

Complaint

IN THE MATTER OF

**AIR MEDICAL GROUP HOLDINGS, INC.,
KKR NORTH AMERICA FUND XI (AMG) LLC,
AND
AMR HOLDCO, INC.**CONSENT ORDER, ETC. IN REGARD TO ALLEGED VIOLATIONS OF
SECTION 5 OF THE FEDERAL TRADE COMMISSION ACT AND
SECTION 7 OF THE CLAYTON ACT

*Docket No. C-4642; File No. 171 0217
Complaint, March 6, 2018 – Decision, April 24, 2018*

This consent order addresses the \$2.4 billion acquisition by Air Medical Group Holdings, Inc., a wholly owned subsidiary of KKR North America Fund XI (AMG) LLC, of certain assets of AMR Holdco, Inc., a wholly-owned subsidiary of Envision Healthcare. The complaint alleges that the acquisition, if consummated would violate Section 7 of the Clayton Act and Section 5 of the FTC Act by substantially lessening competition for the provision of inter-facility air ambulance transport services in Hawaii. The consent order requires AMR to sell its inter-facility air ambulance transport services business, including the assets that support that business, to AIRMD, LLC d/b/a LifeTeam.

Participants

For the *Commission*: Sylvia Kundig and Joe Lipinsky.

For the *Respondents*: Peter Guryan and Richard Jamgochian,
Simpson Thacher & Bartlett.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Clayton Act, and its authority thereunder, the Federal Trade Commission (“Commission”), having reason to believe that Respondent Air Medical Group Holdings, Inc. has entered into a transaction with Respondent AMR Holdco, Inc.; that such transaction, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45; and that a proceeding in respect thereof would be in the public

Complaint

interest, hereby issues this Complaint, stating its charges as follows:

I. RESPONDENTS**AMGH**

1. Respondent Air Medical Group Holdings, Inc. (“AMGH”) is a corporation organized, existing, and doing business under, and by virtue of, the laws of the State of Delaware, with its principal place of business located at 209 State Highway 121 Bypass, Suite 21, Lewisville, Texas 75067. Respondent AMGH’s ultimate parent company is KKR North America Fund XI (AMG) LLC, located c/o Kohlberg Kravis Roberts & Co. LP, 9 West 57th Street, Suite 4200, New York, New York 10019.

2. Respondent AMGH is one of the largest providers of air ambulance services in the United States, providing those services through a number of subsidiaries.

3. Respondent AMGH is, and at all times relevant herein has been engaged in commerce, as “commerce” is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

4. Hawaii Life Flight Corporation (“HLF”) is a corporation organized, existing, and doing business under, and by virtue of, the laws of Hawaii, with its principal place of business located at 150 Lagoon Drive, Honolulu, Hawaii 96819. HLF is a subsidiary of Respondent AMGH and provides inter-facility air ambulance transport services in the State of Hawaii.

5. HLF is, and at all times relevant herein has been engaged in commerce, as “commerce” is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

KKR North America Fund XI (AMG) LLC

6. Respondent KKR North America Fund XI (AMG) LLC (“KKR”), is a limited liability company organized, existing, and

Complaint

doing business under, and by virtue of, the laws of the State of Delaware, with its office and principal place of business located, c/o Kohlberg Kravis Roberts & Co. LP, at 9 West 57th Street, Suite 4200, New York, New York 10019. Respondent KKR is the ultimate parent company of Respondent AMGH.

7. Respondent KKR is, and at all times relevant herein has been engaged in commerce, as “commerce” is defined in Section 1 of the Clayton Act, as amended, 15 U.S.C. § 12, and Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

AMR Holdco, Inc.

8. Respondent AMR Holdco, Inc. (“AMR”) is a corporation organized, existing, and doing business under, and by virtue of, the laws of the State of Delaware, with its principal place of business located at 6363 S. Fiddlers Green Circle, 14th Floor, Greenwood Village, Colorado 80111. Respondent AMR is a subsidiary of Envision Healthcare Corporation, a corporation organized, existing, and doing business under, and by virtue of, the laws of the State of Delaware, with its principal place of business located at 6363 S. Fiddlers Green Circle, 14th Floor, Greenwood Village, Colorado 80111.

9. Respondent AMR is one of the largest providers of ground ambulance services in the United States, providing those services through a number of subsidiaries.

10. Respondent AMR operates American Medical Response (“AMRH”) in Hawaii. In addition to ground ambulance services, AMRH provides inter-facility air medical transport services in competition with HLF.

11. Respondent AMR and the corporate entities under its control are, and at all times relevant herein have been engaged in commerce, as “commerce” is defined in Section 1 of the Clayton Act as amended, 15 U.S.C. § 12, and Section 4 of the FTC Act, as amended, 15 U.S.C. § 44.

Complaint

II. THE PROPOSED ACQUISITION

12. Respondent AMGH entered into a Stock Purchase Agreement (“Acquisition Agreement”) with Respondent AMR, dated August 7, 2017, pursuant to which AMGH would acquire the stock of AMR. The Agreement’s total estimated dollar value was \$2.4 billion.

13. The Proposed Acquisition to be effected through the Acquisition Agreement is subject to Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

III. THE RELEVANT MARKETS

14. The relevant product market in which to analyze the effects of the Proposed Acquisition is inter-facility air ambulance transport services. Inter-facility air ambulance transport services involve the provision of air transportation services from one medical facility to another for medical and surgical care.

15. The relevant geographic market in which to analyze the effects of the proposed Acquisition is the State of Hawaii. In Hawaii, inter-facility air ambulance transport services involve transporting patients from one island to another, generally to Oahu.

IV. MARKET STRUCTURE

16. In the State of Hawaii, the market for inter-facility air ambulance transport services is highly concentrated. AMGH and AMRH are currently the only providers of the relevant services, and the combined firm would become the only provider following the proposed acquisition. Thus, the proposed acquisition would substantially increase concentration.

V. ENTRY CONDITIONS

17. New entry or expansion by existing firms in adjacent businesses would not be likely, timely, and sufficient, to defeat a post-acquisition price increase. Inter-facility air ambulance

Complaint

transport services rely on reimbursement from third party payers, such as health maintenance organizations, preferred provider organizations, or government health care providers, such as the Veteran's Administration. A new entrant would require a guarantee of a sufficient volume of referrals and payments from third party payers to justify the economic risk of new entry. Sufficient guarantees are unlikely in the face of a small but significant and non-transitory increase in price. As a result, de novo or sponsored entry is unlikely.

VI. EFFECTS OF THE MERGER

18. The effects of the Proposed Acquisition, if consummated, may be substantially to lessen competition and tend to create a monopoly in the relevant market in violation of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, by increasing the likelihood that Respondent AMGH and its subsidiary HLF would unilaterally exercise market power in the relevant market to raise prices and lower quality.

VII. VIOLATIONS CHARGED

19. The Proposed Acquisition, if consummated, would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

20. The Acquisition Agreement entered into by Respondent AMGH and Respondent AMR constitutes a violation of Section 5 of the FTC Act, as amended, 15 U.S.C. § 45.

IN WITNESS WHEREOF, the Federal Trade Commission, having caused this Complaint to be signed by the Secretary and its official seal affixed, at Washington, D.C., this sixth day of March, 2018, issues its complaint against Respondents.

By the Commission.

Order to Maintain Assets

ORDER TO MAINTAIN ASSETS
[Public Record Version]

The Federal Trade Commission (“Commission”) initiated an investigation of the proposed acquisition by Respondent Air Medical Group Holdings, Inc. (“AMGH”), controlled by Respondent KKR North America Fund XI (AMG) LLC (“KKR”), of Respondent AMR Holdco, Inc. (“AMR”) (collectively, “Respondents”). The Commission’s Bureau of Competition prepared and furnished to Respondents the Draft Complaint, which it proposed to present to the Commission for its consideration. If issued by the Commission, the Draft Complaint would charge Respondents with violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45.

Respondents and the Bureau of Competition executed an agreement (“Agreement Containing Consent Order” or “Consent Agreement”) containing (1) an admission by Respondents of all the jurisdictional facts set forth in the Draft Complaint, (2) a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by Respondents that the law has been violated as alleged in the Draft Complaint, or that the facts as alleged in the Draft Complaint, other than jurisdictional facts, are true, (3) waivers and other provisions as required by the Commission’s Rules, and (4) a proposed Decision and Order and Order to Maintain Assets.

The Commission having thereafter considered the matter and having determined to accept the executed Consent Agreement and to place such Consent Agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the procedure described in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby issues its Complaint, makes the following jurisdictional findings, and issues this Order to Maintain Assets:

1. Respondent AMGH is a corporation organized, existing, and doing business under, and by virtue of, the laws of the State of Delaware, with its corporate office and principal place of business located at 209

Order to Maintain Assets

State Highway 121 Bypass, Suite 21, Lewisville, Texas 75067.

2. Respondent AMR is a corporation organized, existing, and doing business under, and by virtue of, the laws of the State of Delaware, with its corporate office and principal place of business located at 6363 S. Fiddlers Green Circle, 14th Floor, Greenwood Village, Colorado 80111.
3. Respondent KKR North America Fund XI (AMG) LLC, is a limited liability company organized, existing, and doing business under, and by virtue of, the laws of the State of Delaware, with its office and principal place of business located at 9 West 57th Street, Suite 4200, New York, New York 10019.
4. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the Respondents and the proceeding is in the public interest.

I.

IT IS ORDERED that, as used in this Order to Maintain Assets, the following definitions, and all other definitions used in the Consent Agreement and the Decision and Order, which are incorporated herein by reference and made a part hereof, shall apply:

- A. “Assets To Be Divested” means the Air Ambulance Assets and Ground Ambulance Assets.
- B. “Decision and Order” means the:
 1. Proposed Decision and Order contained in the Consent Agreement in this matter until the issuance of a final and effective Decision and Order by the Commission; and

Order to Maintain Assets

2. Final Decision and Order issued by the Commission following the issuance and service of a final Decision and Order by the Commission in this matter.
- C. “Orders” means the Decision and Order in this matter and this Order to Maintain Assets.

II.

IT IS FURTHER ORDERED that from the date this Order to Maintain Assets becomes final and effective:

- A. Respondents shall maintain the viability, marketability, and competitiveness of the Assets To Be Divested, and shall not cause the wasting or deterioration of any of the Assets To Be Divested. Respondents shall not cause the Assets To Be Divested to be operated in a manner inconsistent with applicable laws, nor shall they sell, transfer, encumber, or otherwise impair the viability, marketability, or competitiveness of the Assets To Be Divested.
- B. Respondents shall conduct or cause to be conducted the business of the Assets To Be Divested in the regular and ordinary course of business, in accordance with past practice (including regular repair and maintenance efforts) and shall use best efforts to preserve the existing relationships with suppliers, customers, employees, and others having business relations with the Assets To Be Divested in the regular and ordinary course of business, in accordance with past practice, making all payments required to be paid under any contract or lease, and providing sufficient working capital to operate at least at current rates of operation to meet all capital calls with respect to the Assets To Be Divested.
- C. Respondents shall not terminate the operation of any of the Assets To Be Divested and shall maintain the

Order to Maintain Assets

books and Records of each of the Assets To Be Divested.

- D. Respondents shall continue to maintain the operation, inspection and maintenance schedule of each of the Assets To Be Divested at levels and intervals in the regular and ordinary course of business, in accordance with past practice, including: (1) providing funds sufficient to perform all routine maintenance and maintenance necessary to, and all replacements of, any assets related to the operation of the Assets To Be Divested; (2) providing support services at least at the level as was being provided as of the date the Consent Agreement was signed by Respondents; and (3) maintaining, and not terminating or permitting the lapse of, any permit or license necessary for the operation of any Asset To Be Divested.
- E. Respondents shall maintain the working conditions, staffing levels, and a work force of equivalent size, training, and expertise associated with each of the Assets To Be Divested, including:
 - 1. Providing each employee of the Assets To Be Divested with reasonable financial incentives, including continuation of all employee benefits and regularly scheduled raises and bonuses, to continue in his or her position pending divestiture of the Assets To Be Divested;
 - 2. Using reasonable best efforts to retain employees at each of the Assets To Be Divested;
 - 3. When vacancies occur, replacing the employees in the regular and ordinary course of business, in accordance with past practice; and
 - 4. Not transferring any employees from any of the Assets To Be Divested.

Order to Maintain Assets

III.**IT IS FURTHER ORDERED** that:

- A. Respondents shall (i) not disclose (including as to Respondents' employees) and (ii) not use for any reason or purpose, any Confidential Information received or maintained by Respondents relating to the Air Ambulance Business; *provided, however*, that Respondents may disclose or use such Confidential Information in the course of:
 - 1. Performing its obligations or as permitted under the Orders or any Divestiture Agreement; or
 - 2. Complying with financial, regulatory, or other legal obligations, obtaining legal advice, prosecuting or defending legal claims, investigations, or enforcing actions threatened or brought against the Air Ambulance Assets or Ground Ambulance Assets, or as required by law.
- B. If disclosure or use of any Confidential Information is permitted to Respondents' employees or to any other Person under Paragraph III.A. of this Order to Maintain Assets, Respondents shall limit such disclosure or use (i) only to the extent such information is required, (ii) only to those employees or Persons who require such information for the purposes permitted under Paragraph III.A., and (iii) only after such employees or Persons have signed an agreement to maintain the confidentiality of such information.
- C. Respondents shall enforce the terms of this Paragraph III. as to their employees or any other Person, and take such action as is necessary to cause each of its employees and any other Person to comply with the terms of this Paragraph III., including implementation of access and data controls, training of its employees, and all other actions that Respondents would take to

Order to Maintain Assets

protect their own trade secrets and proprietary information.

IV.**IT IS FURTHER ORDERED** that:

- A. Rex Fujichaku shall serve as the Monitor pursuant to the agreement executed by the Monitor and Respondents and attached as Appendix A (“Monitor Agreement”) and Non-Public Appendix B (“Monitor Compensation”). The Monitor is appointed to assure that Respondents expeditiously comply with all of their obligations and perform all of their responsibilities as required by this Order.
- B. No later than one day after the Acquisition Date, Respondents shall transfer to the Monitor all rights, powers, and authorities necessary to permit the Monitor to perform his duties and responsibilities, pursuant to the Order and consistent with the purposes of the Order.
- C. Respondents shall consent to the following terms and conditions regarding the powers, duties, authorities, and responsibilities of the Monitor:
 - 1. The Monitor shall (i) monitor Respondents’ compliance with the obligations set forth in this Order and (ii) act in a fiduciary capacity for the benefit of the Commission;
 - 2. Respondents shall (i) insure that the Monitor has full and complete access to all Respondents’ personnel, books, records, documents, and facilities relating to compliance with this Order or to any other relevant information as the Monitor may reasonably request, and (ii) cooperate with, and take no action to interfere with or impede the ability of, the Monitor to perform her duties pursuant to this Order;

Order to Maintain Assets

3. The Monitor (i) shall serve at the expense of Respondents, without bond or other security, on such reasonable and customary terms and conditions as the Commission may set, and (ii) may employ, at the cost and expense of Respondents, such consultants, accountants, attorneys, and other representatives and assistants as are reasonably necessary to carry out the Monitor's duties and responsibilities;
 4. Respondents shall indemnify the Monitor and hold him harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of his duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from the Monitor's gross negligence or willful misconduct; and
 5. Respondents may require the Monitor and each of the Monitor's consultants, accountants, attorneys, and other representatives and assistants to sign a customary confidentiality agreement; *provided, however,* that such agreement shall not restrict the Monitor from providing any information to the Commission.
- D. The Monitor shall report in writing to the Commission (i) every 30 days after the Acquisition Date for a period of one year, (ii) every 90 days thereafter until Respondents have completed all obligations required by Paragraph II. of this Order (including a final report when Respondents have completed all such obligations), and (iii) at any other time as requested by the staff of the Commission, concerning Respondents' compliance with this Order.

Order to Maintain Assets

- E. The Commission may require the Monitor and each of the Monitor's consultants, accountants, attorneys, and other representatives and assistants to sign a confidentiality agreement related to Commission materials and information received in connection with the performance of the Monitor's duties.
- F. If at any time the Commission determines that the Monitor has ceased to act or failed to act diligently, or is unwilling or unable to continue to serve, the Commission may appoint a substitute Monitor, subject to the consent of Respondents, which consent shall not be unreasonably withheld:
 - 1. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of the substitute Monitor within 5 days after notice by the staff of the Commission to Respondents of the identity of any substitute Monitor, then Respondents shall be deemed to have consented to the selection of the proposed substitute Monitor; and
 - 2. Respondents shall, no later than 5 days after the Commission appoints a substitute Monitor, enter into an agreement with the substitute Monitor that, subject to the approval of the Commission, confers on the substitute Monitor all the rights, powers, and authority necessary to permit the substitute Monitor to perform her duties and responsibilities pursuant to this Order on the same terms and conditions as provided in this Paragraph V.
- G. The Commission may on its own initiative or at the request of the Monitor issue such additional orders or directions as may be necessary or appropriate to assure compliance with the requirements of this Order.

Order to Maintain Assets

V.

IT IS FURTHER ORDERED that within 30 days after the date this Order to Maintain Assets is issued by the Commission, and every 30 days thereafter until Respondents have fully complied with this Order to Maintain Assets, Respondents shall submit to the Commission a verified written report setting forth in detail the manner and form in which they intend to comply, are complying, and have complied with the Order. Each Respondent shall submit at the same time a copy of its report concerning compliance with the Order to the Monitor. Each Respondent shall include in its reports, among other things that are required from time to time, a detailed description of its efforts to comply with the relevant paragraphs of the Orders, including:

- A. a detailed description of all substantive contacts, negotiations, or recommendations related to (i) the divestiture and transfer of all of the Assets To Be Divested, (ii) the maintenance of the Assets To Be Divested, and (iii) transitional services being provided by the relevant Respondent to the Acquirer; and
- B. a detailed description of the timing for the completion of such obligations.

provided, however, that, after the Decision and Order in this matter becomes final and effective, the reports due under this Order to Maintain Assets may be consolidated with, and submitted to the Commission on the same timing as, the reports required to be submitted by Respondents pursuant the Decision and Order.

VI.

IT IS FURTHER ORDERED that Respondents shall notify the Commission at least 30 days prior to:

- A. Any proposed dissolution of Respondents KKR North America Fund XI (AMG) LLC or Air Medical Group Holdings, Inc.;

Order to Maintain Assets

- B. Any proposed acquisition, merger, or consolidation of Respondents KKR North America Fund XI (AMG) LLC or Air Medical Group Holdings, Inc.; or
- C. Any other change in Respondents, including assignment and the creation or dissolution of subsidiaries, if such change might affect compliance obligations arising out of the Order.

VII.

IT IS FURTHER ORDERED that, for the purpose of determining or securing compliance with this Order, and subject to any legally recognized privilege, and upon written request with reasonable notice to Respondents, with respect to any matter contained in this Order, Respondents shall permit any duly authorized representative of the Commission:

- A. Access, during office hours and in the presence of counsel, to all facilities, and access to inspect and copy all non-privileged books, ledgers, accounts, correspondence, memoranda, and other records and documents, in the possession or under the control of Respondents, related to compliance with the Consent Agreement and/or the Orders, for which copying services shall be provided by Respondents at the request of the authorized representative of the Commission and at the expense of Respondents; and
- B. Upon 5 days' notice to Respondents, and without restraint or interference from them, to interview officers, directors, or employees of Respondents, who may have counsel present.

VIII.

IT IS FURTHER ORDERED that this Order to Maintain Assets shall terminate on the earlier of:

- A. Three (3) days after the Commission withdraws its acceptance of the Consent Agreement pursuant to the

Order to Maintain Assets

provisions of Commission Rule 2.34, 16 C.F.R. § 2.34;
or

B. The later of:

1. the day after the divestitures pursuant to Paragraph II of the Decision and Order are accomplished, or
2. three (3) days after the related Decision and Order becomes final.

By the Commission.

Order to Maintain Assets

Appendix A**Monitor Agreement****MONITOR AGREEMENT**

This Monitor Agreement (this "Agreement"), entered into this 16 day of February, 2018, by and among Bronster Fujichaku Robbins, A Law Corporation by its director, Rex Fujichaku (the "Monitor") and Air Medical Group Holdings, Inc. ("AMGH") (the Monitor and AMGH together, the "Parties") provides as follows:

WHEREAS the Federal Trade Commission (the "Commission"), in the Matter of Air Medical Group Holdings, Inc.'s proposed Acquisition of American Medical Response ("AMR"), File No. 171-0217, has accepted or will shortly accept for public comment an Agreement Containing Consent Orders incorporating a Decision and Order and an Order to Hold Separate and Maintain Assets (collectively, the "Orders"), which, among other things, requires AMGH to divest AMR's Hawaii fixed wing air ambulance business and certain related assets (the "AMR Assets"), as defined in the Orders, and contemplates the appointment of a Monitor to monitor AMGH's compliance with its obligations under the Orders;

WHEREAS, the Commission is expected to accept the Agreement Containing Consent Orders and appoint Monitor pursuant to the Orders to monitor AMGH's compliance with the terms of the Orders, and Monitor has consented to such appointment;

WHEREAS, the Orders further provide that AMGH shall execute an agreement, subject to the prior approval of the Commission, conferring all the rights and powers necessary to permit Monitor to carry out its duties and responsibilities pursuant to the Orders;

WHEREAS, this Agreement, although executed by Monitor and AMGH, is not effective for any purpose, including but not limited to imposing rights and responsibilities on AMGH or Monitor under the Orders, except for those obligations under the confidentiality provisions herein, until it has been approved by the Commission; and

WHEREAS, the Parties to this Agreement intend to be legally bound, subject only to the Commission's approval of this Agreement.

NOW, THEREFORE, the Parties agree as follows:

All capitalized terms used in this Agreement and not specifically defined herein shall have the respective definitions given to them in the Orders.

ARTICLE I

1.1 Powers of the Monitor. Monitor shall have all of the powers and responsibilities conferred upon Monitor by the Orders, including but not limited to monitoring AMGH's compliance with the divestiture, asset maintenance obligations, and other related requirements of the Orders.

1.2 Access to Relevant Information and Facilities. Subject to any demonstrated legally recognized privilege, Monitor shall have full and complete access to AMGH's personnel,

Order to Maintain Assets

books, documents, records kept in the normal course of business, facilities and technical information, and such other relevant information as Monitor may reasonably request, related to AMGH's compliance with the obligations of AMGH under the Orders in this matter. Documents, records and other relevant information are to be provided in an electronic format if they exist in that form. AMGH shall cooperate with any reasonable request of Monitor. Monitor shall give AMGH reasonable notice of any request for such access or such information and shall attempt to schedule any access or requests for information in such a manner as will not unreasonably interfere with AMGH's operations. At the request of the Monitor, AMGH shall promptly arrange meetings and discussions, including tours of relevant facilities, at reasonable times and locations between the Monitor and employees of AMGH who have knowledge relevant to the proper discharge of its responsibilities under the Orders.

1.3 Compliance Reports. AMGH shall provide Monitor with copies of all compliance reports filed with the Commission in a timely manner, but in any event, no later than five (5) business days after the date on which AMGH files such report with the Commission.

1.4 Confidentiality. Monitor shall:

(a) maintain the confidentiality of all confidential information provided to the Monitor by AMGH, the acquirer of the AMR Assets, any supplier or customer of AMGH, or the Commission ("Confidential Information"), and shall use such information only for the purpose of discharging its obligations as Monitor and not for any other purpose, including, without limitation, any other business, scientific, technological, or personal purpose. Monitor may disclose Confidential Information only to (i) persons employed by or working with Monitor pursuant to the Orders or (ii) persons employed at the Commission;

(b) require any consultants, accountants, attorneys, and any other representatives and/or assistants retained by Monitor to assist in carrying out the duties and responsibilities of Monitor to execute a confidentiality agreement, which AMGH will provide if requested, that requires such third parties to treat Confidential Information with the same standards of care and obligations of confidentiality to which the Monitor must adhere under this Agreement;

(c) act in a fiduciary capacity for the benefit of the Commission;

(d) maintain a record and inform the Commission of all third parties (other than representatives of the Commission) to whom Confidential Information has been disclosed;

(e) for a period of five (5) years after the termination of this Agreement, maintain the confidentiality of all other aspects of the performance of its duties under this Agreement and not disclose any Confidential Information relating thereto; and

(f) upon the termination of the Monitor's duties under this Agreement, the Monitor shall consult with the Commission's staff regarding disposition of any written and electronic materials (including materials that AMGH provided to the Monitor) in the possession or control of the Monitor that relate to the Monitor's duties, and the Monitor shall dispose of such materials, which may include sending such materials to the Commission's staff, as directed by

Order to Maintain Assets

the staff. In response to a request by AMGH to return or destroy materials that AMGH provided to the Monitor, the Monitor shall inform the Commission's staff of such request and, if the Commission's staff do not object, shall comply with AMGH's request. Notwithstanding the foregoing, the Monitor shall not be required to return or destroy confidential information contained in an archived computer back-up system for its disaster recovery and/or security purposes, and it may retain a copy of confidential information, subject to the terms of this Agreement, in accordance with its internal record retention procedures for legal or regulatory purposes. Nothing herein shall abrogate the Monitor's duty of confidentiality, which includes an obligation not to disclose any non-public information obtained while acting as a Monitor for ten (10) years after termination of this Agreement. For the avoidance of doubt, the expiration of the ten year period following the termination of this Agreement shall not abrogate the duties under this Section 1.4 which prevent the Monitor's disclosure of any Confidential Information.

For the purpose of this Agreement, information shall not be considered confidential or proprietary to the extent that it is or becomes part of the public domain (other than as the result of any action by the Monitor or by any employee, agent, affiliate or consultant of the Monitor), or to the extent that the recipient of such information can demonstrate that such information was already known to the recipient at the time of receipt from a source other than the Monitor, AMGH, or any director, officer, employee, agent, consultant or affiliate of the Monitor or AMGH, when such source was not known to recipient after due inquiry to be restricted from making such disclosure to such recipient.

ARTICLE II

2.1 Retention and Payment of Counsel, Consultants, and other Assistants. Monitor shall have the authority to employ, at the cost and expense of AMGH, such attorneys, consultants, accountants, and other representatives and assistants as are reasonably necessary to carry out the Monitor's duties and responsibilities pursuant to the Orders. Prior to engaging any such parties and prior to commissioning additional work to be performed by a party who has already been so engaged, Monitor shall notify AMGH of its intention to do so, and provide an estimate of the anticipated costs.

2.2 Monitor Compensation. AMGH shall pay Monitor in accordance with the fee schedule and procedure attached as Confidential Appendix A for all reasonable time spent in the performance of the Monitor's duties, including all monitoring activities related to the efforts of the acquirer of the AMR Assets, all work in connection with the negotiation and preparation of this Agreement, and all reasonable and necessary travel time.

(a) In addition, AMGH shall pay: (i) all out-of-pocket expenses reasonably incurred by Monitor in the performance of its duties under the Orders; and (ii) all reasonable fees of, and disbursements reasonably incurred by, any advisor appointed by Monitor pursuant to the first paragraph in Article II.

(b) The Monitor shall have full and direct responsibility for compliance with all applicable laws, regulations and requirements pertaining to work permits, income and social

Order to Maintain Assets

security taxes, unemployment insurance, worker's compensation, disability insurance, and the like.

2.3 Monitor's Indemnification; Limitation on Liability. AMGH shall indemnify and hold harmless Monitor and its employees and agents against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of Monitor's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from Monitor's gross negligence or willful misconduct. Monitor shall not be liable hereunder for any amount in excess of the fees paid to it, except in the event of Monitor's gross negligence, willful misconduct or fraud. Monitor shall not be liable hereunder for any incidental, consequential, special or punitive damages, regardless of whether it has been informed of the possibility thereof.

2.4 Disputes. In the event of a disagreement or dispute between AMGH and Monitor concerning AMGH's obligations under the Orders, and, in the event that such disagreement or dispute cannot be resolved by the Parties, either party may seek the assistance of the individual in charge of the Commission's Compliance Division.

2.5 Conflicts of Interest. In the event that, during the term of this Agreement, Monitor becomes aware it has or may have a conflict of interest that may affect, or could have the appearance of affecting, performance by Monitor or persons employed by, or working with, Monitor, of any of its duties under this Agreement, Monitor shall promptly inform AMGH and the Commission of any such conflict or potential conflict.

ARTICLE III

3.1 Termination. This Agreement shall terminate the earlier of: (a) the expiration or termination of the Orders; (b) AMGH's receipt of written notice from the Commission that the Commission has determined that Monitor has ceased to act or failed to act diligently, or is unwilling or unable to continue to serve as Monitor; (c) with at least thirty (30) days advance notice to be provided by Monitor to AMGH and to the Commission, upon resignation of the Monitor; or (d) when the Monitor completes its Final Report pursuant to the Decision and Order; provided, however, that the Commission may require that AMGH extend this Agreement as may be necessary or appropriate to accomplish the purposes of the Orders. If this Agreement is terminated for any reason, the confidentiality obligations set forth in this Agreement will remain in force, as will the provisions of Articles 2.2 and 2.3 of this Agreement.

3.2 Monitor's Removal. If the Commission determines that Monitor ceases to act or fails to act diligently and consistent with the purpose of the Orders, AMGH shall, upon written request of the Commission, terminate this Agreement and appoint a substitute Monitor, subject to Commission approval and consistent with the Orders.

3.3 Governing Law. This Agreement and the rights and obligations of the Parties hereunder shall in all respects be governed by the substantive laws of the State of New York, including all matters of construction, validity and performance. The Orders shall govern this

Order to Maintain Assets

Agreement and any provisions herein which conflict or are inconsistent with the Orders may be declared null and void by the Commission and any provision not in conflict shall survive and remain a part of this Agreement.

3.4 Disclosure of Information. Nothing in this Agreement shall require AMGH to disclose any material or information that is subject to a legally recognized privilege or that AMGH is prohibited from disclosing by reason of law or an agreement with a third party.

3.5 Assignment. This Agreement may not be assigned or otherwise transferred by AMGH or Monitor without the consent of AMGH and Monitor and the approval of the Commission. Any such assignment or transfer shall be consistent with the terms of the Orders.

3.6 Modification. No amendment, modification, termination, or waiver of any provision of this Agreement shall be effective unless made in writing, signed by all Parties, and approved by the Commission. Any such amendment, modification, termination, or waiver shall be consistent with the terms of the Orders.

3.7 Approval by the Commission. This Agreement shall have no force or effect until approved by the Commission, other than the Parties' obligations under the confidentiality provisions herein.

3.8 Entire Agreement. This Agreement, and those portions of the Orders incorporated herein by reference, constitute the entire agreement of the Parties and supersede any and all prior agreements and understandings between the Parties, written or oral, with respect to the subject matter hereof.

3.9 Duplicate Originals. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

3.10 Section Headings. Any heading of the sections is for convenience only and is to be assigned no significance whatsoever as to its interpretation and intent.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first above written.

Order to Maintain Assets

MONITOR

Bronster Fujichaku Robbins, A Law Corporation

Rex Fujichaku
Director

Respondent

Air Medical Group Holdings, Inc.



Frederick Buttrell
CEO

Order to Maintain Assets

MONITOR**Respondent**

Bronster Fujichaku Robbins, A Law Corporation

Air Medical Group Holdings, Inc.



Rex Fujichaku
Director

Frederick Buttrell
CEO

Decision and Order

**Non-Public
Appendix B****Monitor Compensation Agreement**

**[Redacted From the Public Record Version, But Incorporated
By Reference]**

DECISION

The Federal Trade Commission (“Commission”) initiated an investigation of the proposed acquisition by Respondent Air Medical Group Holdings, Inc. (“AMGH”), controlled by Respondent KKR North America Fund XI (AMG) LLC (“KKR”), of Respondent AMR Holdco, Inc. (“AMR”) (collectively, “Respondents”). The Commission’s Bureau of Competition prepared and furnished to Respondents the Draft Complaint, which it proposed to present to the Commission for its consideration. If issued by the Commission, the Draft Complaint would charge Respondents with violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45.

Respondents and the Bureau of Competition executed an agreement (“Agreement Containing Consent Order” or “Consent Agreement”) containing (1) an admission by Respondents of all the jurisdictional facts set forth in the Draft Complaint, (2) a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by Respondents that the law has been violated as alleged in the Draft Complaint, or that the facts as alleged in the Draft Complaint, other than jurisdictional facts, are true, (3) waivers and other provisions as required by the Commission’s Rules, and (4) a proposed Decision and Order and Order to Maintain Assets.

Decision and Order

The Commission considered the matter and determined that it had reason to believe that Respondents have violated the said Acts, and that a complaint should issue stating its charges in that respect. The Commission accepts the executed Consent Agreement and places it on the public record for a period of 30 days for the receipt and consideration of public comments. Now, in further conformity with the procedure described in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission issues its Complaint, makes the following jurisdictional findings, and issues the following Decision and Order (“Order”):

1. Respondent AMGH is a corporation organized, existing, and doing business under, and by virtue of, the laws of the State of Delaware, with its corporate office and principal place of business located at 209 State Highway 121 Bypass, Suite 21, Lewisville, Texas 75067.
2. Respondent AMR is a corporation organized, existing, and doing business under, and by virtue of, the laws of the State of Delaware, with its corporate office and principal place of business located at 6363 S. Fiddlers Green Circle, 14th Floor, Greenwood Village, Colorado 80111.
3. Respondent KKR North America Fund XI (AMG) LLC is a limited liability company organized, existing, and doing business under, and by virtue of, the laws of the State of Delaware, with its office and principal place of business located at 9 West 57th Street, Suite 4200, New York, New York 10019.
4. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the Respondents and the proceeding is in the public interest.

Decision and Order

ORDER**I.**

IT IS HEREBY ORDERED that, as used in this Order, the following definitions shall apply:

- A. “AMGH” means Air Medical Group Holdings Inc., its directors, officers, employees, agents, representatives, successors, and assigns; and the subsidiaries, divisions, groups, and affiliates in each case controlled by Air Medical Group Holdings, Inc. (including AMR, after the Acquisition), and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- B. “AMR” means AMR Holdco, Inc., its directors, officers, employees, agents, representatives, successors, and assigns; and the subsidiaries, divisions, groups, and affiliates in each case controlled by AMR Holdco, Inc., including but not limited to Air Hawaii, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.
- C. “AirMD” means AirMD, LLC, a limited liability company organized, existing, and doing business under, and by virtue of, the laws of the State of Kansas, with its corporate office and principal place of business located at 3445 N. Webb Road, Wichita, Kansas 67226.
- D. “KKR” means KKR North America Fund XI (AMG) LLC, its directors, officers, employees, agents, representatives, successors, and assigns; and the subsidiaries, divisions, groups, and affiliates in each case controlled by KKR North America Fund XI (AMG) LLC, including but not limited to AMGH, and the respective directors, officers, employees, agents, representatives, successors, and assigns of each.

Decision and Order

- E. “Commission” means the Federal Trade Commission.
- F. “Acquirer” means (i) AirMD or (ii) any other Person that acquires the Air Ambulance Assets and Ground Ambulance Assets pursuant to this Order.
- G. “Acquisition” means the proposed acquisition described in the Stock Purchase Agreement by and among Air Medical Group Holdings, Inc., and AMR Holdco Inc., dated August 7, 2017.
- H. “Acquisition Date” means the date the Acquisition is consummated.
- I. “Air Ambulance Assets” means all of Respondents’ right, title, and interest in and to all property and assets, wherever located, relating to the Air Ambulance Business, including, but not limited to:
 - 1. the AMR Aircraft;
 - 2. the AMR Air Property Leases;
 - 3. all Contracts and all outstanding offers or solicitations to enter into any Contract (and all rights thereunder and related thereto), to the extent transferable, and at the Acquirer’s option;
 - 4. all Equipment;
 - 5. all consents, licenses, registrations, or permits issued, granted, given, or otherwise made available by or under the authority of any governmental body or pursuant to any legal requirement, if any, and all pending applications therefor or renewals thereof, to the extent assignable;
 - 6. all data and Records, including client and customer lists and Records, referral sources, research and development reports and Records, production reports and Records, service and warranty Records,

Decision and Order

equipment logs, operating guides and manuals, financial and accounting Records, creative materials, advertising materials, promotional materials, studies, reports, notices, orders, inquiries, correspondence, and other similar documents and Records; and

7. Business Records.

Provided, however, that Air Ambulance Assets does not include Excluded Assets.

- J. “Air Ambulance Business” means the business conducted by Respondent AMR related to fixed wing inter-facility air medical transports originating and terminating in the State of Hawaii, including ground ambulances used in support of such fixed wing inter-facility air medical transports.
- K. “Air Ambulance Employee” means any individual (i) employed by Respondent AMR on a full-time, part-time, or contract basis at any time as of, and after, August 8, 2017, the date of the announcement of the Acquisition and, (ii) whose job responsibilities relate primarily to the Air Ambulance Business.
- L. “AirMD Acquisition Agreement” means the asset purchase agreement between AMR Holdco, Inc., and AirMD, LLC, dated February 23, 2018, including related ancillary agreements, amendments, schedules, exhibits, and attachments, thereto, that have been approved by the Commission to accomplish the requirements of this Order.
- M. “AMR Aircraft” means all of Respondent AMR’s right, title, and interest in the 3 airplanes bearing registration numbers:
 - 1. N911ZC;
 - 2. N911ZD; and

Decision and Order

3. N911ZE.

- N. “AMR Air Property Leases” mean (i) Rental Agreement, dated as of March 14, 2013, for the property located at 35 Kolopua Place, Wailuku, Hawaii 96793, (ii) Parking Permit No. PP-14-M003, dated May 21, 2014, by and between the State of Hawaii Department of Transportation, Airports Division and Air Ambulance Specialists, Inc., (iii), Parking Permit No. PP-14-M001, dated January 3, 2014, by and between the State of Hawaii Department of Transportation, Airports Division and Air Ambulance Specialists, Inc., (iv) Parking Permit No. PP-15-S292, dated June 30, 2015, by and between the State of Hawaii Department of Transportation, Airports Division and Air Ambulance Specialists, Inc., (v) Rental Agreement, dated as of July 7, 2014, by and between Lori Hara and Jordan Hara and AMR, (vi) Sublease, dated as of February 1, 2014, by and between Castle & Cooke Homes Hawaii, Inc. d/b/a Castle & Cooke Aviation Honolulu and International Life Support, Inc. d/b/a AMR Air Hawaii, as amended by the First Amendment, effective as of July 1, 2015, the Second Amendment, effective as of July 1, 2016, the Third Amendment, effective as of February 14, 2017, and the Fourth Amendment, effective as of July 1, 2017, (vii) Parking Permit No. PP-14-M004, dated September 22, 2014, by and between the State of Hawaii Department of Transportation, Airports Division and Air Ambulance Specialists, Inc., (viii) Indenture of Sublease, dated June 1, 2014, by and between Pacific Aviation Services, Inc. and AMR Air Ambulance.
- O. “AMR Non-Air Business” means all businesses conducted by Respondent AMR, including the business conducted by Respondent AMR related to 911 and private ground ambulance-related services in the State of Hawaii (excluding the Air Ambulance Business and Ground Ambulance Assets).

Decision and Order

- P. “Business Records” means all information, books and Records, documents, files, correspondence, manuals, computer printouts, databases, and other documents, including all hard copies and electronic records wherever stored, including without limitation, client and customer lists, referral sources, research and development reports, production reports, service and warranty records, maintenance logs, equipment logs, operating guides and manuals, documents relating to policies and procedures, financial and accounting records and documents, creative materials, advertising materials, promotional materials, studies, reports, correspondence, financial statements, financial plans and forecasts, operating plans, price lists, cost information, supplier and vendor contracts, marketing analyses, customer lists, customer contracts, employee lists and contracts, salaries and benefits information, physician lists and contracts, supplier lists and contracts, and, subject to legal requirements, copies of all personnel files.
- Q. “CON” means a certificate of need reviewed by the Hawaii State Health Planning and Development Agency, or any other agency in the State of Hawaii.
- R. “Confidential Business Information” means all information owned by, or in the possession or control of, Respondents, that is not in the public domain and that is related to the Air Ambulance Assets or Ground Ambulance Assets. For avoidance of doubt, Confidential Business Information does not include any information related to any Excluded Assets.
- S. “Contract” means any agreement, contract, lease, license agreement, consensual obligation, promise or undertaking (whether written or oral and whether express or implied), whether or not legally binding with third parties.
- T. “Direct Cost” means cost not to exceed the cost of labor, material, travel, and other expenditures to the

Decision and Order

extent the costs are directly incurred to provide Support Services. “Direct Cost” to an Acquirer for its use of any of Respondents’ employees’ labor shall not exceed the then-current average wage rate for such employee, including benefits.

- U. “Divestiture Agreement” means (i) the AirMD Acquisition Agreement or (ii) any other agreement between Respondents (or a Divestiture Trustee) and an Acquirer that receives the prior approval of the Commission to divest the Air Ambulance Assets and Ground Ambulance Assets, including all related ancillary agreements, schedules, exhibits, and attachments thereto that have received the Commission’s prior approval.
- V. “Divestiture Date” means the date on which Respondents (or the Divestiture Trustee) close the transaction to divest the Air Ambulance Assets to an Acquirer.
- W. “Divestiture Trustee” means the Person appointed by the Commission pursuant to Paragraph VI. of this Order.
- X. “Equipment” means all tangible personal property of every kind owned or leased by Respondents in connection with the operation of the Air Ambulance Assets, including, but not limited to all: support vehicles, medical equipment, computers, office furniture, office supplies, parts, tools, supplies, and all other items of equipment or tangible personal property of any nature or other systems used in the operation of the Air Ambulance Assets, together with any express or implied warranty by the manufacturers or sellers or lessors of any item or component part thereof and all maintenance records and other documents relating thereto.

Decision and Order

Y. “Excluded Assets” means:

1. working capital, including cash, prepaid expenses and accounts receivable accrued or prepaid by or owned by Respondents prior to the date of completion of the Acquisition;
2. real property (excluding the AMR Air Property Leases);
3. Equipment relating to and used predominantly by the AMR Non-Air Business prior to the Acquisition;
4. Business Records relating to both the operation of the Air Ambulance Business and the AMR Non-Air Business prior to the Acquisition; provided however, that Respondents shall provide copies of those portions of Business Records that relate to the Air Ambulance Business;
5. patient care records;
6. sales and marketing materials relating to both the operation of the Air Ambulance Business and the AMR Non-Air Business prior to the Acquisition; *provided, however*, Respondents shall provide copies of those portions of sales and marketing materials that relate to the Air Ambulance Business;
7. Intellectual Property owned or licensed (as licensor or licensee), including all trademarks;
8. AMR’s electronic medical records charting hardware and software infrastructure;
9. inventory of medical supplies;
10. all National Provider Identifier, Medicare, Medicaid, and other provider billing numbers; and

Decision and Order

11. State of Hawaii aeromedical license.

- Z. “Ground Ambulance Assets” means the following 4 ground ambulances, or other ambulances of similar type and in the same condition as each existed on the Acquisition Date:
1. Ford Type II Ambulance 2013 VIN No. 1FDSS3ES7DDA75187;
 2. Ford Type II Ambulance 2007 VIN. No. 1FDSS34P47DA94877;
 3. Ford Type III Ambulance 2002 VIN. No. 1FDWE35F92HA61194; and
 4. Ford Type III Ambulance 2009 VIN No. 1FDWE35P89DA66946.
- AA. “Intellectual Property” means all intellectual property, including (i) all patents, patent applications and inventions and discoveries that may be patentable; (ii) all registered and unregistered copyrights in both published works and unpublished works; (iii) all know-how, trade secrets, and confidential or proprietary information in customer lists, software, technical information, data, process technology, plans, drawings, and blue prints; and (iv) all rights in internet web sites and internet domain names.
- BB. “Monitor” means the Person appointed by the Commission pursuant to Paragraph V. of this Order.
- CC. “Order to Maintain Assets” means the Order to Maintain Assets incorporated into and made a part of the Consent Agreement.
- DD. “Person” means any individual, partnership, corporation, business trust, limited liability company, limited liability partnership, joint stock company, trust,

Decision and Order

unincorporated association, joint venture or other entity or a governmental body.

- EE. “Record” means information that is inscribed on a tangible medium, or that is stored in an electronic or other medium.
- FF. “Support Services” means administrative and technical services and training related to the operation of the Air Ambulance Business as of the Divestiture Date, including but not limited to, such services and training relating to call in-take and dispatch services, integration of billing and collection systems, any integration of Intellectual Property, and mechanical and maintenance support.

II.**IT IS FURTHER ORDERED** that:

- A. No later than 10 days after the Acquisition Date, Respondents shall divest: (1) the Air Ambulance Assets, and (2) an option to acquire the Ground Ambulance Assets, absolutely and in good faith, to AirMD pursuant to the AirMD Acquisition Agreement.
- B. No later than 4 years from the Divestiture Date, at the option of AirMD, Respondents shall divest up to 4 of the Ground Ambulance Assets, absolutely and in good faith, to AirMD pursuant to the AirMD Acquisition Agreement.

Provided, however, if, in consultation with the Monitor, the Acquirer reasonably determines that any of the Ground Ambulance Assets identified in this Order has been altered or its condition deteriorated in any material way, Respondents shall substitute the ambulance with, and transfer to the Acquirer, any other ground ambulance of Respondents, located in the State of Hawaii, that is in the same condition and

Decision and Order

equivalent in type, make, model, age, mileage, and wear and tear, as the substituted ambulance identified in Paragraph I.Z., as of the Acquisition Date.

- C. If Respondents have divested the Air Ambulance Assets and Ground Ambulance Assets to AirMD prior to the date this Order becomes final, and if, at the time the Commission determines to make this Order final, the Commission notifies Respondents that:
1. AirMD is not acceptable as the acquirer of the Air Ambulance Assets and Ground Ambulance Assets, then Respondents shall immediately rescind the AirMD Acquisition Agreement, and shall divest the Air Ambulance Assets and Ground Ambulance Assets, no later than 120 days from the date this Order is issued, absolutely and in good faith, at no minimum price, to a Person that receives the prior approval of the Commission and in a manner that receives the prior approval of the Commission; or
 2. The manner in which the divestiture of the Air Ambulance Assets and Ground Ambulance Assets to AirMD was accomplished is not acceptable, the Commission may direct Respondents, or appoint a Divestiture Trustee, to effect such modifications to the manner of divestiture of the Air Ambulance Assets and Ground Ambulance Assets as the Commission may determine are necessary to satisfy the requirements of this Order.
- D. No later than the Divestiture Date, Respondents shall secure all consents, assignments, and waivers from all Persons that are necessary for the divestiture of the Air Ambulance Assets; *provided, however*, that Respondents may satisfy this requirement by certifying that the Acquirer has executed appropriate agreements directly with each of the relevant Persons; and *provided further* that in the event Respondents are unable to obtain any consent, assignment, or waiver required by this Paragraph, Respondents shall (i)

Decision and Order

provide such assistance as the Acquirer may reasonably request in its efforts to obtain the consent or (ii) with the acceptance of the Acquirer and the prior approval of the Commission, Respondents may substitute equivalent assets or arrangements.

E. For a period of 4 years after the Divestiture Date, Respondents shall:

1. Not file or include in any communication, or influence any other party to file or include in any communication, formally or informally, directly or indirectly, objections to or negative comments about, any application or appeals therefrom, filed by Acquirer, for a ground ambulance CON in Hawaii, *provided, however*, that any such CON application is for the purpose of providing ground ambulance services in connection with and in support of inter-facility air medical transports relating to the Air Ambulance Assets;
2. In any filing, submission, or communication by Respondents, formally or informally, directly or indirectly, in response to any request for information or other communication relating to Acquirer's CON Application, Respondents shall support any such CON Application described in Paragraph II.E.1.; and
3. Provide reasonable assistance to, and a letter in support of, Acquirer, with respect to the CON application process and the submission by Acquirer of any such CON Application described in Paragraph II.E.1.

F. Respondents shall:

1. At the request of Acquirer and in a manner that receives the prior approval of the Commission, for a period of 12 months from the Divestiture Date, provide Support Services sufficient to enable the

Decision and Order

Acquirer to operate the Air Ambulance Assets in substantially the same manner that Respondents have operated such assets prior to the Acquisition;

2. At the request of Acquirer and in a manner that receives the prior approval of the Commission, for a period of 12 months from the date Respondents divest any or all of the Ground Ambulance Assets to Acquirer, provide Support Services sufficient to enable the Acquirer to operate the Ground Ambulance Assets in substantially the same manner that Respondents have operated such assets prior to the Acquisition; and
3. Provide the Support Services required by this Paragraph at substantially the same level and quality as such services were provided by Respondents prior to the Acquisition.

Provided, however, that Respondents shall not require any Acquirer to pay compensation for Support Services that exceeds the Direct Cost of providing such goods and services.

- G. Notwithstanding any provision of this Order, Respondents shall permit any trademarks owned by Respondents, any abbreviation thereof, or any name, logo, or lettering which is similar, which are affixed on an aircraft on the Divestiture Date, to remain so affixed in the operation of the Air Ambulance Assets by the Acquirer for a period of up to 6 months from the Divestiture Date.
- H. Notwithstanding any provision of this Order, Respondents shall permit any trademarks owned by Respondents, any abbreviation thereof, or any name, logo, or lettering which is similar, which are affixed on the Ground Ambulance Assets at the time of divestiture of each of the Ground Ambulance Assets, to remain so affixed in the operation of the Ground Ambulance Assets for a period of up to 6 months from the date

Decision and Order

Respondents divest each of the Ground Ambulance Asset(s).

- I. Respondents shall cooperate with and assist Acquirer to evaluate and retain any and all Air Ambulance Employees necessary to operate the Air Ambulance Business in substantially the same manner as Respondents prior to the divestiture, including but not limited to:
 1. Not later than 20 days after Respondents sign the Consent Agreement, Respondents shall (i) identify all Air Ambulance Employees, (ii) allow Acquirer to inspect the personnel files and other documentation of all Air Ambulance Employees, to the extent permissible under applicable laws, and (iii) allow Acquirer an opportunity to interview any Air Ambulance Employee;
 2. Respondents shall (i) not offer any incentive to any Air Ambulance Employee to decline employment with Acquirer, (ii) remove any contractual impediments that may deter any Air Ambulance Employee from accepting employment with Acquirer, including but not limited to, any non-compete or confidentiality provision of employment or other contracts with Respondents that would affect the ability of such employee to be employed by Acquirer, and (iii) not otherwise interfere with the recruitment, hiring, or employment of any Air Ambulance Employee by Acquirer;
 3. Respondents shall (i) vest all current and accrued pension benefits as of the date of transition of employment with Acquirer for any Air Ambulance Employee who accepts an offer of employment from Acquirer and (ii) provide each Air Ambulance Employee with reasonable financial incentive as necessary to accept offers of employment with Acquirer; and

Decision and Order

4. For a period of 2 years after the Air Ambulance Assets are divested, Respondents shall not solicit the employment of any employee that is employed by Acquirer; *provided, however*, that a violation of this provision will not occur if: (i) the individual's employment has been terminated by Acquirer, (ii) Respondents hire an individual who responds to an advertisement for employees in newspapers, trade publications, or other media not targeted specifically at the employees, or (iii) Respondents hire employees who apply for employment with Respondents, so long as such employees were not solicited by Respondents in violation of this paragraph.
- J. The purpose of the divestiture is to ensure the continuation of the Air Ambulance Business as an ongoing viable business engaged in the same business in which the assets were engaged at the time of the announcement of the Acquisition, and to remedy the lessening of competition resulting from the Acquisition as alleged in the Commission's Complaint in this matter.

III.**IT IS FURTHER ORDERED** that:

- A. From the date Respondents sign the Consent Agreement until the Respondents divest the Air Ambulance Assets and Ground Ambulance Assets to Acquirer, Respondents shall:
1. Maintain each of the Air Ambulance Assets and Ground Ambulance Assets in substantially the same condition (except for normal wear and tear) as they existed at the time Respondents signed the Consent Agreement;
 2. Take such actions that are consistent with the past practices of Respondent AMR in connection with

Decision and Order

each Air Ambulance Asset and Ground Ambulance Asset, and that are taken in the ordinary course of business and in the normal day-to-day operations of the Air Ambulance Assets and Ground Ambulance Assets;

3. Keep available the services of the current officers, employees, and agents of Respondent AMR; and maintain the relations and goodwill with suppliers, payors, physicians, landlords, patients, employees, agents, and others having business relations with the Air Ambulance Assets and Ground Ambulance Assets;
 4. Preserve the Air Ambulance Assets and Ground Ambulance Assets as ongoing businesses and not take any affirmative action, or fail to take any action within Respondents' control, as a result of which the viability, competitiveness, and marketability of the Air Ambulance Assets or Ground Ambulance Assets would be diminished; and
 5. Not object to sharing with the Acquirer the payor and supplier contract terms relating to the Air Ambulance Assets and Ground Ambulance Assets: (i) if the payor or supplier consents in writing to such disclosure upon a request by the Acquirer, and (ii) if the Acquirer enters into a confidentiality agreement with Respondents not to disclose the information to any third party.
- B. The purposes of this Paragraph III is to: (1) preserve the Air Ambulance Assets and Ground Ambulance Assets as viable, competitive, and ongoing businesses until they are transferred to Acquirer, (2) prevent interim harm to competition pending the relevant divestitures and other relief, and (3) help remedy any anticompetitive effects of the Acquisition as alleged in the Commission's Complaint.

Decision and Order

IV.**IT IS FURTHER ORDERED** that:

- A. Respondents shall (i) keep confidential (including as to Respondents' employees) and (ii) not use for any reason or purpose, any Confidential Business Information received or maintained by Respondents relating to the Air Ambulance Assets; *provided, however*, that Respondents may disclose or use such Confidential Business Information in the course of:
1. Performing its obligations or as permitted under this Order, or the Divestiture Agreement; or
 2. Complying with financial reporting requirements, obtaining legal advice, prosecuting or defending legal claims, investigations, or enforcing actions threatened or brought against the Air Ambulance Business, or as required by law.
- B. If disclosure or use of any Confidential Business Information is permitted to Respondents' employees or to any other Person under Paragraph IV.A. of this Order, Respondents and Respondents' employees shall not use or share, directly or indirectly, any Confidential Business Information with any of Respondent's employees who operate, manage, or market, Respondents' air ambulance business that competes with the divested assets and business and shall limit such disclosure or use (i) only to the extent such information is required, (ii) only to those employees or Persons who require such information for the purposes permitted under Paragraph IV.A., and (iii) only after such employees or Persons have signed an agreement to maintain the confidentiality of such information.

Decision and Order

V.**IT IS FURTHER ORDERED** that:

- A. Rex Fujichaku shall serve as the Monitor pursuant to the agreement executed by the Monitor and Respondents and attached as Appendix B (“Monitor Agreement”) and Non-Public Appendix C (“Monitor Compensation”). The Monitor is appointed to assure that Respondents expeditiously comply with all of their obligations and perform all of their responsibilities as required by this Order.
- B. No later than one day after the Acquisition Date, Respondents shall transfer to the Monitor all rights, powers, and authorities necessary to permit the Monitor to perform his duties and responsibilities, pursuant to the Order and consistent with the purposes of the Order.
- C. Respondents shall consent to the following terms and conditions regarding the powers, duties, authorities, and responsibilities of the Monitor:
 - 1. The Monitor shall (i) monitor Respondents’ compliance with the obligations set forth in this Order and (ii) act in a fiduciary capacity for the benefit of the Commission;
 - 2. Respondents shall (i) ensure that the Monitor has full and complete access to all Respondents’ personnel, books, records, documents, and facilities relating to compliance with this Order or to any other relevant information as the Monitor may reasonably request, and (ii) cooperate with, and take no action to interfere with or impede the ability of, the Monitor to perform her duties pursuant to this Order;
 - 3. The Monitor (i) shall serve at the expense of Respondents, without bond or other security, on

Decision and Order

such reasonable and customary terms and conditions as the Commission may set, and (ii) may employ, at the cost and expense of Respondents, such consultants, accountants, attorneys, and other representatives and assistants as are reasonably necessary to carry out the Monitor's duties and responsibilities;

4. Respondents shall indemnify the Monitor and hold him harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of his duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from the Monitor's gross negligence or willful misconduct; and
 5. Respondents may require the Monitor and each of the Monitor's consultants, accountants, attorneys, and other representatives and assistants to sign a customary confidentiality agreement; *provided, however*, that such agreement shall not restrict the Monitor from providing any information to the Commission.
- D. The Monitor shall report in writing to the Commission (i) every 30 days after the Acquisition Date for a period of one year, (ii) every 90 days thereafter until Respondents have completed all obligations required by Paragraph II. of this Order (including a final report when Respondents have completed all such obligations), and (iii) at any other time as requested by the staff of the Commission, concerning Respondents' compliance with this Order.
- E. The Commission may require the Monitor and each of the Monitor's consultants, accountants, attorneys, and other representatives and assistants to sign a

Decision and Order

confidentiality agreement related to Commission materials and information received in connection with the performance of the Monitor's duties.

- F. If at any time the Commission determines that the Monitor has ceased to act or failed to act diligently, or is unwilling or unable to continue to serve, the Commission may appoint a substitute Monitor, subject to the consent of Respondents, which consent shall not be unreasonably withheld:
1. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of the substitute Monitor within 5 days after notice by the staff of the Commission to Respondents of the identity of any substitute Monitor, then Respondents shall be deemed to have consented to the selection of the proposed substitute Monitor; and
 2. Respondents shall, no later than 5 days after the Commission appoints a substitute Monitor, enter into an agreement with the substitute Monitor that, subject to the approval of the Commission, confers on the substitute Monitor all the rights, powers, and authority necessary to permit the substitute Monitor to perform her duties and responsibilities pursuant to this Order on the same terms and conditions as provided in this Paragraph V.
- G. The Commission may on its own initiative or at the request of the Monitor issue such additional orders or directions as may be necessary or appropriate to assure compliance with the requirements of this Order.

VI.**IT IS FURTHER ORDERED** that:

- A. If Respondents have not fully complied with the divestiture and other obligations as required by

Decision and Order

Paragraph II. of this Order, the Commission may appoint a Divestiture Trustee to divest the Air Ambulance Assets and Ground Ambulance Assets and perform Respondents' other obligations in a manner that satisfies the requirements of this Order.

- B. In the event that the Commission or the Attorney General brings an action pursuant to § 5(l) of the Federal Trade Commission Act, 15 U.S.C. § 45(l), or any other statute enforced by the Commission, Respondents shall consent to the appointment of a Divestiture Trustee in such action to divest the relevant assets in accordance with the terms of this Order. Neither the appointment of a Divestiture Trustee nor a decision not to appoint a Divestiture Trustee under this Paragraph shall preclude the Commission or the Attorney General from seeking civil penalties or any other relief available to it, including a court-appointed Divestiture Trustee, pursuant to § 5(l) of the Federal Trade Commission Act, or any other statute enforced by the Commission, for any failure by the Respondents to comply with this Order.
- C. The Commission shall select the Divestiture Trustee, subject to the consent of Respondents, which consent shall not be unreasonably withheld. The Divestiture Trustee shall be a person with experience and expertise in acquisitions and divestitures. If Respondents have not opposed, in writing, including the reasons for opposing, the selection of any proposed Divestiture Trustee within 10 days after notice by the staff of the Commission to Respondents of the identity of any proposed Divestiture Trustee, Respondents shall be deemed to have consented to the selection of the proposed Divestiture Trustee.
- D. Within 10 days after appointment of a Divestiture Trustee, Respondents shall execute a trust agreement that, subject to the prior approval of the Commission, transfers to the Divestiture Trustee all rights and powers necessary to permit the Divestiture Trustee to

Decision and Order

effect the relevant divestiture or other action required by the Order.

- E. If a Divestiture Trustee is appointed by the Commission or a court pursuant to this Order, Respondents shall consent to the following terms and conditions regarding the Divestiture Trustee's powers, duties, authority, and responsibilities:
1. Subject to the prior approval of the Commission, the Divestiture Trustee shall have the exclusive power and authority to assign, grant, license, divest, transfer, deliver, or otherwise convey the relevant assets that are required by this Order to be assigned, granted, licensed, divested, transferred, delivered, or otherwise conveyed, and to take such other action as may be required to divest the Divestiture Assets.
 2. The Divestiture Trustee shall have 12 months from the date the Commission approves the trust agreement described herein to accomplish the divestiture, which shall be subject to the prior approval of the Commission. If, however, at the end of the twelve 12 month period, the Divestiture Trustee has submitted a plan of divestiture or believes that the divestiture can be achieved within a reasonable time, the divestiture period may be extended by the Commission, or in the case of a court-appointed Divestiture Trustee, by the court.
 3. Subject to any demonstrated legally recognized privilege, the Divestiture Trustee shall have full and complete access to the personnel, books, records, and facilities related to the relevant assets that are required to be assigned, granted, licensed, divested, delivered, or otherwise conveyed by this Order and to any other relevant information, as the Divestiture Trustee may request. Respondents shall develop such financial or other information as the Divestiture Trustee may request and shall

Decision and Order

cooperate with the Divestiture Trustee. Respondents shall take no action to interfere with or impede the Divestiture Trustee's accomplishment of the divestiture. Any delays in divestiture caused by Respondents shall extend the time for divestiture under this Paragraph VI in an amount equal to the delay, as determined by the Commission or, for a court-appointed Divestiture Trustee, by the court.

4. The Divestiture Trustee shall use commercially reasonable best efforts to negotiate the most favorable price and terms available in each contract that is submitted to the Commission, subject to Respondents' absolute and unconditional obligation to divest expeditiously and at no minimum price. The divestiture shall be made in the manner and to an Acquirer as required by this Order; *provided, however*, if the Divestiture Trustee receives bona fide offers from more than one acquiring entity, and if the Commission determines to approve more than one such acquiring entity, the Divestiture Trustee shall divest to the acquiring entity selected by Respondents from among those approved by the Commission; *provided further, however*, that Respondents shall select such entity within 5 days of receiving notification of the Commission's approval.
5. The Divestiture Trustee shall serve, without bond or other security, at the cost and expense of Respondents, on such reasonable and customary terms and conditions as the Commission or a court may set. The Divestiture Trustee shall have the authority to employ, at the cost and expense of Respondents, such consultants, accountants, attorneys, investment bankers, business brokers, appraisers, and other representatives and assistants as are necessary to carry out the Divestiture Trustee's duties and responsibilities. The

Decision and Order

Divestiture Trustee shall account for all monies derived from the divestiture and all expenses incurred. After approval by the Commission and, in the case of a court-appointed Divestiture Trustee, by the court, of the account of the Divestiture Trustee, including fees for the Divestiture Trustee's services, all remaining monies shall be paid at the direction of the Respondents, and the Divestiture Trustee's power shall be terminated. The compensation of the Divestiture Trustee shall be based at least in significant part on a Commission arrangement contingent on the divestiture of all of the relevant assets that are required to be divested by this Order.

6. Respondents shall indemnify the Divestiture Trustee and hold the Divestiture Trustee harmless against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of the Divestiture Trustee's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from gross negligence or willful misconduct by the Divestiture Trustee. For purposes of this Paragraph VI.E.6., the term "Divestiture Trustee" shall include all Persons retained by the Divestiture Trustee pursuant to Paragraph VI.E.5. of this Order.
7. The Divestiture Trustee shall have no obligation or authority to operate or maintain the relevant assets required to be divested by this Order.
8. The Divestiture Trustee shall report in writing to Respondents and to the Commission every 60 days concerning the Divestiture Trustee's efforts to accomplish the divestiture.

Decision and Order

9. Respondents may require the Divestiture Trustee and each of the Divestiture Trustee's consultants, accountants, attorneys, and other representatives and assistants to sign a customary confidentiality agreement; *provided, however*, such agreement shall not restrict the Divestiture Trustee from providing any information to the Commission.
- F. The Commission may require the Divestiture Trustee and each of the Divestiture Trustee's consultants, accountants, attorneys, and other representatives and assistants to sign a confidentiality agreement related to Commission materials and information received in connection with the performance of the Divestiture Trustee's duties.
- G. If the Commission determines that a Divestiture Trustee has ceased to act or failed to act diligently, the Commission may appoint a substitute Divestiture Trustee in the same manner as provided in this Paragraph VI.
- H. The Divestiture Trustee appointed pursuant to this Order may be the same Person appointed as the Monitor pursuant to the relevant provisions of this Order.
- I. The Commission or, in the case of a court-appointed Divestiture Trustee, the court, may on its own initiative or at the request of the Divestiture Trustee issue such additional orders or directions as may be necessary or appropriate to accomplish the divestitures and other obligations or action required by this Order.

VII.**IT IS FURTHER ORDERED** that:

- A. The Divestiture Agreement shall be incorporated by reference into this Order and made a part hereof, and any failure by Respondents to comply with the terms

Decision and Order

of the Divestiture Agreement shall constitute a violation of this Order; provided, however, that the Divestiture Agreement shall not limit, or be construed to limit, the terms of this Order. To the extent any provision in the Divestiture Agreement varies from or conflicts with any provision in the Order such that Respondents cannot fully comply with both, Respondents shall comply with the Order.

- B. Respondents shall not modify, replace, or extend the terms of the Divestiture Agreement after the Commission issues the Order without the prior approval of the Commission, except as otherwise provided in Commission Rule 2.41(f)(5), 16 C.F.R. § 2.41(f)(5).

VIII.**IT IS FURTHER ORDERED** that:

- A. Respondents shall:
1. notify Commission staff via email at bccompliance@ftc.gov of the Acquisition Date no later than 5 days after the Acquisition Date, and;
 2. submit the complete Divestiture Agreement to the Commission at ElectronicFilings@ftc.gov and bccompliance@ftc.gov no later than 30 days after the Divestiture Date.
- B. Respondents shall submit verified written reports (“compliance reports”) in accordance with the following:
1. Respondents shall submit:
 - a. an interim compliance report 30 days after the Order is issued, every 30 days thereafter until Respondents have fully complied with the provisions of Paragraph II.A. of this Order, and

Decision and Order

every 60 days thereafter until Respondents have fully complied with the provisions of Paragraph II.B. of this Order;

- b. an annual compliance report one year after the date this Order is issued, and annually for the next 3 years on the anniversary of that date; and
 - c. additional compliance reports as the Commission or its staff may request;
- 2. Each compliance report shall set forth in detail the manner and form in which Respondents intend to comply, are complying, and has complied with this Order, including, as applicable:
 - a. the status of the divestiture and transfer of the required assets; and
 - b. a description of all substantive contacts regarding any CON application by Acquirer.
- C. Respondents shall verify each compliance report with a notarized signature or sworn statement of the Chief Executive Officer or other officer or employee specifically authorized to perform this function, or self-verified in the manner set forth in 28 U.S.C. § 1746. Respondents shall submit an original and 2 copies of each compliance report as required by Commission Rule 2.41(a), 16 C.F.R. § 2.41(a), including a paper original submitted to the Secretary of the Commission and electronic copies to the Secretary at ElectronicFilings@ftc.gov and to the Compliance Division at bccompliance@ftc.gov. In addition, Respondents shall provide a copy of each compliance report to the Monitor if the Commission has appointed one in this matter.

Decision and Order

IX.

IT IS FURTHER ORDERED that Respondents shall notify the Commission at least 30 days prior to:

- A. Any proposed dissolution of Respondents KKR North America Fund XI (AMG) LLC or Air Medical Group Holdings, Inc.;
- B. Any proposed acquisition, merger, or consolidation of Respondents KKR North America Fund XI (AMG) LLC or Air Medical Group Holdings, Inc.; or
- C. Any other change in Respondents, including assignment and the creation or dissolution of subsidiaries, if such change might affect compliance obligations arising out of the Order.

X.

IT IS FURTHER ORDERED that, for purposes of determining or securing compliance with this Order, and subject to any legally recognized privilege, upon written request and five days' notice to the relevant Respondent, made to its principal place of business as identified in this Order, registered office of its United States subsidiary, or its headquarters office, the notified Respondent shall, without restraint or interference, permit any duly authorized representative of the Commission:

- A. Access, during business office hours of Respondents and in the presence of counsel, to all facilities and access to inspect and copy all business and other records and all documentary material and electronically stored information as defined in Commission Rules 2.7(a)(1) and (2), 16 C.F.R. § 2.7(a)(1) and (2), in the possession or under the control of Respondents related to compliance with this Order, which copying services shall be provided by Respondents at the request of the authorized representative of the Commission and at the expense of Respondents; and

Decision and Order

- B. To interview officers, directors, or employees of Respondents, who may have counsel present, regarding such matters.

XI.

IT IS FURTHER ORDERED that this Order shall terminate on April 24, 2028.

By the Commission.

**Non-Public Appendix A
Divestiture Agreement**

**[Redacted From the Public Record Version, But Incorporated
By Reference]**

Decision and Order

**Appendix B
Monitor Agreement****MONITOR AGREEMENT**

This Monitor Agreement (this "Agreement"), entered into this 16 day of February, 2018, by and among Bronster Fujichaku Robbins, A Law Corporation by its director, Rex Fujichaku (the "Monitor") and Air Medical Group Holdings, Inc. ("AMGH") (the Monitor and AMGH together, the "Parties") provides as follows:

WHEREAS the Federal Trade Commission (the "Commission"), in the Matter of Air Medical Group Holdings, Inc.'s proposed Acquisition of American Medical Response ("AMR"), File No. 171-0217, has accepted or will shortly accept for public comment an Agreement Containing Consent Orders incorporating a Decision and Order and an Order to Hold Separate and Maintain Assets (collectively, the "Orders"), which, among other things, requires AMGH to divest AMR's Hawaii fixed wing air ambulance business and certain related assets (the "AMR Assets"), as defined in the Orders, and contemplates the appointment of a Monitor to monitor AMGH's compliance with its obligations under the Orders;

WHEREAS, the Commission is expected to accept the Agreement Containing Consent Orders and appoint Monitor pursuant to the Orders to monitor AMGH's compliance with the terms of the Orders, and Monitor has consented to such appointment;

WHEREAS, the Orders further provide that AMGH shall execute an agreement, subject to the prior approval of the Commission, conferring all the rights and powers necessary to permit Monitor to carry out its duties and responsibilities pursuant to the Orders;

WHEREAS, this Agreement, although executed by Monitor and AMGH, is not effective for any purpose, including but not limited to imposing rights and responsibilities on AMGH or Monitor under the Orders, except for those obligations under the confidentiality provisions herein, until it has been approved by the Commission; and

WHEREAS, the Parties to this Agreement intend to be legally bound, subject only to the Commission's approval of this Agreement.

NOW, THEREFORE, the Parties agree as follows:

All capitalized terms used in this Agreement and not specifically defined herein shall have the respective definitions given to them in the Orders.

ARTICLE I

1.1 Powers of the Monitor. Monitor shall have all of the powers and responsibilities conferred upon Monitor by the Orders, including but not limited to monitoring AMGH's compliance with the divestiture, asset maintenance obligations, and other related requirements of the Orders.

1.2 Access to Relevant Information and Facilities. Subject to any demonstrated legally recognized privilege, Monitor shall have full and complete access to AMGH's personnel,

Decision and Order

books, documents, records kept in the normal course of business, facilities and technical information, and such other relevant information as Monitor may reasonably request, related to AMGH's compliance with the obligations of AMGH under the Orders in this matter. Documents, records and other relevant information are to be provided in an electronic format if they exist in that form. AMGH shall cooperate with any reasonable request of Monitor. Monitor shall give AMGH reasonable notice of any request for such access or such information and shall attempt to schedule any access or requests for information in such a manner as will not unreasonably interfere with AMGH's operations. At the request of the Monitor, AMGH shall promptly arrange meetings and discussions, including tours of relevant facilities, at reasonable times and locations between the Monitor and employees of AMGH who have knowledge relevant to the proper discharge of its responsibilities under the Orders.

1.3 Compliance Reports. AMGH shall provide Monitor with copies of all compliance reports filed with the Commission in a timely manner, but in any event, no later than five (5) business days after the date on which AMGH files such report with the Commission.

1.4 Confidentiality. Monitor shall:

(a) maintain the confidentiality of all confidential information provided to the Monitor by AMGH, the acquirer of the AMR Assets, any supplier or customer of AMGH, or the Commission ("Confidential Information"), and shall use such information only for the purpose of discharging its obligations as Monitor and not for any other purpose, including, without limitation, any other business, scientific, technological, or personal purpose. Monitor may disclose Confidential Information only to (i) persons employed by or working with Monitor pursuant to the Orders or (ii) persons employed at the Commission;

(b) require any consultants, accountants, attorneys, and any other representatives and/or assistants retained by Monitor to assist in carrying out the duties and responsibilities of Monitor to execute a confidentiality agreement, which AMGH will provide if requested, that requires such third parties to treat Confidential Information with the same standards of care and obligations of confidentiality to which the Monitor must adhere under this Agreement;

(c) act in a fiduciary capacity for the benefit of the Commission;

(d) maintain a record and inform the Commission of all third parties (other than representatives of the Commission) to whom Confidential Information has been disclosed;

(e) for a period of five (5) years after the termination of this Agreement, maintain the confidentiality of all other aspects of the performance of its duties under this Agreement and not disclose any Confidential Information relating thereto; and

(f) upon the termination of the Monitor's duties under this Agreement, the Monitor shall consult with the Commission's staff regarding disposition of any written and electronic materials (including materials that AMGH provided to the Monitor) in the possession or control of the Monitor that relate to the Monitor's duties, and the Monitor shall dispose of such materials, which may include sending such materials to the Commission's staff, as directed by

Decision and Order

the staff. In response to a request by AMGH to return or destroy materials that AMGH provided to the Monitor, the Monitor shall inform the Commission's staff of such request and, if the Commission's staff do not object, shall comply with AMGH's request. Notwithstanding the foregoing, the Monitor shall not be required to return or destroy confidential information contained in an archived computer back-up system for its disaster recovery and/or security purposes, and it may retain a copy of confidential information, subject to the terms of this Agreement, in accordance with its internal record retention procedures for legal or regulatory purposes. Nothing herein shall abrogate the Monitor's duty of confidentiality, which includes an obligation not to disclose any non-public information obtained while acting as a Monitor for ten (10) years after termination of this Agreement. For the avoidance of doubt, the expiration of the ten year period following the termination of this Agreement shall not abrogate the duties under this Section 1.4 which prevent the Monitor's disclosure of any Confidential Information.

For the purpose of this Agreement, information shall not be considered confidential or proprietary to the extent that it is or becomes part of the public domain (other than as the result of any action by the Monitor or by any employee, agent, affiliate or consultant of the Monitor), or to the extent that the recipient of such information can demonstrate that such information was already known to the recipient at the time of receipt from a source other than the Monitor, AMGH, or any director, officer, employee, agent, consultant or affiliate of the Monitor or AMGH, when such source was not known to recipient after due inquiry to be restricted from making such disclosure to such recipient.

ARTICLE II

2.1 Retention and Payment of Counsel, Consultants, and other Assistants. Monitor shall have the authority to employ, at the cost and expense of AMGH, such attorneys, consultants, accountants, and other representatives and assistants as are reasonably necessary to carry out the Monitor's duties and responsibilities pursuant to the Orders. Prior to engaging any such parties and prior to commissioning additional work to be performed by a party who has already been so engaged, Monitor shall notify AMGH of its intention to do so, and provide an estimate of the anticipated costs.

2.2 Monitor Compensation. AMGH shall pay Monitor in accordance with the fee schedule and procedure attached as Confidential Appendix A for all reasonable time spent in the performance of the Monitor's duties, including all monitoring activities related to the efforts of the acquirer of the AMR Assets, all work in connection with the negotiation and preparation of this Agreement, and all reasonable and necessary travel time.

(a) In addition, AMGH shall pay: (i) all out-of-pocket expenses reasonably incurred by Monitor in the performance of its duties under the Orders; and (ii) all reasonable fees of, and disbursements reasonably incurred by, any advisor appointed by Monitor pursuant to the first paragraph in Article II.

(b) The Monitor shall have full and direct responsibility for compliance with all applicable laws, regulations and requirements pertaining to work permits, income and social

Decision and Order

security taxes, unemployment insurance, worker's compensation, disability insurance, and the like.

2.3 Monitor's Indemnification; Limitation on Liability. AMGH shall indemnify and hold harmless Monitor and its employees and agents against any losses, claims, damages, liabilities, or expenses arising out of, or in connection with, the performance of Monitor's duties, including all reasonable fees of counsel and other expenses incurred in connection with the preparation for, or defense of, any claim, whether or not resulting in any liability, except to the extent that such losses, claims, damages, liabilities, or expenses result from Monitor's gross negligence or willful misconduct. Monitor shall not be liable hereunder for any amount in excess of the fees paid to it, except in the event of Monitor's gross negligence, willful misconduct or fraud. Monitor shall not be liable hereunder for any incidental, consequential, special or punitive damages, regardless of whether it has been informed of the possibility thereof.

2.4 Disputes. In the event of a disagreement or dispute between AMGH and Monitor concerning AMGH's obligations under the Orders, and, in the event that such disagreement or dispute cannot be resolved by the Parties, either party may seek the assistance of the individual in charge of the Commission's Compliance Division.

2.5 Conflicts of Interest. In the event that, during the term of this Agreement, Monitor becomes aware it has or may have a conflict of interest that may affect, or could have the appearance of affecting, performance by Monitor or persons employed by, or working with, Monitor, of any of its duties under this Agreement, Monitor shall promptly inform AMGH and the Commission of any such conflict or potential conflict.

ARTICLE III

3.1 Termination. This Agreement shall terminate the earlier of: (a) the expiration or termination of the Orders; (b) AMGH's receipt of written notice from the Commission that the Commission has determined that Monitor has ceased to act or failed to act diligently, or is unwilling or unable to continue to serve as Monitor; (c) with at least thirty (30) days advance notice to be provided by Monitor to AMGH and to the Commission, upon resignation of the Monitor; or (d) when the Monitor completes its Final Report pursuant to the Decision and Order; provided, however, that the Commission may require that AMGH extend this Agreement as may be necessary or appropriate to accomplish the purposes of the Orders. If this Agreement is terminated for any reason, the confidentiality obligations set forth in this Agreement will remain in force, as will the provisions of Articles 2.2 and 2.3 of this Agreement.

3.2 Monitor's Removal. If the Commission determines that Monitor ceases to act or fails to act diligently and consistent with the purpose of the Orders, AMGH shall, upon written request of the Commission, terminate this Agreement and appoint a substitute Monitor, subject to Commission approval and consistent with the Orders.

3.3 Governing Law. This Agreement and the rights and obligations of the Parties hereunder shall in all respects be governed by the substantive laws of the State of New York, including all matters of construction, validity and performance. The Orders shall govern this

Decision and Order

Agreement and any provisions herein which conflict or are inconsistent with the Orders may be declared null and void by the Commission and any provision not in conflict shall survive and remain a part of this Agreement.

3.4 Disclosure of Information. Nothing in this Agreement shall require AMGH to disclose any material or information that is subject to a legally recognized privilege or that AMGH is prohibited from disclosing by reason of law or an agreement with a third party.

3.5 Assignment. This Agreement may not be assigned or otherwise transferred by AMGH or Monitor without the consent of AMGH and Monitor and the approval of the Commission. Any such assignment or transfer shall be consistent with the terms of the Orders.

3.6 Modification. No amendment, modification, termination, or waiver of any provision of this Agreement shall be effective unless made in writing, signed by all Parties, and approved by the Commission. Any such amendment, modification, termination, or waiver shall be consistent with the terms of the Orders.

3.7 Approval by the Commission. This Agreement shall have no force or effect until approved by the Commission, other than the Parties' obligations under the confidentiality provisions herein.

3.8 Entire Agreement. This Agreement, and those portions of the Orders incorporated herein by reference, constitute the entire agreement of the Parties and supersede any and all prior agreements and understandings between the Parties, written or oral, with respect to the subject matter hereof.

3.9 Duplicate Originals. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

3.10 Section Headings. Any heading of the sections is for convenience only and is to be assigned no significance whatsoever as to its interpretation and intent.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the date first above written.

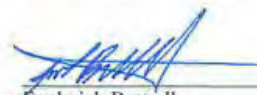
Decision and Order

MONITOR

Bronster Fujichaku Robbins, A Law Corporation

Rex Fujichaku
Director**Respondent**

Air Medical Group Holdings, Inc.



Frederick Buttrell
CEO

Decision and Order

MONITOR

Bronster Fujichaku Robbins, A Law Corporation



Rex Fujichaku
Director

Respondent

Air Medical Group Holdings, Inc.

Frederick Buttrell
CEO

Analysis to Aid Public Comment

Non-Public Appendix C
Monitor Compensation Agreement

**[Redacted From the Public Record Version, But Incorporated
By Reference]**

**ANALYSIS OF CONSENT ORDER TO AID PUBLIC
COMMENT**

I. Introduction

The Federal Trade Commission (“Commission”) has accepted, subject to final approval, an Agreement Containing Consent Orders (“Consent Agreement”) with KKR North America Fund XI (AMG), LLC, Air Medical Group Holdings, Inc., (“AMGH”), and AMR Holdco, Inc. (“AMR”). The Consent Agreement is intended to remedy the anticompetitive effects that likely would result from AMGH’s proposed acquisition of AMR (the “Acquisition”). Under the terms of the Consent Agreement, AMR must sell its inter-facility air medical transport services business in Hawaii. The Acquisition, if consummated, would result in the consolidation of the only two inter-facility air medical transport service providers in Hawaii.

The Consent Agreement has been placed on the public record for 30 days to solicit comments from interested persons. Comments received during this period will become part of the public record. After 30 days, the Commission will again review the Consent Agreement and the comments received, and will decide whether it should withdraw from the Consent Agreement, modify it, or make final the Decision and Order (“Order”).

Analysis to Aid Public Comment

II. The Parties**A. AMGH**

AMGH is wholly owned by KKR North America Fund XI (AMG) LLC. It is likely the largest provider of air ambulance services in the United States with 270 operating locations in 38 states. AMGH operates as Hawaii Life Flight in Hawaii.

B. AMR

AMR is a wholly-owned subsidiary of Envision Healthcare and is the largest national ground ambulance provider in the United States, but also provides air ambulance services in several locations. In Hawaii, it provides both ground ambulance services and inter-facility air ambulance transport services. To provide inter-facility air ambulance transport services, AMR partners with LifeTeam, an air ambulance provider located in the Midwest, which has the necessary FAA licenses and certifications, and provides the pilots and maintenance for the fixed-wing aircraft. AMR handles the marketing, medical personnel, and billing for the services provided.

III. The Proposed Acquisition

Under an agreement executed on August 7, 2017, AMGH will acquire 100 percent of the voting stock of AMR in a deal valued at approximately \$2.4 billion.

The Commission's Complaint alleges that the Acquisition, if consummated would violate Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the FTC Act, as amended, 15 U.S.C. § 45, by substantially lessening competition for the provision of inter-facility air ambulance transport services in Hawaii.

IV. The Relevant Market and Structure of the Markets

The Commission's Complaint alleges that the relevant product market in which to analyze the Acquisition is the provision of inter-facility air ambulance transport services. These services

Analysis to Aid Public Comment

consist of air ambulance services that transfer patients between medical facilities on different islands, including from medical facilities with low acuity or limited patient treatment capabilities to those that can provide the appropriate medical and surgical care. The Commission's Complaint alleges that the relevant geographic market in which to analyze the effects of the Acquisition is the State of Hawaii.

The Commission's Complaint alleges that the Acquisition will increase concentration in an already highly concentrated market. AMGH and AMR are the only two providers of inter-facility air ambulance transport services in Hawaii.

V. Effects of the Transaction

According to the Commission, the effect of the Acquisition, if consummated, may be substantially to lessen competition and tend to create a monopoly in inter-facility air ambulance transport services, and increase the likelihood of the unilateral exercise of market power. The Acquisition would increase the likelihood that consumers, third-party payers, or government health care providers would be forced to pay higher prices or experience degradation in service or quality.

VI. Entry Conditions

The Commission's Complaint alleges that entry into the relevant market would not be timely, likely, or sufficient to deter or counteract the anticompetitive effects of the Acquisition. The primary barrier to entry is the lack of sufficient volume of referrals and payments from third party payers to justify the economic risk of new entry, even if the parties imposed a small but significant non-transitory increase in price (SSNIP).

VII. The Proposed Consent Agreement

The proposed Consent Agreement remedies the anticompetitive concerns raised by the Acquisition by requiring AMR to sell its inter-facility air ambulance transport services business, including the assets that support that business, to AIRMD, LLC, dba LifeTeam. LifeTeam is a large, established

Analysis to Aid Public Comment

company with experience in the industry. It is also the current operator of the FAA certified aircraft used by AMR for inter-facility air ambulance transport services in Hawaii, and thus very familiar with AMR's assets and operations in Hawaii. Under the proposed Consent Agreement, AMR will divest to LifeTeam the four-fixed wing aircraft it uses to fly patients inter-island, support LifeTeam's application for a Certificate of Need with the State of Hawaii to operate ground ambulances, and offer LifeTeam the option to purchase up to four ground ambulances from AMR. LifeTeam would use the ground ambulances to support its air ambulance transport service to transfer patients to and from medical facilities and the aircraft it operates.

The proposed Consent Agreement also contains an Order to Maintain Assets that will issue at the time the proposed Consent Agreement is accepted for public comment. The Order to Maintain Assets requires Respondents to operate and maintain the divestiture assets in the normal course of business through the date that the Respondents complete divestiture of the assets, thereby maintaining the economic viability, marketability, and competitiveness of the assets. The Order to Maintain Assets also authorizes the Commission to appoint an independent third party as a monitor to oversee the Respondents' compliance with the requirements of the proposed Consent Agreement.

The purpose of this analysis is to facilitate public comment on the proposed Consent agreement, and the Commission does not intend this analysis to constitute an official interpretation of the proposed Consent Agreement or to modify its terms in any way.

Complaint

IN THE MATTER OF

IMPAX LABORATORIES, INC.COMPLAINT AND INITIAL DECISION IN REGARD TO ALLEGED
VIOLATIONS OF SECTION 5 OF THE FEDERAL TRADE COMMISSION
ACT*Docket No. 9373; File No. 141 0004**Complaint, January 19, 2017 – Initial Decision, May 11, 2018*

This case addresses Impax Laboratories, Inc.’s reverse-payment agreement with Endo Pharmaceuticals Inc. to obstruct lower-cost generic competition to Opana ER, one of Endo’s core branded prescription drug products. The complaint alleges that Impax Laboratories, Inc. violated section 5 of the Federal Trade Commission Act through its agreement in restraint of trade with Endo Pharmaceuticals, Inc. to eliminate the risk of generic competition to Opana ER for at least 2½ years. In his Initial Decision, the Administrative Law Judge found that the evidence failed to demonstrate that the Challenged Agreement constituted an unreasonable restraint of trade in violation of Section 5 of the Federal Trade Commission Act and dismissed the Complaint. Complaint Counsel appealed the Initial Decision and Respondent filed a cross-appeal.

Participants

For the *Commission*: Daniel Bradley, Dan Butrymowicz, Synda Mark, Maren Schmidt, Eric Sprague, Jamie Towey, and Rebecca Weinstein.

For the *Respondent*: Anna Fabish and Ted Hassi, O’Melveny & Myers LLP.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, and by virtue of the authority vested in it by said Act, the Federal Trade Commission (“Commission”), having reason to believe that Impax Laboratories, Inc. (“Impax”), a corporation, hereinafter sometimes referred to as “Respondent,” has violated the provisions of said Act, and it appearing to the Commission that a proceeding in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows: