

# BLB&G and Chad Johnson Receive Extensive Media Coverage for Historic Recovery in UnitedHealth Options Backdating Case

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Almost a year to the day UnitedHealth Group Inc. ("UnitedHealth") CEO William McGuire was forced to resign as a result of improperly backdating his stock options, BLB&G and its pension fund clients 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 the Fire & Police Pension Association of Colorado, announced a groundbreaking \$920 million settlement in a shareholder derivative suit filed against Dr. McGuire and other former UnitedHealth officers and directors. The suit arose from allegations that McGuire and others at the company had improperly granted themselves hundreds of millions of dollars worth of undisclosed stock options at the direct expense of the company and its shareholders.

The settlement consists of unprecedented personal payments from the pockets of Dr. McGuire, who will forfeit \$615 million; former COO and current CEO Stephen Hemsley, who will give up \$214 million; former General Counsel David Lubben, who will pay \$30 million; as well as an additional \$35 million from other UnitedHealth officers. This staggering recovery will be returned to UnitedHealth, for the benefit of the company and its shareholders. Major media outlets, including *The New York Times*, *The Wall Street Journal*, *Reuters*, *Bloomberg*, and *CNBC* among others, have been extensively covering this case and the settlement, which is extraordinary on many levels - It is not only the largest corporate giveback and the largest individual payout in history; it is also the largest derivative and stock options backdating recovery of all time. Former BLB&G partner Chad Johnson, lead counsel representing the investor class, has been featured in numerous publications and news programs commenting on the significance of this case and that how the plaintiffs' focus was on improving UnitedHealth's practices, stating it was "not just about the dollars and cents" [we] were focused on the housecleaning." (*The Associated Press*) According to *The New York Times*, "investors everywhere should applaud the deal it sets a standard of behavior for other companies and boards when performance pay is later shown to have been based on ephemeral earnings."