

UnitedHealth Group, Inc. Shareholder Derivative Litigation

COURT: United States District Court, District of Minnesota
CASE NUMBER: 06-cv-1216
JUDGE: Hon. Franklin L. Noel
CASE CONTACTS: Adam H. Wierzbowski

Shareholder derivative action filed on behalf of Plaintiffs the St. Paul Teachers' Retirement Fund Association, the Public Employees' Retirement System of Mississippi, the Jacksonville Police & Fire Pension Fund, the Louisiana Sheriffs' Pension & Relief Fund, the Louisiana Municipal Police Employees' Retirement System and Fire & Police Pension Association of Colorado ("Public Pension Funds").

This action is brought in the name and for the benefit of UnitedHealth Group, Inc. ("UnitedHealth" or the "Corporation") against certain current and former executive officers and members of the Board of Directors of UnitedHealth. The action arises from defendants' obtaining, approving, and/or acquiescing in the issuance of stock options to senior executives that were unlawfully backdated to provide the recipients with windfall compensation at the direct expense of UnitedHealth.

July 1, 2009 - Court Grants Final Approval of Settlement in UnitedHealth

The final settlement approval hearing took place on February 13, 2009, and the Court approved the settlement on July 1, 2009. In so holding, the Court "easily accepted" the parties' assertion that the proposed settlement is the largest in the history of shareholder derivative litigation. In the Order granting final approval, the Court found that the case was "zealously contested," yet the parties "managed the case efficiently, particularly in light of its novelty and complexity."

December 19, 2008 - Court Grants Preliminary Approval of Settlement in UnitedHealth

On December 19, 2008, the Court granted preliminary approval of the settlement.

December 6, 2007 - BLB&G and Pension Fund Clients Recover Over \$920 million

BLB&G announced the recovery of over \$920 million on behalf of its clients in UnitedHealth Group Inc. stock options backdating case.

Background

May 18, 2006 - Derivative Lawsuit Filed Against Officers and Directors of UnitedHealth Group, Inc. Relating to Options Backdating Scandal.

May 18, 2006 - Public Pension Funds Filed Motion To Enjoin UnitedHealth's CEO and COO from Exercising Illegal Options.
May 25, 2006 - Public Pension Funds Filed Amended Motion for Appointment as Lead Plaintiffs.

May 25, 2006 - Public Pension Funds Filed Amended Motion for Appointment as Lead Plaintiffs.

July 7, 2006 - Court Appointed Public Pension Funds as Lead Plaintiffs along with Certain Other Pension Funds and an Individual Shareholder.

September 21, 2006 - Lead Plaintiffs Filed Amended and Consolidated Verified Derivative and Class Action Complaint.

October 15, 2006 - A Law Firm Hired by the UnitedHealth Board of Directors Issued a Report Confirming Plaintiffs' Allegations that Backdating was widespread at the Corporation.

March 14, 2007 - The Court denied Defendants' motions to dismiss. The Court rejected the Defendants' arguments that he should dismiss the case because of the appointment of the Special Litigation Committee ("SLC"), and allowed Plaintiffs to move forward with discovery.

May 30, 2007 - The Court granted Plaintiffs' motion to compel the production of business records that Defendants had failed to produce and ordered Defendants to produce the documents that they have already reviewed for privilege on or before June 8, 2007, which amounts to approximately half of the total number, or 13 million pages. The remaining documents were ordered to be produced by October 1, 2007.

May 31, 2007 - The Court denied a motion filed by the U.S. Attorney for the Southern District of New York ("USAO") to intervene in the action and for a partial stay of discovery. In denying the USAO's motion to intervene and to stay discovery, the Court expressly ruled that Plaintiffs may proceed with taking depositions.

December 6, 2007 - BLB&G announced recovery of over \$920 million on behalf of its clients. The recovery, which was subject to shareholder notice and court approval, is the largest individual, derivative and stock options backdating settlement in history. To place these numbers in context, former CEO William McGuire's agreement to settle for over \$615 million dwarfs previous individual settlements, and is more than forty-six times larger than the total combined amounts recovered from the personal assets of the individual defendants in Enron.

December 19, 2008 - The Court granted preliminary approval of the settlement.

July 1, 2009 - The Court granted final approval of the settlement.