 29 U.S.C. § 1002(34), in that the Plan provides for individual accounts for each Participant and for benefits based solely upon the amount contributed to the Participant’s account, and any income, expenses, gains and losses, and any forfeitures of accounts of other Participants which may be allocated to such Participant’s accounts. Consequently, retirement benefits provided by the Plan is based solely on the amounts allocated to each individual’s account.

31. The Plan is a voluntary contribution Plan whereby Participants direct the Plan to purchase investments from among the investment options available in the Plan and allocate them to Participants’ individual accounts.

32. UnitedHealth is the named Sponsor of the Plan within the meaning of ERISA § 3(16)(B), 29 U.S.C. § 1002(16)(B). The UnitedHealth Plan Committee is the named Plan administrator and thus a Plan fiduciary. Alternatively, the members of the UnitedHealth Plan Committee, including Defendants Weissborn, Thoreson and Gilroy, were each the administrator of Plan at different times during the Class Period, as indicated by the capacity in which they signed the Plans’ Forms 5500 (“name of individual signing as plan administrator”). Each of the Individual Defendants were either named or *de facto* fiduciaries of the Plan as the result of discretionary authority and control which these persons had over the management and administrator of the Plan and the assets of the Plan.

DEFENDANTS BREACHED THEIR FIDUCIARY DUTIES

33. Pursuant to ERISA § 404, fiduciaries have a duty to discharge their duties with respect to the Plan prudently and solely in the interest of Participants and Beneficiaries and for the exclusive purpose of providing benefits to Participants and their Beneficiaries. A fiduciary’s duties

of loyalty and prudence also entail a duty to conduct an independent investigation into, and to continually monitor, the merits of the investment alternatives in the Plan, including employer securities, to ensure that each investment is a suitable and proper option for the Plan. The selection, monitoring and continuation of the investment alternatives under the Plan were subject to the above-described fiduciary duties.

34. Pursuant to ERISA § 404(a), 29 U.S.C. § 1104(a), the Plan's fiduciaries had a duty to discharge their duties with respect to the Plan with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and of like character and of like aims, and to diversify investment in the Plan so as to minimize the risk of large losses.

35. Pursuant to ERISA § 409(a), 29 U.S.C. § 110(a), any fiduciary who breaches any of the responsibilities, obligations or duties imposed by ERISA § 404 shall be personally liable to make good to the Plan any losses to the Plan resulting from each breach and shall be subject to such other equitable and remedial relief as the court may deem appropriate.

36. Companies typically provide two types of pensions Plan: (a) a "defined benefit" plan where the amount of an employee's retirement benefit is a direct obligation of the company which is a set amount (typically based on salary while employed and number of year of employment); and (b) a "defined contribution" plan, such as a 401(k) plan, where the retirement benefit is based solely on the amount invested and the earnings made in an employee's plan account. Fiduciaries of defined benefit Plan, who invest or actively supervise the investment of plan assets, are liable under ERISA for imprudent investments made by the plan, and they are liable for and must make good to the plan any losses suffered by the plan and any loss of benefits suffered by

beneficiaries as a result of imprudent investments. Fiduciaries of defined contribution Plan are similarly liable under ERISA § 404(a), 29 U.S.C. §1104(a), for imprudent investments made by a plan, even where the investment choice is selected by the participant, unless the plan and the fiduciaries comply with the strict requirements of ERISA § 404(c), 29 U.S.C. §1104(c). Where the plan and fiduciaries do not comply with section 404(c), then the fiduciaries' liability for imprudent investments is the same as the liability of a fiduciary of a traditional pension plan.

37. Fiduciaries can shift liability for imprudent investments to fiduciaries under Section 404c if, among other things, they meet four specific requirements:

- a) they disclose in advance the intent to shift liability to Participants;
- b) they ensure that Participants are not subject to undue influence;
- c) they disclose to Participants all material information necessary for Participants to make investment decisions that they are not precluded from disclosing under other applicable law. In this regard, fiduciaries have a choice – they can disclose all material information to Participants, including information that they are not required to disclose under the securities laws, and shift liability to Participants, or they can comply with the more limited disclosure requirement under the securities laws but remain liable for imprudent investments. 29 C.F.R. § 2550.404c-1(b)(2)(i)(B)(i) and (ii) and (c)(2)(i) and (ii).

38. Defendants failed to shift liability to Participants for imprudent investment decisions under section 404(c) for three reasons as alleged in Claim 1 below; (i) they failed to disclose in a fiduciary capacity all material information that they were not precluded from disclosing under other

applicable law and which was necessary for Participants to make informed investment decisions; (ii) they failed to provide an adequate description of the investment objectives and risk and return characteristics of the Funds; and (iii) they failed to ensure that Participants were not subject to undue influence, and indeed themselves subjected Participants to undue influence.

SUBSTANTIVE ALLEGATIONS

39. A stock option granted to an employee of a corporation allows the employee to purchase company stock at a specified price (referred to as the “exercise price”) for a specified period of time. Stock options are granted as part of employee compensation packages as a means to create incentives to boost profitability and stock value. As Defendant McGuire observed in an interview published in the online version of Forbes on May 1, 2006, stock options are funded by “shareholder dollars.”

40. When the employee exercises the option, he or she purchases the stock from the company at the exercise price, regardless of the stock’s price at the time the option is exercised. If the exercise price is lower than it should be, the employee pays less and the company gets less when the stock option is exercised.

41. Between 1997 and mid-2002, UnitedHealth granted stock options for the purchase of millions of shares of the Company’s common stock to Defendants McGuire and Hemsley.

42. Many companies make their stock option grants at the same time each year, a policy that eliminates the potential for surreptitious back-dating. In fact, UnitedHealth’s Non-Employee Director Stock Option Plan includes just such a precautionary provision:

Each eligible director in the Company in office on the first business day immediately following each annual meeting of the Company’s shareholders (the “Annual Option

Grant Date”) held during the term of the Plan shall be granted automatically on the Annual Option Grant Date an option to purchase 4,000 shares of Common Stock.

43. However, the employment agreements with Defendants McGuire and Hemsley contained no such safeguards. These floating grant dates were unusual and made the backdating described herein possible.

44. Moreover, McGuire’s employment agreement gave him control over the grant dates. Defendant McGuire’s employment agreement provided that “[t]he Annual Options shall be granted on such date or dates as Executive requests by oral notification to the Chair of the Compensation Committee (with such notifications confirmed promptly in writing).”

45. In public filings with the Securities and Exchange Commission, including in shareholder-approved stock option plans and in certain employment agreements, UnitedHealth contracted and represented that the exercise price of all the stock options would be no less than the fair market value of UnitedHealth’s common stock, as measured by the publicly traded closing price for UnitedHealth stock *on the day of the grant*.

46. Despite this representation, the annual stock option grants to Defendants McGuire and Hemsley were consistently correlated to a day on or near the day UnitedHealth stock hit its low price for the year, or directly in advance of sharp increases in the price of UnitedHealth stock. For example:

a. UnitedHealth made two stock option grants to McGuire in 1997: a grant of 200,000 options purportedly on February 11, 1997 and a grant of 250,000 options purportedly on October 27, 1997. On February 11, 1997, UnitedHealth stock closed at a price of \$46.875 per share. (2) February 11, 1997 immediately preceded a sharp rise in UnitedHealth common stock. On

October 27, 1997, UnitedHealth stock closed at a price of \$43.06, the single lowest closing price for the year. UnitedHealth stock traded in a range from a low of \$43.06 to a high of \$60.00 during 1997.

b. UnitedHealth made two stock option grants to McGuire in 1998: a grant of 250,000 options purportedly on January 20, 1998 and a grant of 240,000 options purportedly on October 16, 1998. On January 20, 1998, UnitedHealth stock closed at a price of \$47.9375. January 20, 1998 immediately preceded a sharp rise in the price of UnitedHealth stock. UnitedHealth stock traded in a range from a low of \$31.31 to a high of \$72.75 during 1998.

c. UnitedHealth made three stock option grants to Hemsley in 1998: a grant of 60,000 options purportedly on February 6, 1998, a grant of 100,000 options purported on August 17, 1998, and a grant of 120,000 options purportedly on October 16, 1998. On February 6, 1998, UnitedHealth closed at a price of \$52.25. February 6, 1998 immediately preceded a sharp rise in the price of UnitedHealth stock. On August 17, 1998, UnitedHealth stock closed at a price of \$31.94, coming near the bottom of a share price decline and *the day after the single lowest closing price of the year*. UnitedHealth stock traded in a range from a low of \$31.31 to a high of \$72.75 during 1998. October 16, 1998 immediately precipitated a sharp rise in the price of UnitedHealth stock.

d. UnitedHealth made four stock option grants to McGuire in 1999: a grant of 250,000 options purportedly on February 17, 1999 and three separate grants totaling 1,825,000 options purportedly on October 13, 1999. On February 17, 1999, UnitedHealth stock closed at a price of \$46.81. February 17, 1999 immediately preceded a sharp rise in UnitedHealth stock. On October 13, 1999, UnitedHealth stock closed at a price of \$40.13, *the single lowest closing price for the year*. UnitedHealth stock traded in a range from a low of \$31.31 to a high of \$69.75 during 1999.

e. UnitedHealth made three stock option grants to Hemsley in 1999: a grant of

100,000 options purportedly on February 17, 1999 and two separate grants totaling 910,000 options purported on October 13, 1999. On February 17, 1999, UnitedHealth stock closed at a price of \$46.81. February 17, 1999 immediately preceded a sharp rise in UnitedHealth stock. On October 13, 1999, UnitedHealth stock closed at a price of \$40.13, *the single lowest closing price for the year*. UnitedHealth stock traded in a range from a low of \$31.31 to a high of \$69.75 during 1999.

f. UnitedHealth made one stock option grant to McGuire in 2000: a grant of 650,000 options purportedly on March 8, 2000. On March 8, 2000, United Health stock closed at \$47.63, the single lowest closing price for the year. UnitedHealth stock traded in a range from a low of \$47.63 to a high of \$120.87 during 2000.

g. UnitedHealth made one stock option grant to Hemsley in 2000; a grant of 300,000 options purportedly on March 8, 2000. On March 8, 2000, United Health stock closed at \$47.63, *the single lowest closing price for the year*. UnitedHealth stock traded in a range from a low of \$47.63 to a high of \$120.87 during 2000.

h. UnitedHealth made one stock option grant to McGuire in 2001: a grant of 650,000 options purportedly on January 17, 2001. On January 17, 2001, United Health stock closed at \$52.69, *near the bottom of a sharp stock dip* in the price of UnitedHealth common stock, and preceding a sharp price increase. UnitedHealth stock traded in a range from a low of \$51.566 to a high of \$72.19 during 2000.

i. UnitedHealth made one stock option grant to Hemsley in 2001: a grant of 650,000 options purportedly on January 17, 2001. On January 17, 2001, United Health stock closed at \$52.69, *near the bottom of a sharp stock dip* in the price of UnitedHealth common stock, and

preceding a sharp price increase. UnitedHealth stock traded in a range from a low of \$51.566 to a high of \$72.19 during 2000.

j. UnitedHealth made one stock option grant to McGuire in 2002: a grant of 650,000 options purportedly on January 7, 2002. On January 7, 2002, United Health stock closed at \$69.55. January 7, 2002 preceded a sharp increase in the price of UnitedHealth stock. UnitedHealth stock traded in a range from a low of \$68.13 to a high of \$100.37 in 2002.

l. UnitedHealth made stock grants to Hemsley in 2001: a grant of 300,000 options purportedly on January 7, 2002. On January 7, 2002, UnitedHealth stock closed at \$69.55. January 7, 2002 preceded a sharp increase in the price of UnitedHealth stock. UnitedHealth stock traded in a range from a low of \$68.13 to a high of \$100.37 in 2002.

m. The only possible explanation for the strong correlation between the grant date of the options and the low share price of UnitedHealth stock is that the exercise price for the options granted the Individual Defendants was determined after the fact and keyed to a day on or near the day when UnitedHealth stock hit its low price for the year, or directly in advance of sharp increases in the price of UnitedHealth stock.

47. As such, the date upon which the Options were granted was determined in a fashion designed to ensure that the Individual Defendants were able to profit off the fluctuations in UnitedHealth stock, with the benefit of hindsight.

48. Any other explanation is statistically impossible. Indeed, a March 18, 2006 Wall Street Journal analyzing twelve stock option grants to Defendant McGuire noted the statistical odds of such an occurrence happening randomly was at least one in 200 million.

49. Therefore, UnitedHealth's repeated representations to the public that the exercise

price of all the stock options would be no less than the fair market value of UnitedHealth's common stock, measured by the publicly traded closing price for UnitedHealth stock on the day of the grant, were false.

50. Defendants McGuire and Hemsley profited handsomely from UnitedHealth's backdating of stock options.

51. Between 1997 and the present, McGuire has profited by at least \$430,888,274 through the exercise of options and the sale of the stock acquired thereby. These transactions are detailed below:

Date		Action	Shares	Dollar Price From	Dollar Price to	Market Value	Profit
4/3/98		Option Exercise	290K	\$3.78		1,096,490	
4/3/98		Sale	290K	\$68.3930		19,833,970	\$18,737,480
10/31/00		Option Exercise	200K	\$10.1250	\$10.7190	2,143,800	
10/31/00		Sale	200K	\$111.108		22,221,600	\$20,077,800
11/1/00	11/3/00	Option Exercise	300K	\$10.71	\$23.3750	7,012,500	
11/1/00	11/3/00	Sale	300K	\$106.125	\$106.133	31,839,900	\$24,827,400
12/11/01		Option Exercise	920 K	\$11.69	\$18.94	17,424,800	
12/11/01		Sale	920 K	\$70.00		64,400,000	\$46,975,200
7/30/03		Option Exercise	\$1.9 million	\$8.438	\$10.00	19,000,000	
7/30/03		Private Sale	\$1.9 million	\$53.13		100,947,000	\$81,947,000
11/30/04		Option Exercise	\$1.654 million	\$10.766	\$11.7190	19,382,895	
11/30/04		Private Sale	\$1.654 million	\$80.60		133,312,400	\$113,929,504
2/23/06		Option Exercise	\$2.3 million	\$5.00	\$5.016	11,536,110	
2/23/06		Sale	\$2.3 million	\$59.10		135,930,000	\$124,393,890

52. Hemsley has profited by at least \$106,584 through the exercise of options and the sale of the stock acquired thereby. These transactions are detailed below:

Trans. Date	Action	Shares	Dollar Price From	Dollar Price to	Market Value	Profit
12/11/01	Option Exercised	350 K	\$15.97	\$21.53	7,353,500	
12/11/01	Sale	350 K	\$70.00		24,500,000	\$16,964,500
7/30/03	Option Exercised	800 K	\$7.9840	\$10.03	8,025,040	
7/30/03	Private Sale	800 K	\$53.13		42,504,000	\$34,478,960
11/30/04	Option Exercised	800 K	\$10.031		8,025,040	
11/30/04	Private Sale	800 K	\$80.60		\$64,480,000	\$56,454,960.00

53. The practice of backdating stock options not only enriched Defendants McGuire and Hemsley, but also resulted in the overstatement of UnitedHealth's profits between 1997 and 2002. This is because options priced below the stock's fair market value when they are awarded bring the recipient an instant paper gain. Under accounting rules, that is the equivalent of additional compensation and must be treated as a cost to the company.

54. Moreover, UnitedHealth may owe large amounts in back taxes to the Internal Revenue Service. Tax rules allow companies to deduct from their corporate filings executives' gains from exercised stocks, because the IRS views the option profit as comparable to extra compensation paid to employees. However, that only applies to options granted at the price on the day it was issued, or the day before. Options backdated to a day with a lower market price do not qualify for a deduction of gains from the CEO or the next four highest-compensated executives.

55. UnitedHealth did not account for the amount by which the market price of UnitedHealth stock exceeded the exercise price of the options. Thus, the practice of backdating options caused UnitedHealth to overstate its profits.

56. Defendants ceased backdating their options in 2002, when changes to the federal securities laws curtailed the potential for backdating by requiring companies to disclose option grants within two days.

57. Throughout the Class Period, Defendants issued communications to the Participants (either directly or indirectly through statements in SEC filings which was incorporated into communications to Participants) which failed to inform the Participants concerning the back-dated of the stock option grants to senior executives and the other improper, inappropriate and unlawful conduct alleged herein. These false and misleading communications to the Participants included the following:

(a) The Company's Form 10-K for the fiscal year ended December 31, 2001 represented that the option price for the senior executive stock option grants "shall not be less than 100% of the fair market value of the Common Shares at the date of grant of such option," but, in fact, this representation was false because the Company was systematically back-dating the option grants to the day UnitedHealth Common Stock hit its low price for the year;

(b) The Company's Form 14A Proxy Statement, which was filed with the SEC on April 4, 2002, similarly discussed stock option grants to Defendants McGuire and Hemsley and indicated that the exercise price of the options was the fair market value of the stock on the grant date when, again, that was not the case due to the practice of back-dating the option grants to the day

Company's stock hit its low price for the year or at least directly in advance of sharp increases in the price of company stock;

(c) The Company's Form 14A which filed with the SEC on April 9, 2003 made a similar false and misleading representation regarding the option grants to Defendants McGuire and Hemsley.

THE TRUTH BEGINS TO BE REVEALED

58. On March 18, 2006, The Wall Street Journal published an analysis of stock options granted to chief executives of several companies, including UnitedHealth, which revealed for the first time that the option grants detailed herein were backdated. UnitedHealth responded to this by claiming the process by which its grants were awarded was "appropriate."

59. On April 7, 2006, when UnitedHealth revealed that it had received an inquiry from the United States Securities and Exchange Commission concerning the practices detailed herein, and had appointed a committee of independent directors to review its stock-option grant practices in light of this inquiry.

60. As the market absorbed this news, the price of UnitedHealth securities slid downwards from a \$54.51 close on April 6, 2001 to a \$51.55 close on April 11, 2006.

61. Under fire from investors and the financial press, UnitedHealth issued a press release on April 26, 2006 announcing the "adoption of a number of significant changes in the company's corporate governance policies." These changes included, among other things, a promise to "review overall levels of equity-based compensation; performance criteria for equity grants; vesting policies; and level of director compensation."

62. With this report, the totality of the risk created by UnitedHealth's practice of

backdating option grants became known to the market. In response, the price of UnitedHealth stock fell further, finally closing at \$47.75 on April 28, 2006 - a drop of \$6.76, or 12%, from the end of the Class Period.

RESULTING LOSSES TO THE PLAN

63. As a result of the foregoing, the Plan has suffered substantial losses and the retirement savings of the Participants have been greatly diminished. For example, at year-end 2003 the Plan's assets included over \$95 million dollars of UnitedHealth common stock based on the market price for the Company's common stock at that time. The decline in the Company's stock price as a result of back-dating of senior executives stock option grants and related management integrity and competence and legal compliance issues has caused a decline in the Company's stock price and resulting loss in value of the Plan's assets to the extent that the Plan's assets were invested in the Company stock. Similarly, at year-end 2004 the Plan held over \$140 million dollars in Company stock which, too, has deteriorated in value with the recent revelations of the Company's improper, inappropriate and unlawful conduct.

CLAIM I

DEFENDANTS NEGLIGENTLY MISREPRESENTED AND NEGLIGENTLY FAILED TO DISCLOSE MATERIAL INFORMATION

64. The allegations of all paragraphs set forth above are specifically realleged and incorporated herein by reference.

65. Pursuant to ERISA § 404, 29 U.S.C. §1104, defendants have a duty to discharge their duties with respect to the Plan prudently and solely in the interests of Participants and Beneficiaries and for the exclusive purpose of providing benefits to Participants and their Beneficiaries. The duty of the fiduciary includes at least:

- (a) a duty not to misinform;
- (b) a duty to inform when the fiduciary knows or should know that silence might be harmful; and
- (c) a duty to convey complete and accurate information material to the circumstances of participants and beneficiaries.

66. Defendants made repeated misrepresentations and concealed material information as set forth above.

67. Participants in the Plan, relied upon, and are presumed to have relied upon, defendants' misrepresentations and non-disclosures to their detriment.

68. As a consequence of defendants' misrepresentations and non-disclosures, the Plan suffered losses.

69. Defendants are personally liable to make good to the Plan any losses to the Plan resulting from each breach.

70. Each defendant is jointly liable for the acts of the other defendants as a co-fiduciary.

71. Pursuant to ERISA § 502(a)(3), 29 U.S.C. § 1132(a)(3), the Court should award equitable relief.

CLAIM II

DEFENDANTS NEGLIGENTLY MISREPRESENTED AND NEGLIGENTLY FAILED TO DISCLOSE MATERIAL INFORMATION

72. The allegations of all paragraphs set forth above are specifically realleged and incorporated herein by reference.

73. Defendants failed to shift liability to Participants for imprudent investment

decisions under section 404(c), so defendants remained liable for all imprudent investments in UnitedHealth stock offered in the Plan.

74. Defendants breached their fiduciary duties as alleged above by allowing the Plan to purchase and hold UnitedHealth stock during the Class Period, and by allowing the UnitedHealth stock to remain an investment option under the Plan, because this investment in UnitedHealth stock was an imprudent investment for Plan whose purpose was to provide for employee retirement income security.

75. At all relevant times, defendants were aware or should have been aware of the publicly disclosed misrepresentations, which knowledge would have led a reasonable investment manager to conclude that an investment in UnitedHealth stock was an imprudent, high risk investment for the Participants in the Plan, whose purpose was to provide for employee retirement income security. In particular, defendants should have known that the Company was systematically back-dating stock option grants of senior management, thereby raising serious issues about the integrity and competence of senior management, legal compliance by the Company and senior management and distorting the Company's financial and operating conditions.

76. Defendants also have known (a) that defendants made the negligent misrepresentations directly to Plan Participants as set forth above; (b) these facts that were negligently never disclosed in a timely manner; and (c) that these negligent misrepresentations and non-disclosures would have a negative effect on the price of the United healthcare stock and caused the stock to be an imprudent investment.

77. Based on the foregoing, Defendants should have terminated the UnitedHealth Group

Stock Fund as an investment option under the Plan or, in the alternative, should have informed, allowed or directed the Participants to diversify out of employer stock to protect their retirement assets.

78. To the extent that the defendants possessed material adverse non-public information, they should have prevented the Participants from purchasing additional United healthcare stock. They should also have directed the Plan to sell all United healthcare stock and disclosed this non-public information prior to any sales by the Plan. Had it done so, the Plan would have limited their losses substantially, even though the price might have dropped upon disclosure.

79. Defendants were fiduciaries who breached their fiduciary duties in that they should have known the facts as alleged above and should have known that the Plan should not have permitted the investment in United healthcare stock.

80. As a consequence of the defendants' breaches, the Participants suffered losses.

81. The defendants are liable to personally make good to the Participant any losses to the Plan resulting from each breach.

82. Each defendant is jointly liable for the acts of the other defendants as a co-fiduciary.

83. Pursuant to ERISA § 502(a)(3), 29 U.S.C. § 1132(a)(3), the Court should award equitable relief to the Class.

CLAIM III

DEFENDANTS FAILURE TO MONITOR

84. The allegations of all paragraphs set forth above are specifically reallege and incorporated herein by reference.

85. As alleged above, Defendants were fiduciaries within the mean of ERISA §3(21)(A), 29 U.S.C. §1002(21)(A).

86. As alleged above, the scope of the fiduciary responsibility of Defendants included the responsibility to appoint, evaluate, and monitor other fiduciaries.

87. The duty to monitor entails both giving information to and reviewing the actions of the monitored fiduciaries. In this case, that means that the monitoring fiduciaries, Defendants and the duty to:

- (a) Ensure that the monitored fiduciaries possess the needed credentials and experience, or use qualified advisors and service providers to fulfill their duties. They must be knowledgeable about the operations of the Plan, the goals of the Plan, and the behavior of the Plan's participants;
- (b) Ensure that the monitored fiduciaries are provided with adequate financial resources to do their job;
- (c) Ensure that the monitored fiduciaries have adequate information to do their job of overseeing the Plan's investments;
- (d) Ensure that the monitored fiduciaries have ready access to outside, impartial advisors when needed;
- (e) Ensure that the monitored fiduciaries maintain adequate records of the information on which they base their decisions and analysis with respect to the Plan's investment options; and
- (f) Ensure that the monitored fiduciaries report regularly to the Company and/or the Director Defendants. The Company and/or Director Defendants must then review, understand, and approve the conduct of the hands-on fiduciaries.

88. Under ERISA, a monitoring fiduciary must ensure that the monitored fiduciaries are performing their fiduciary obligations, including those with respect to the investment of the plan assets, and must take prompt and effective action to protect the plan and participants when they are not. In addition, a monitoring fiduciary must provide the monitored fiduciaries with complete and accurate information in their possession that they know or reasonably should know that the monitored fiduciaries must have in order to prudently manage the plan and the plan assets.

89. Defendants breached their fiduciary monitoring duties by, among other things, (a) failing to ensure that the monitored fiduciaries had access to knowledge about United healthcare's business problems alleged above, which made United healthcare stock an imprudent retirement investment, and (b) failing to ensure that the monitored fiduciaries completely appreciated the huge risk of significant investment of the retirement savings of rank and file employees in United healthcare stock, an investment that was imprudent and subject to inevitable and significant depreciation. Defendants knew or should have known that the fiduciaries they were responsible for monitoring were (i) imprudently allowing the Plan to continue offering the United healthcare stock as an investment alternative for the Plan, and (ii) continuing to invest the assets of the Plan in United healthcare stock when it no longer was prudent to do so. Despite this knowledge, defendants failed to take action to protect the Plan, and concomitantly the Plan's participants, from the consequences of these fiduciaries' failures.

90. Defendants, in connection with their monitoring and oversight duties, were required to disclose to the monitored fiduciaries accurate information about the financial condition of United healthcare that they knew or should have known that these defendants needed to make sufficiently

informed decisions. By remaining silent and continuing to conceal such information from the other fiduciaries, these Defendants breached their monitoring duties under the Plan and ERISA.

91. Defendants are liable as co-fiduciaries because they knowingly participated in each other's fiduciary breaches as well as those by the monitored fiduciaries, they enabled the breaches by these defendants, and they failed to make any effort to remedy these breaches, despite having knowledge of them.

92. As a direct and proximate result of the breaches of fiduciary duties alleged herein, the Plan, and indirectly the Plaintiff and the Plan's other participants and beneficiaries, suffered losses in their retirement investments.

93. Pursuant to ERISA § 502(a) 29 U.S.C. § 1132(a), and ERISA § 409, 29 U.S.C. § 1109(a), Defendants are liable to restore the losses to the Plan caused by their breaches of fiduciary duties alleged in this Claim III.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for:

A. A declaration that the Defendants, and each of them, have breached their ERISA fiduciary duties to the Participants;

B. A declaration that the Defendants, and each of them, are not entitled to the protection of ERISA § 404(c)(1)(b), 29 U.S.C. § 1104(c)(1)(b);

C. An order compelling the Defendants to make good to the Plan all losses to the Plan resulting from Defendants' breaches of their fiduciary duties, including losses to the Plan resulting from imprudent investment of the Plan's assets, and to restore to the Plan's all profits the Defendants

made through use of the Plan's assets, and to restore to the Plan all profits which the Participants would have made if the Defendants had fulfilled their fiduciary obligations;

D. Imposition a constructive trust on any amounts by which any Defendant was unjustly enriched at the expense of the Plan as the result of breaches of fiduciary duty;

E. An order enjoining Defendants, and each of them, from any further violations of their ERISA fiduciary obligations;

F. Actual damages in the amount of any losses the Plan suffered, to be allocated among the Participants' individual accounts in proportion to the accounts' losses;

G. An order that Defendants allocate the Plan's recoveries to the accounts of all Participants who had any portion of their account balances invested in UnitedHealth stock maintained by the Plan in proportion to the accounts' losses attributable to the decline in the stock price of United healthcare;

H. An order awarding costs pursuant to 29 U.S.C. § 1132(g);

I. An order awarding attorneys' fees pursuant to 29 U.S.C. § 1132(g) and the common fund doctrine; and

J. An order for equitable restitution and other appropriate equitable monetary relief against the defendants.

KRAUSE & ROLLINS, CHTD.

Dated: June 2, 2006

s/David Krause

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James B. Hovland (#47491)
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ATTORNEYS FOR PLAINTIFFS

CIVIL COVER SHEET

OJS 44 (Rev. 11/04)

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	DEFENDANTS
	Matthew T. Zilhaver, Individually and On Behalf of All Others Similarly Situated	UNITEDHEALTH GROUP, INC., ET. AL.
(b)	County of Residence of First Listed Plaintiff: State of Colorado (EXCEPT IN U.S. PLAINTIFF CASES)	County of Residence of First Listed Defendant: Hennepin (IN U.S. PLAINTIFF CASES ONLY)
		NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.
(c)	Attorney's (Firm Name, Address, and Telephone Number) Krause & Rollins, Chtd. David E. Krause, Esq. James B. Hovland, Esq. 310 Groveland Ave, Minneapolis, MN 55403 (612) 874-8550	Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)	III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)
<input type="checkbox"/> U.S. Government Plaintiff	<input type="checkbox"/> (For Diversity Cases Only)
<input checked="" type="checkbox"/> Federal Question (U.S. Government Not a Party)	<input type="checkbox"/> Citizen of This State
<input type="checkbox"/> U.S. Government Defendant	<input type="checkbox"/> Citizen of Another State
<input type="checkbox"/> Diversity (Indicate Citizenship of Parties in Item III)	<input type="checkbox"/> Citizen or Subject of a Foreign Country
	<input type="checkbox"/> Foreign Nation

IV. NATURE OF SUIT (Place an "X" in One Box Only)				
CONTRACT	TORTS	FORFEITURE/PENALT	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance	<input type="checkbox"/> 310 Airplane	<input type="checkbox"/> 610 Agriculture	<input type="checkbox"/> 422 Appeal 28 USC 158	<input type="checkbox"/> 400 State Reapportionment
<input type="checkbox"/> 120 Marine	<input type="checkbox"/> 315 Airplane Product Liability	<input type="checkbox"/> 620 Other Food & Drug	<input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 410 Antitrust
<input type="checkbox"/> 130 Miller Act	<input type="checkbox"/> 320 Assault, Libel & Slander	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881	<input type="checkbox"/> 424 Property Rights	<input type="checkbox"/> 430 Banks and Banking
<input type="checkbox"/> 140 Negotiable Instrument	<input type="checkbox"/> 330 Federal Employers' Liability	<input type="checkbox"/> 630 Liquor Laws	<input type="checkbox"/> 820 Copyrights	<input type="checkbox"/> 450 Commerce/ICC Rates/etc.
<input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of	<input type="checkbox"/> 340 Marine	<input type="checkbox"/> 640 R.R. & Truck	<input type="checkbox"/> 830 Patent	<input type="checkbox"/> 460 Deportation
<input type="checkbox"/> 151 Medicare Act	<input type="checkbox"/> 345 Marine Product Liability	<input type="checkbox"/> 650 Airline Regs.	<input type="checkbox"/> 840 Trademark	<input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations
<input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans)	<input type="checkbox"/> 350 Motor Vehicle	<input type="checkbox"/> 660 Occupational Safety/Health		<input type="checkbox"/> 480 Consumer Credit
<input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits	<input type="checkbox"/> 355 Motor Vehicle Product Liability	<input type="checkbox"/> 690 Other	LABOR	<input type="checkbox"/> 490 Cable/Sat TV
<input type="checkbox"/> 160 Stockholders' Suits	<input type="checkbox"/> 360 Other Personal	<input type="checkbox"/> 710 Fair Labor Standards Act	SOCIAL SECURITY	<input type="checkbox"/> 810 Selective Service
<input type="checkbox"/> 190 Other Contract	<input type="checkbox"/> 368 Asbestos Personal Injury Product Liability	<input type="checkbox"/> 720 Labor/Mgmt Relations	<input type="checkbox"/> 861 HIA (1395ff)	<input type="checkbox"/> 850 Securities/Commodities Exchange
<input type="checkbox"/> 195 Contract Product Liability	<input type="checkbox"/> 370 Other Fraud	<input type="checkbox"/> 730 Labor/Mgmt Reporting & Disclosure Act	<input type="checkbox"/> 862 Black Lung (923)	<input type="checkbox"/> 875 Customer Challenge 12 USC 3410
	<input type="checkbox"/> 371 Truth in Lending	<input type="checkbox"/> 740 Railway Labor Act	<input type="checkbox"/> 863 DIWC/DIWW (405(g))	<input type="checkbox"/> 890 Other Statutory Actions
	<input type="checkbox"/> 380 Other Personal Property Damage	<input type="checkbox"/> 790 Other Labor Litigation	<input type="checkbox"/> 864 SSID Title XVI	<input type="checkbox"/> 891 Agricultural Acts
	<input type="checkbox"/> 385 Property Damage	<input checked="" type="checkbox"/> 791 Empl. Ret. Inc. Security Act	<input type="checkbox"/> 865 RSI (405(g))	<input type="checkbox"/> 892 Economic Stabilization Act
	<input type="checkbox"/> 395 Product Liability		FEDERAL TAX SUITS	<input type="checkbox"/> 893 Environmental Matters
REAL PROPERTY	CIVIL RIGHTS	PRISONER PETITIONS	<input type="checkbox"/> 870 Taxes (U.S. Plaintiff)	<input type="checkbox"/> 894 Energy Allocation Act
<input type="checkbox"/> 210 Land Condemnation	<input type="checkbox"/> 441 Voting	<input type="checkbox"/> 510 Motions to Vacate Sentence	<input type="checkbox"/> 871 IRS—Third Party	<input type="checkbox"/> 895 Freedom of Information Act
<input type="checkbox"/> 220 Foreclosure	<input type="checkbox"/> 442 Employment	<input type="checkbox"/> 530 General	<input type="checkbox"/> 26 USC 7609	<input type="checkbox"/> 900 Appeal of Fee Determination
<input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 443 Housing/Accommodations	<input type="checkbox"/> 535 Death Penalty		<input type="checkbox"/> Under Equal Access to Justice
<input type="checkbox"/> 240 Torts to Land	<input type="checkbox"/> 444 Welfare	<input type="checkbox"/> 540 Mandamus & Other		<input type="checkbox"/> 950 Constitutionality of State Statutes
<input type="checkbox"/> 245 Tort Product Liability	<input type="checkbox"/> 445 Amer. w/ Disabilities Employment	<input type="checkbox"/> 550 Civil Rights		
<input type="checkbox"/> 290 All Other Real Property	<input type="checkbox"/> 446 Amer. w/ Disabilities - Other	<input type="checkbox"/> 555 Prison Condition		
	<input type="checkbox"/> 440 Other Civil Rights			

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 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):
Brief description of cause:

VII. REQUESTED IN COMPLAINT:	<input checked="" type="checkbox"/> CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23	DEMAND \$	ACTUAL DAMAGES, COSTS AND FEES	CHECK YES only if demanded in complaint: JURY DEMAND: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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VIII. RELATED CASE(S) IF ANY (See instructions):	Brandin v. United Health Group, Inc.;	DOCKET NUMBER: 06-01216 - JMR/FLN
	JUDGE: James M. Rosenbaum	

DATE: June 2, 2006	SIGNATURE OF ATTORNEY OF RECORD: s/ David E. Krause
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FOR OFFICE USE ONLY

RECEIPT #	AMOUNT	APPLYING IFP	JUDGE	MAG. JUDGE
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JS 44 Reverse (Rev. 11/04)

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS-44**Authority For Civil Cover Sheet**

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading 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. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

I. (a) Plaintiffs-Defendants. Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.

(b) County of Residence. For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)

(c) Attorneys. Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".

II. Jurisdiction. The basis of jurisdiction is set forth under Rule 8(a), F.R.C.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.

United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.

United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.

Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.

Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; federal question actions take precedence over diversity cases.)

III. Residence (citizenship) of Principal Parties. This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.

IV. Nature of Suit. Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerks in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.

V. Origin. Place an "X" in one of the seven boxes.

Original Proceedings. (1) Cases which originate in the United States district courts.

Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.

Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.

Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.

Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.

Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.

Appeal to District Judge from Magistrate Judgment. (7) Check this box for an appeal from a magistrate judge's decision.

VI. Cause of Action. Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553

Brief Description: Unauthorized reception of cable service

VII. Requested in Complaint. Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.

Demand. In this space enter the dollar amount (in thousands of dollars) being demanded or indicate other demand such as a preliminary injunction.

Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.

VIII. Related Cases. This section of the JS 44 is used to reference related pending cases if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.