

warrant the issuance of notice to members of the *Settlement Class*. Upon reviewing the *Settlement Agreement* and motion papers relating to the request for preliminary approval of the *Settlement* and the matter having come before the *Court* at a hearing held on January 8, 2009, it is hereby ORDERED, ADJUDGED AND DECREED as follows:

1. Class Findings: Solely for the purposes of the *Settlement*, the *Court* preliminarily finds that the requirements of the Federal Rules of Civil Procedure, the United States Constitution, the Rules of the *Court* and any other applicable law have been met as to the "*Settlement Class*" defined below, in that:

A. All findings in this Section 1 are based on the submissions to the *Court*, including the *Settlement Agreement*. These findings are not based upon any admissions, representations, assertions, or arguments by the *Defendants* that a class can, should, or would be certified in the *Action*, and these findings are made while preserving fully the *Defendants'* rights to argue, in the event that the *Settlement* does not become *Final* or is terminated pursuant to the *Settlement Agreement*, that no class can or should be certified in the *Action*.

B. The *Court* preliminarily finds that, as required by Rule 23(a)(1), the *Settlement Class* is ascertainable from records kept with respect to the *Plan* and from other objective criteria, and the members of the *Settlement Class* are so numerous that their joinder before the *Court* would be impracticable.

C. The *Court* preliminarily finds that, as required by Rule 23(a)(2), there are one or more questions of fact and/or law common to the *Settlement Class*.

D. The *Court* preliminarily finds that, as required by Rule 23(a)(3), the claims of the *Named Plaintiffs* are typical of the claims of the *Settlement Class*.

E. The *Court* preliminarily finds, as required by Rule 23(a)(4), that the *Named Plaintiffs* will fairly and adequately protect the interests of the *Settlement Class* in that (i) the interests of *Named Plaintiffs* and the nature of their alleged claims are consistent with those of the members of the *Settlement Class*, (ii) there appear to be no conflicts between or among the *Named Plaintiffs* and the *Settlement Class*, and (iii) the *Named Plaintiffs* and the members of the *Settlement Class* are represented by qualified, reputable counsel who are experienced in preparing and prosecuting large, complicated *ERISA* class actions.

F. The *Court* preliminarily finds that, as required by Rule 23(b)(1), the prosecution of separate actions by individual members of the *Settlement Class* would create a risk of (i) inconsistent or varying adjudications as to individual class members, that would establish incompatible standards of conduct for the parties opposing the claims asserted in the *ERISA Action* or (ii) adjudications as to individual class members that would, as a practical matter, be dispositive of the interests of the other members not parties to the adjudications, or substantially impair or impede those persons' ability to protect their interests.

G. The *Court* preliminarily finds that, as required by Rule 23(b)(2), the *Defendants* have acted or did not act on grounds generally applicable to the *Settlement Class*, thereby making appropriate final injunctive relief or corresponding declaratory relief with respect to the *Settlement Class* as a whole.

H. The *Court* preliminarily finds that, as required by Rule 23(g), *Lead Counsel* is capable of fairly and adequately representing the interests of the *Settlement Class*, in that *Lead Counsel* has done extensive work identifying or investigating

potential claims in the action, and have litigated the validity of those claims at the motion to dismiss stage of this case; *Lead Counsel* is experienced in handling class actions and claims of the type asserted in the *Action*; *Lead Counsel* is knowledgeable of the applicable law; and *Lead Counsel* has committed the necessary resources to represent the *Settlement Class*.

2. Class Certification – Based solely on the findings set forth in Section 1 above, and not on any admissions, representations, assertions, or arguments by the *Defendants*, the *Court* preliminarily certifies the following class for settlement purposes under Fed. R. Civ. P. 23(b)(1) and 23(b)(2) in this litigation (the *Settlement Class*):

All current and former participants in the UnitedHealth Group 401(k) Savings Plan or the PacifiCare Health Systems, Inc. Savings and Profit Sharing Plan whose individual accounts in such Plan held units of the UnitedHealth Group Stock Fund at any time during the period December 21, 2005 through and including May 24, 2006, and the beneficiaries of such participants.

3. Appointment Of Class Representatives And Class Counsel. The *Court* appoints the *Named Plaintiffs* as the class representatives for the *Settlement Class*, and Stull, Stull & Brody ("*Lead Counsel*") as class counsel for the *Settlement Class* pursuant to Fed. R. Civ. P. 23(e) and (g).

4. Preliminary Findings Regarding Proposed Settlement – The *Court* preliminarily finds that (i) the proposed *Settlement* resulted from extensive arm's-length negotiations, (ii) the *Settlement Agreement* was executed only after *Lead Counsel* had conducted extensive pre-settlement motion practice and discovery, (iii) counsel for *Named Plaintiffs* has concluded that the *Settlement Agreement* is fair, reasonable and adequate, and (iv) the *Settlement* evidenced by

the *Settlement Agreement* is sufficiently fair, reasonable, and adequate to warrant sending notice of the *Settlement* to the *Settlement Class*.

5. Fairness Hearing – A hearing is scheduled for May 8, 2009 at 10:30 a.m. (the "*Fairness Hearing*") to determine, among other things:

- Whether the *Settlement* should be approved as fair, reasonable and adequate;
- Whether the litigation should be dismissed with prejudice as to the *Defendants* pursuant to the terms of the *Settlement*;
- Whether the notice, summary notice and notice methodology implemented pursuant to the *Settlement Agreement* (i) constituted the best practicable notice, (ii) constituted notice that was reasonably calculated, under the circumstances, to apprise members of the *Settlement Class* of the pendency of the litigation, their right to object to the *Settlement*, and their right to appear at the *Fairness Hearing*, (iii) were reasonable and constituted due, adequate, and sufficient notice to all persons entitled to notice and (iv) met all applicable requirements of the Federal Rules of Civil Procedure, and any other applicable law;
- Whether *Lead Counsel* adequately represented the *Settlement Class* for purposes of entering into and implementing the *Settlement Agreement*;
- Whether the *Plan of Allocation* should be approved;
- Whether the motion for attorneys' fees and expenses filed by *Lead Counsel* should be approved; and
- Whether the motion for compensation for *Named Plaintiffs* should be approved.

6. Class Notice – The *Parties* have presented to the *Court* a proposed form of *Class Notice*, which is appended hereto as Exhibit 1. With respect to such form of *Class Notice*, the

Court finds that such form fairly and adequately (a) describes the terms and effect of the *Settlement Agreement* and of the *Settlement*, (b) notifies the *Settlement Class* concerning the proposed *Plan of Allocation*, (c) notifies the *Settlement Class* that *Lead Counsel* will seek compensation from the *Settlement Fund* for the *Named Plaintiffs*, and for attorneys' fees not to exceed 25% of the *Settlement Amount* and for reimbursement of expenses, (d) gives notice to the *Settlement Class* of the time and place of the *Fairness Hearing*, and (e) describes how the recipients of the *Class Notice* may object to any of the relief requested. The *Parties* have proposed the following manner of communicating the notice to members of the *Settlement Class*, and the *Court* finds that such proposed manner is the best notice practicable under the circumstances, and directs that *Lead Counsel* shall:

- By no later than February 27, 2009 cause the *Class Notice*, with such non-substantive modifications thereto as may be agreed upon by the *Parties*, to be mailed, by first-class mail, postage prepaid, to the last known address of each *Person* within the *Settlement Class* who can be identified by reasonable effort. The *Company* shall cooperate with *Lead Counsel* by providing, in electronic format, the names and addresses of *Persons* to whom the *Class Notice* is to be sent. The names and addresses *Lead Counsel* obtain pursuant to this order shall be used solely for the purpose of providing notice of this *Settlement* and for no other purpose.
- By no later than February 27, 2009 cause the *Class Notice* to be published on each website identified in the *Class Notice*.
- At or before the *Fairness Hearing*, *Lead Counsel* shall file with the *Court* a proof of timely compliance with the foregoing requirements.

7. Objections to Settlement – Any member of the *Settlement Class* who wishes to object to the fairness, reasonableness or adequacy of the *Settlement*, to the *Plan of Allocation*, to any term of the *Settlement Agreement*, to the proposed award of attorneys' fees and expenses, or to any request for compensation for the *Named Plaintiffs* may file an Objection. Objections may be filed in paper form or via electronic mail as described herein. If an objector chooses to file an Objection in paper form the objector must file with the *Court* a statement of his, her, or its objection(s), specifying the reason(s), if any, for each such objection made, including any legal support and/or evidence that such objector wishes to bring to the *Court's* attention or introduce in support of such objection. The objector must also mail copies of the objection and all supporting law and/or evidence to *Lead Counsel* and to counsel for the *Defendants*. The addresses for filing objections with the Court and service on counsel are as follows:

Clerk of the Court
United States District Court
for the District of Minnesota
300 South Fourth Street
Minneapolis, MN 55415
Re: Case No. 06-CV-2237

To *Lead Counsel*:

Edwin J. Mills
STULL STULL & BRODY
6 East 45th Street
New York, New York 10017

To *Defendants' Counsel*:

Thomas F. Fitzgerald
Thomas S. Gigot
Mark C. Nielsen
GROOM LAW GROUP, CHARTERED
1701 Pennsylvania Avenue, NW
Washington, DC 20006

Thomas Swigert
DORSEY & WHITNEY LLP
50 South Sixth Street, Suite 1500
Minneapolis, MN 55402

Steve W. Gaskins
FLYNN GASKINS & BENNETT, LLP
333 South 7th Street, Suite 2900
Minneapolis, MN 55402

Objections may also be filed via electronic mail to the following addresses:

Clerk of the Court
unitedhealthobjectors@mnd.uscourts.gov

Edwin J. Mills
emills@ssbny.com

Thomas S. Gigot
tsg@groom.com

Thomas Swigert
swigert.tom@dorsey.com

Steve W. Gaskins
sgaskins@flynngaskins.com

The objector or his, her, or its counsel (if any) must effect service of copies of the objection on counsel listed above and file it with the *Court* by no later than April 17, 2009. If an

objector hires an attorney to represent him, her, or it for the purposes of making such objection pursuant to this paragraph, the attorney must both effect service of a notice of appearance on counsel listed above and file it with the *Court* by no later than April 17, 2009. Any member of the *Settlement Class* or other *Person* who does not timely file and serve a written objection complying with the terms of this paragraph shall be deemed to have waived, and shall be foreclosed from raising, any objection to the *Settlement*, and any untimely objection shall be barred.

8. Appearance at Fairness Hearing – Any objector who files and serves a timely, written objection in accordance with paragraph 6 above may also appear at the *Fairness Hearing* either in person or through counsel retained at the objector's expense. Objectors or their attorneys intending to appear at the *Fairness Hearing* must effect service of a notice of intention to appear setting forth, among other things, the name, address, and telephone number of the objector (and, if applicable, the name, address, and telephone number of the objector's attorney) on *Lead Counsel* and *Defendants'* counsel (at the addresses set out above) and file it with the *Court* by no later than April 17, 2009. Any objector who does not timely file and serve a notice of intention to appear in accordance with this paragraph shall not be permitted to appear at the *Fairness Hearing*, except for good cause shown. Any Class Member who files an objection may participate at the *Fairness Hearing* in person or telephonically. Any Class Member who files an objection and wishes to receive the dial-in instructions for participating at the *Fairness Hearing* telephonically shall contact *Lead Counsel* before the *Fairness Hearing* for the dial-in instructions as set forth in the *Class Notice*.

9. Notice Expenses – The expenses of printing and mailing all notices required hereby shall be paid from the *Settlement Fund* as provided in Section 8.1 of the *Settlement*

Agreement.

10. Service of Papers – *Defendants'* counsel and *Lead Counsel* shall promptly furnish each other with copies of any and all objections that come into their possession.

11. Termination of Settlement – This Order shall become null and void, and shall be without prejudice to the rights of the *Parties*, all of whom shall be restored to their respective positions existing immediately before this *Court* entered this Order, if the *Settlement* is terminated in accordance with the *Settlement Agreement*. In such event, Section 9 of the *Settlement Agreement* shall govern the rights of the *Parties*.

12. Use of Order – This Order shall not be construed or used as an admission, concession, or declaration by or against *Defendants* of any fault, wrongdoing, breach, or liability. This Order shall not be construed or used as an admission, concession, or declaration by or against *Named Plaintiffs* or the *Settlement Class* that their claims lack merit or that the relief requested in the *Action* is inappropriate, improper or unavailable, or as a waiver by any party of any arguments, defenses, or claims he, she, or it may have, including, but not limited to, any objections by *Defendants* to class certification in the event that the *Settlement Agreement* is terminated.

13. Jurisdiction – The *Court* hereby retains jurisdiction for purposes of implementing the *Settlement Agreement*, and reserves the power to enter additional orders to effectuate the fair and orderly administration and consummation of the *Settlement Agreement* as may from time to time be appropriate and to resolve any and all disputes arising thereunder.

14. Continuance of Hearing – The *Court* reserves the right to continue the *Fairness Hearing* without further written notice.

SO ORDERED this __19____ day of __February____, 2009.

s/JAMES M. ROSENBAUM
HON. JAMES M. ROSENBAUM
United States District Judge

**EXHIBIT 1 TO THE PRELIMINARY
APPROVAL ORDER**

10:30 a.m. in Courtroom 14 East of the United States District Court for the District of Minnesota, 202 U.S. Courthouse, 300 South Fourth Street, Minneapolis, MN 55415.

- Any objections to the *Settlement* or the motion for attorneys’ fees and expenses and compensation to the *Named Plaintiffs* must be served in writing on *Lead Counsel* for the *Settlement Class* identified on page ____ of this Notice, and on *Defendants’* attorneys, who are identified on page ____ of this Notice. Objections may be filed in paper form or via electronic mail. The procedure for objecting is described below.
- This Notice contains summary information with respect to the *Settlement*. The terms and conditions of the *Settlement* are set forth in a Class Action Settlement Agreement (the “*Settlement Agreement*”). Capitalized and italicized terms used in this Notice but not defined in this Notice have the meanings assigned to them in the *Settlement Agreement*. The *Settlement Agreement*, and additional information with respect to this lawsuit and the *Settlement*, are available at [list websites], or from *Lead Counsel* listed below.

PLEASE READ THIS NOTICE CAREFULLY AND COMPLETELY. IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS TO WHOM THIS NOTICE IS ADDRESSED, THE SETTLEMENT WILL AFFECT YOUR RIGHTS. YOU ARE NOT BEING SUED IN THIS MATTER. YOU DO NOT HAVE TO APPEAR IN COURT, AND YOU DO NOT HAVE TO HIRE AN ATTORNEY IN THIS CASE. IF YOU ARE IN FAVOR OF THE SETTLEMENT, YOU NEED NOT DO ANYTHING. IF YOU DISAPPROVE, YOU MAY OBJECT TO THE SETTLEMENT PURSUANT TO THE PROCEDURES DESCRIBED BELOW.

YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT:	
<p>YOU CAN DO NOTHING.</p> <p>NO ACTION IS NECESSARY TO RECEIVE PAYMENT.</p>	<p>If the <i>Settlement</i> is approved by the <i>Court</i> and you are a member of the <i>Settlement Class</i>, you will not need to do anything to receive a payment. The portion, if any, of the <i>Settlement Fund</i> to be allocated to your <i>Plan</i> account will be calculated as part of the implementation of the <i>Settlement</i>.</p> <p>If you are currently participating in the <i>Plan</i> and are a member of the <i>Settlement Class</i>, any share of the <i>Settlement Fund</i> to which you are entitled will be deposited into your <i>Plan</i> account.</p> <p>If you no longer are a <i>Plan</i> participant and are a member of the <i>Settlement Class</i>, any share of the net <i>Settlement Fund</i> to which you are entitled will be deposited in a <i>Plan</i> account for your benefit.</p> <p>You may take a distribution of your account in accordance with <i>Plan</i> rules.</p>
<p>OBJECT</p> <p>(BY APRIL 17, 2009)</p>	<p>If you wish to object to any part of the <i>Settlement</i>, you may (as discussed below) write to the <i>Court</i> and counsel about why you object to the <i>Settlement</i>.</p>
<p>GO TO A HEARING</p> <p>(TO BE HELD ON MAY 8, 2009)</p>	<p>If you submit a written objection to the <i>Settlement</i> to the <i>Court</i> and counsel before the <i>Court</i>-approved deadline, you may (but do not have to) attend the <i>Court</i> hearing about the <i>Settlement</i> and present your objections to the <i>Court</i>. You may attend the Hearing even if you do not file a written objection, but you will only be allowed to speak at the</p>

Questions? You may call 1-800_____ or visit www.ssbny.com/unh. Please do not contact UnitedHealth Group or the Court as they cannot answer your questions.

Hearing in you file written comments in advance of the Hearing.

- These rights and options – **and the deadlines to exercise them** – are explained in this Notice.
- The *Court* in charge of this case still has to decide whether to approve the *Settlement*. Payments will be made only if the *Court* approves the *Settlement* and that approval is upheld in the event of any appeals.

Further information regarding the litigation and this *Notice* may be obtained by contacting *Plaintiffs’ Lead Counsel*:

Edwin J. Mills, Esq.
 Stull, Stull & Brody
 6 East 45th Street
 New York, NY 10017
 Tel: (212) 687-7230
 Tel: (800) 337-4983
 Fax: (212) 490-2022

Plaintiffs’ Lead Counsel has established a toll-free phone number to receive your comments and questions: _____.

Plaintiffs’ Lead Counsel may also be contacted via e-mail: SSBNY@aol.com.

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Questions? You may call 1-800 _____ or visit www.ssbny.com/unh. Please do not contact UnitedHealth Group or the Court as they cannot answer your questions.

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Questions? You may call 1-800-_____ or visit www.ssbny.com/unh. Please do not contact UnitedHealth Group or the Court as they cannot answer your questions.

This litigation (the “*Action*”) is a consolidated case in which *Plaintiffs* allege that the *Defendants* breached fiduciary duties owed to the participants and beneficiaries of the *Plan*. The *Action* arose as a result of allegedly improper or inappropriate executive stock option practices at UnitedHealth Group Incorporated (the “*Company*”). Copies of the most recent *Complaint* and other documents filed in the *Action* are available at [list websites].

SUMMARY OF SETTLEMENT

1. A *Settlement Fund* consisting of \$17 million in cash is being established in the *Action*.
2. The net amount in the *Settlement Fund*, including interest, and after payment of any taxes, expenses, approved attorneys’ fees and costs, and compensation to the *Named Plaintiffs*, will be paid to the *Plan* and be allocated to *Settlement Class* members according to a *Plan of Allocation* described herein.

Statement of Potential Outcome of the Action

As with any litigated case, *Plaintiffs* would face an uncertain outcome if the *Action* were to continue against the *Defendants*. Continued litigation of the *Action* against these *Defendants* could result in a judgment or verdict greater or lesser than the recovery under the *Settlement Agreement*, or in no recovery at all or a judgment or verdict in favor of the *Defendants*.

Throughout this *Action*, the *Named Plaintiffs* and the *Defendants* have disagreed on both liability and damages, and they do not agree on the amount that would be recoverable even if the *Plaintiffs* were to prevail at trial. The *Defendants* have denied and continue to deny the claims and contentions alleged by the *Named Plaintiffs*, that they are liable at all to the *Settlement Class*, and that the *Settlement Class* or the *Plans* have suffered any damages for which the *Defendants* could be legally responsible. Nevertheless, the *Defendants* have taken into account the cost, uncertainty, and risks inherent in any litigation, particularly in a complex case such as this, and have concluded that it is desirable that the *Action* be fully and finally settled as to them on the terms and conditions set forth in the *Settlement Agreement*.

Statement of Attorneys’ Fees and Costs Sought in the Action

Lead Counsel in the *Action* will apply to the *Court* for an order awarding to counsel for the *Named Plaintiffs*’ attorneys’ fees not in excess of twenty five percent (25%) of the amount recovered in the *Settlement*, plus reimbursement of expenses. Any amount awarded will be paid from the proceeds of the *Settlement Fund*.

What Will the Named Plaintiffs Get?

The *Named Plaintiffs* named in the *Action* will share in the allocation of the money paid to the *Plans* on the same basis and to the same extent as all other members of the *Settlement Class*, except that, in addition, the *Named Plaintiffs* may apply to the *Court* for compensation of up to \$15,000 each, plus reimbursement of the reasonable costs and expenses directly relating to their representation of the *Settlement Class*. Any compensation awarded to *Named Plaintiffs* by the *Court* will be paid from the proceeds of the *Settlement Fund*.

Further Information

Further information regarding the *Action* and this *Notice* may be obtained by contacting:

Questions? You may call 1-800 _____ or visit www.ssbny.com/unh. Please do not contact UnitedHealth Group or the Court as they cannot answer your questions.

Edwin J. Mills, Esq.
STULL, STULL & BRODY
6 East 45th Street
New York, NY 10017
www.ssbny.com
Tel: (212) 687-7230
Tel: (800) 337-4983
Fax: (212) 490-2022

You may access the *Settlement Agreement*, as well as the docket sheet, pleadings and motion papers in this case, by going to www.ssbny.com

BASIC INFORMATION

1. **Why did I get this Notice package?**

You or someone in your family are or may have been a participant in the UnitedHealth Group 401(k) Savings Plan or the PacifiCare Health Systems Inc. Savings and Profit Sharing Plan (the "*Plan*").

The *Court* caused this Notice to be sent to you because, if you fall within that group, you have a right to know about the *Settlement* and about all of your options, before the *Court* decides whether to approve the *Settlement*. If the *Court* approves the *Settlement*, and after any objections and appeals are resolved, the net amount of the *Settlement Fund* will be paid to the *Plan* and then allocated among *Settlement Class* members according to a *Plan of Allocation* described herein. This Notice package describes the litigation, the *Settlement*, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The *Court* in charge of this case is the United States District Court for the District of Minnesota. The people who sued are called "*Named Plaintiffs*," and the people they sued are called "*Defendants*." The *Named Plaintiffs* in the *Action* are Matthew T. Zilhaber and Sascha Linn. The *Defendants* are: UnitedHealth Group Incorporated L. Robert Dapper, James A. Johnson, William G. Spears, Mary O. Mundinger, William W. McGuire and Stephen J. Hemsley. The legal action that is the subject of this Notice and the *Settlement* is known as *Zilhaber v. UnitedHealth Group Incorporated*, No. 06 CV 2237 (the "*Action*").

2. **What is the Action about?**

The *Action* claims that the *Defendants* were fiduciaries of the *Plan* and violated fiduciary duties under *ERISA* that they owed to participants in the *Plan*. In the *Complaint*, *Named Plaintiffs* asserted causes of action for the losses they allege were suffered by the *Plan* as the result of the alleged breaches of fiduciary duty by the *Defendants*.

Participants in the *Plan* were able to allocate their account balances among various investment funds. The investment funds included a fund primarily invested in UnitedHealth Group common stock. The *UnitedHealth Group Stock Fund* held assets transferred into the *Plan* from (i) the United HealthCare Corporation Employee Stock Ownership Plan and (ii) an investment fund maintained under the *PacifiCare Plan* that was invested primarily in shares of common stock of PacifiCare Health Systems, Inc.

Questions? You may call 1-800-_____ or visit www.ssbny.com/unh. Please do not contact UnitedHealth Group or the Court as they cannot answer your questions.

The *Complaint* in the *Action* alleges that UnitedHealth Group and other fiduciaries of the *Plan* violated ERISA by failing to prudently manage the assets of the *Plan*, by failing to provide required disclosures to the participants and beneficiaries of the *Plan* and by failing to properly appoint, monitor and inform other fiduciaries of the *Plan*. *Named Plaintiffs* allege that the *Defendants* knew or should have known that UnitedHealth Group stock was not a prudent retirement investment during the *Class Period* and that the *Defendants* acted imprudently by not liquidating the *Plan*'s UnitedHealth Group common stock holdings. *Named Plaintiffs* also assert that certain *Defendants* violated their alleged fiduciary duties by failing to provide *Plan* participants with complete and accurate public information about UnitedHealth Group.

The Defenses in the Action

The *Defendants* deny that they have liability to the *Plan* or its participants or beneficiaries. If the litigation were to continue, the *Defendants* would raise numerous defenses to liability, including the following:

- They were not fiduciaries of the *Plan*, or, if they were fiduciaries, their fiduciary duties did not extend to the matters at issue in the *Action*;
- UnitedHealth Group common stock and the UnitedHealth Group Stock Fund were at all relevant times a prudent investment for the *Plan* and their participants, especially in view of the fact that the *Plan* is an eligible individual account plan, as defined under ERISA § 407(b);
- The *Plan's* disclosures to participants complied fully with ERISA;
- To the extent they were fiduciaries as to the matters at issue in the *Action*, they fully and prudently discharged all fiduciary duties imposed on them by ERISA;
- Even if they failed to discharge one or more of their ERISA fiduciary duties, any such breach of fiduciary duty did not cause the losses alleged by the *Plaintiffs*; and
- The relief sought by the *Plaintiffs* in the *Action* is not permitted by ERISA.

The Action Has Been Aggressively Litigated

Counsel for the *Named Plaintiffs* have conducted an extensive investigation of the allegations in the *Action* and of the losses allegedly suffered by the *Plan*. In addition, through that investigation and through discovery of information in the *Action*, counsel for the *Named Plaintiffs* has obtained and reviewed millions of pages of documents, including *Plan* governing documents and materials, communications with *Plan* participants, internal UnitedHealth Group documents regarding the *Plan*, SEC filings, press releases, public statements, news articles and other publications, and other documents.

Named Plaintiffs' counsel successfully opposed a motion by the *Defendants* to dismiss the *Named Plaintiffs'* claims or for partial summary judgment in favor of *Defendants*. *Named Plaintiffs'* counsel filed a motion for certification of the *Action* as a class action. The *Court* has not yet decided that motion. If the litigation were to continue, the *Defendants* would be permitted to raise objections to the *Named Plaintiffs'* motion for class certification, including that the *Action* should not be certified as a class action. *Named Plaintiffs'* counsel have drafted and served on *Defendants* numerous discovery requests, reviewed millions of pages of documents in connection with allegations of improper or inappropriate executive stock option practices at the *Company*, and they participated in depositions relating to the merits and class certification issues. *Named Plaintiffs'* counsel had also consulted with several proposed experts to investigate the facts, develop opinions, and prepare formal reports concerning the merits of the *Action* and the amount of recoverable damages.

Questions? You may call 1-800-_____ or visit www.ssbny.com/unh. Please do not contact UnitedHealth Group or the Court as they cannot answer your questions.

Settlement Discussions

This *Settlement* is the product of extensive negotiations between *Named Plaintiffs*' counsel and the *Defendants*' counsel. Throughout the settlement negotiations, the *Plaintiffs* were advised by various consultants and experts, including individuals with expertise in *ERISA* fiduciary liability issues, insurance coverage issues, and estimating potential damages in cases involving *ERISA* fiduciary liability. There were two mediations in this case. The first mediation conducted by a retired federal magistrate judge was unsuccessful in resolving the *Action* but did advance the settlement process. A second mediation, conducted separately by a different retired federal judge, was ultimately successful in enabling the *Parties* to reach the *Settlement* described herein.

3. **Why Is This Case a Class Action?**

In a class action, one or more plaintiffs, called *Named Plaintiffs*, sue on behalf of people who have similar claims. All of the individuals on whose behalf the *Named Plaintiffs* are suing are "Class Members." One court resolves the issues for all Class Members. U.S. District Judge James M. Rosenbaum is presiding over this case. In its Order setting the *Fairness Hearing*, the *Court* conditionally certified the *Settlement Class* in the *Action*.

4. **Why is there a Settlement?**

The *Court* has not reached any final decisions in connection with *Plaintiffs*' claims against the *Defendants*. Instead, the *Plaintiffs* and the *Defendants* have agreed to a settlement. In reaching the *Settlement*, they have avoided the cost, risks, and time of a trial.

As with any litigated case, the *Plaintiffs* would face an uncertain outcome if this case went to trial. On the one hand, continuation of the case against the *Defendants* could result in a verdict greater than this *Settlement*. On the other hand, continuing the case against them could result in a verdict for less money than *Plaintiffs* have obtained in this *Settlement*, or even no recovery at all. Based on these factors, the *Plaintiffs* and their attorneys in this case think the *Settlement* is best for all *Settlement Class* members.

5. **How do I know whether I am part of the Settlement?**

The proceeds of this *Settlement* will be allocated only to members of the *Settlement Class* and only according to a *Plan of Allocation* described herein.

You are a member of the Settlement Class if you fall within the definition of the *Settlement Class* approved by United States District Judge James M. Rosenbaum:

All current and former participants in the *Plan* (including the *PacificCare Plan*) whose individual accounts in the *Plan* held units of the *UnitedHealth Group Stock Fund* at any time during the period December 21, 2005 through and including May 24, 2006, and the beneficiaries of such participants.

6. Are there exceptions to being included?

No. Members of the *Settlement* class are included in the *Settlement* and will be bound by the Judgment if the *Settlement* is approved by the *Court*.

THE SETTLEMENT BENEFITS - WHAT YOU GET

7. What does the Settlement provide?

A *Settlement Fund* consisting of seventeen million dollars in United States currency (\$17 million) is being established in the *Action*. The net amount in the *Settlement Fund*, including interest, and after payment of, and establishment of reserves for, any taxes and *Court*-approved costs, fees, and expenses, including any *Court*-approved compensation to be paid to the *Named Plaintiffs*, will be paid to the *Plan* and, after payment of implementation expenses, the remaining amount will be allocated to *Plan* accounts maintained for members of the *Settlement Class* according to a *Plan of Allocation* described herein.

All *Settlement Class* members and anyone claiming through them are deemed to fully release the *Releasees* from *Released Claims*. The *Releasees* include the *Defendants* and their officers, directors, employees, attorneys, and agents. The *Released Claims* generally include all claims which were or could have been asserted in the *Action*. This means that *Settlement Class* members will not have the right to sue the *Releasees* for anything related to the investment of *Plan* assets or to other alleged fiduciary misconduct during the *Class Period* concerning the *Plan*.

The above description of the operation of the *Settlement* is only a summary. The governing provisions are set forth in the *Settlement Agreement* (including its exhibits), which may be obtained at [list websites], or by contacting *Lead Counsel* listed on page ____ above.

8. How much will my payment be? / Plan Of Allocation

Your share of the net *Settlement* proceeds paid into the *Plans* (the “*Net Proceeds*”), less the *Plan* expenses associated with implementing the *Plan of Allocation*, will depend on your alleged loss, compared to other *Class* members’ alleged losses, related to *Plan* investments in the UnitedHealth Group Stock Fund at any time during the period December 21, 2005 through and including May 24, 2006. Each *Settlement Class* member’s share of the *Net Proceeds* will be determined using the *Plan of Allocation* described herein. Because the *Net Proceeds* are less than the total losses alleged by the *Class*, each *Class* member’s proportionate recovery will be less than his or her alleged loss.

You are not responsible for calculating the amount you may be entitled to receive under the *Settlement*. This calculation will be done for you as part of the implementation of the *Settlement*.

Under the *Plan of Allocation* your proportionate share of the *Net Proceeds* will be calculated as follows:

- The “*Alleged Net Loss*” for each member of the *Settlement Class* will be calculated. *Alleged Net Loss* shall be equal to A- (B+ C), where A = the dollar value, if any, of the balance in the UnitedHealth Group Stock Fund on the first day of the *Class Period*; B = the dollar value, if any, of all sales, dispositions, divestments, forfeitures, withdrawals or

Questions? You may call 1-800_____ or visit www.ssbny.com/unh. Please do not contact UnitedHealth Group or the Court as they cannot answer your questions.

distributions of interests (a "Sale") in the UnitedHealth Group Stock Fund during the Class Period, as of the time of the Sale(s), but not including deductions for Plan fees; C = the dollar value, if any, of the balance in the UnitedHealth Group Stock Fund remaining on the close of business on May 23, 2006.

- The dollar value of the balance allocated to the UnitedHealth Group Stock Fund as of a day equals (i) the number of Fund units allocated to the Participant's account as of the end of that day, multiplied by (ii) the unit price established by the applicable Plan's recordkeeper as of the end of that day (it being understood that for periods before May 1, 2006, units and unit values differed as between the Fund maintained under the UnitedHealth Group 401(k) Savings Plan and the Fund maintained under the PacifiCare Plan).
- In the case of any Participant who had an account balance in the UnitedHealth Group Stock Fund maintained under the PacifiCare Plan as of the first day of the Class Period, Sales include the transaction recorded under that Plan as of December 23, 2005 by which units of that Fund were "sold" for transfer to that Plan's Stable Value Fund.
- Each participant will be assigned an *Alleged Net Loss Percentage*, showing the percentage of the participant's *Alleged Net Loss* in relation to all participants' *Alleged Net Losses*.
- Each participant's share of the *Settlement Fund* will be equal to the *Net Proceeds*, less the *Plan* expenses associated with implementing the *Plan of Allocation*, multiplied by the participant's *Alleged Net Loss Percentage*, except that the *Alleged Net Loss Percentages* for the *Defendants* and the Section 16(b) officers of the *Company* who participated in the *Plan* shall be deemed zero and these individuals shall receive no portion of the *Settlement Fund*. Those participants whose share of the *Settlement Fund* would be less than \$10.00 will receive nothing from the *Settlement* and the amounts which they would have received but for this \$10.00 *de minimis* provision will be added back into the *Settlement Fund* prior to the distribution.

Do not worry if you do not have records that show your *Plan* activity. If you are entitled to a share of the *Net Settlement Fund*, your share will be allocated to an account maintained for you under the *Plan*.

9. How can I get a payment?

You do not need to file a claim. If you are a *Settlement Class* member entitled to a share of the *Net Proceeds*, your share will be deposited to an account maintained under the *Plan*. If you are a current *Plan* participant with an existing account under the *Plan*, your allocation will be reflected on your *Plan* account statement. If you are a former *Plan* participant who no longer has an account under the *Plan*, your share of the *Net Proceeds* will be held in an account under the *Plan* and you will be notified by a *Plan* representative of how to obtain your allocation from such account.

10. When would I get my payment?

Questions? You may call 1-800-_____ or visit www.ssbny.com/unh. Please do not contact UnitedHealth Group or the Court as they cannot answer your questions.

Payment is conditioned on several matters, including the *Court's* approval of the *Settlement* and such approval becoming final and no longer subject to any appeals to any court. Upon satisfaction of various conditions, the *Net Proceeds* will be paid to the *Plan* and allocated to the accounts of *Settlement Class* members pursuant to the *Plan of Allocation* (described in the Answer to Question No. 8, above) as soon as possible after final approval has been obtained for the *Settlement* (which includes exhaustion of any appeals). Any appeal of the final approval may take several years. Any accrued interest on the *Settlement Fund* will be included in the amount paid to the *Plan* and allocated to the *Plan* accounts of *Settlement Class* members.

There Will Be No Payments If The Settlement Agreement Is Terminated.

The *Settlement Agreement* may be terminated on several grounds, including if (1) the *Court* does not approve or materially modifies the *Settlement* or (2) either as modified by the *Court* or as a result of reversal or modification on appeal, the *Court's Final Order* in the case does not satisfy certain terms of the *Settlement*. Should the *Settlement Agreement* be terminated, the *Settlement* will be terminated, the certification of the *Class* for settlement purposes will be vacated, and the *Action* will proceed as if the *Settlement Agreement* had not been entered into.

11. Can I get out of the Settlement?

You do not have the right to exclude yourself from the *Settlement*. The *Action* was conditionally certified under Federal Rule of Civil Procedure 23(b)(1) and 23(b)(2) as a non “opt-out” class action because the *Court* preliminarily determined the requirements of those rules were satisfied. Thus, it is not possible for any participants or beneficiaries to exclude themselves from the benefits of the *Settlement*. As a *Settlement Class* member, you will be bound by any judgments or orders that are entered in the *Action* for all claims that were or could have been asserted in the *Action* or are otherwise included in the release under the *Settlement*.

Although you cannot opt out of the *Settlement*, you can object to the *Settlement* and ask the *Court* not to approve it. See Answer to Question No. 14, below.

THE LAWYERS REPRESENTING YOU

12. Do I have a lawyer in the case?

The *Court* has appointed the law firm Stull, Stull & Brody as *Lead Counsel* for *Named Plaintiffs* in the *Action*. These lawyers are called “*Class Counsel*.” You will not be charged directly by these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

13. How will the lawyers be paid?

Lead Counsel will file a motion for the award of attorneys’ fees and expenses. This motion will be considered at the *Fairness Hearing*. As previously described, *Lead Counsel* has agreed to limit their motion for an award of attorneys’ fees to not more than twenty five percent (25%) of the recovery, plus reimbursement of expenses incurred in connection with the prosecution of the *Action*.

14. How will the Named Plaintiffs be paid?

Lead Counsel will file a motion asking that the *Court* award the two *Named Plaintiffs*, Matthew Zilhaver and Sascha Lynn, fifteen thousand dollars (\$15,000) each for their services in the *Action* and their contributions to the *Settlement*, including by traveling to their depositions, giving their deposition testimony and producing their records in discovery. The *Court* will decide the amount, if any, of such *Named Plaintiffs'* compensation. The *Named Plaintiffs'* compensation as awarded by the *Court* will be paid out of the *Settlement Fund*.

15. Objecting to the Settlement or the Attorneys' Fees or expenses or the Named Plaintiffs compensation?

You can tell the *Court* that you do not agree with the *Settlement* or some part of it, including the attorneys' fees and expenses the attorneys intend to seek and/or the *Named Plaintiffs'* compensation.

16. How do I tell the Court if I don't like the Settlement?

If you are a *Settlement Class* member, you can object to the *Settlement* if you do not like any part of it. You can give reasons why you think the *Court* should not approve it. The *Court* has directed that members of the *Settlement Class* may object by either a paper filing or via electronic mail.

The addresses for filing paper objections with the *Court* and required service on counsel are as follows:

Clerk of the Court
United States District Court
for the District of Minnesota
300 South Fourth Street
Minneapolis, MN 55415
Re: Case No. 06-CV-2237

To *Lead Counsel*:

Edwin J. Mills
STULL STULL & BRODY
6 East 45th Street
New York, New York 10017

To *Defendants'* Counsel:

Thomas F. Fitzgerald
Thomas S. Gigot

Questions? You may call 1-800-_____ or visit www.ssbny.com/unh. Please do not contact UnitedHealth Group or the *Court* as they cannot answer your questions.

Mark C. Nielsen
GROOM LAW GROUP, CHARTERED
1701 Pennsylvania Avenue, NW
Washington, DC 20006

Thomas Swigert
DORSEY & WHITNEY LLP
50 South Sixth Street, Suite 1500
Minneapolis, MN 55402

Steve W. Gaskins
FLYNN GASKINS & BENNETT, LLP
333 South 7th Street, Suite 2900
Minneapolis, MN 55402

Objections may also be filed via electronic mail to the following addresses:

Clerk of the Court
unitedhealthobjectors@mnd.uscourts.gov

Edwin J. Mills
emills@ssbny.com

Thomas S. Gigot
tsg@groom.com

Thomas Swigert
swigert.tom@dorsey.com

Steve W. Gaskins
sgaskins@flynngaskins.com

All objections must be both served upon the counsel identified above and filed with the *Court* **no later than April 17, 2009**.

THE COURT'S FAIRNESS HEARING

The *Court* will hold a hearing to decide whether to approve the *Settlement* as fair, reasonable and adequate (the "*Fairness Hearing*"). You may attend the *Fairness Hearing*, and you may ask to speak, but you do not have to attend.

Any Class Member who has filed an objection may participate at the *Fairness Hearing* either in person or telephonically. To receive the dial-in instructions for participating at the *Fairness Hearing* telephonically you must contact Lead Counsel, Edwin J. Mills by mail, toll free telephone call or email. Lead Counsel's contact information is set forth above.

17. When and where will the Court decide whether to approve the Settlement?

Questions? You may call 1-800-_____ or visit www.ssbny.com/unh. Please do not contact UnitedHealth Group or the Court as they cannot answer your questions.

The *Court* will hold a *Fairness Hearing* at 10:30 a.m. on May 8, 2009, at the United States District Court for the District of Minnesota, U.S. Courthouse, 300 South Fourth Street, Minneapolis, MN 55415, in Courtroom 14 East or in the Courtroom then occupied by United States District Judge James M. Rosenbaum. At that hearing, the *Court* will consider whether the *Settlement* is fair, reasonable, and adequate. If there are objections, the *Court* will consider them. After the *Fairness Hearing*, the *Court* will decide whether to approve the *Settlement*. The *Court* will also rule on the motions for attorneys' fees and expenses. It is not known how long these decisions will take.

18. Do I have to come to the hearing?

No. *Lead Counsel* will answer questions Judge Rosenbaum might have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to *Court* to talk about it. As long as you mailed your written objection on time, it will be before the *Court* when the *Court* considers whether to approve the *Settlement* as fair, reasonable and adequate. You also may pay your own lawyer to attend the *Fairness Hearing*, but such attendance is not necessary.

19. May I speak at the hearing?

If you are a *Settlement Class* member, you may ask the *Court* for permission to speak at the *Fairness Hearing*. To do so, you must send a letter or other paper called a "Notice of Intention to Appear at Fairness Hearing in *Zilhaver v. UnitedHealth Group Incorporated.*, No. 06 CV 2237." Be sure to include your name, address, telephone number, and your signature. Your Notice of Intention to Appear must be served on the attorneys listed in the Answer to Question No. 14, above, postmarked no later than April 17, 2009, and must be filed with the Clerk of the Court at the address listed in the Answer to Question No. 14, postmarked no later than April 17, 2009.

IF YOU DO NOTHING

20. What happens if I do nothing at all?

If you do nothing and you are a *Settlement Class* member, you will participate in the settlement of the *Action* as described above in this Notice if the *Settlement* is approved.

GETTING MORE INFORMATION

21. Are there more details about the Settlement?

This Notice summarizes the proposed *Settlement*. The complete settlement is set forth in the *Settlement Agreement*. You may obtain a copy of the *Settlement Agreement* by making a written request to the *Lead Counsel* listed at page ____ above. You may also access the *Settlement Agreement*, as well as the docket sheet, pleadings and motion papers in this case, by going to www.SSBNY.com.

Questions? You may call 1-800_____ or visit www.ssbny.com/unh. Please do not contact UnitedHealth Group or the Court as they cannot answer your questions.