

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

)	
)	
In the Matter of)	
)	File No. 0410099
PREFERRED HEALTH SERVICES, INC.,)	
a corporation.)	
)	

AGREEMENT CONTAINING CONSENT ORDER TO CEASE AND DESIST

The Federal Trade Commission (“Commission”), having initiated an investigation of certain acts and practices of the Preferred Health Services, Inc. (“Preferred Health”), hereinafter referred to as “Proposed Respondent,” and it now appearing that Proposed Respondent is willing to enter into an Agreement Containing Consent Order to Cease and Desist (“Consent Agreement”) from certain acts and practices, and providing for other relief,

IT IS HEREBY AGREED by and between Proposed Respondent and its attorney, and counsel for the Commission that:

1. Proposed Respondent Preferred Health is a not-for-profit corporation, organized, existing, and doing business under and by virtue of the laws of the State of South Carolina, with its principal address at 301 Memorial Drive, Suite E, Seneca, SC 29672.
2. Proposed Respondent admits all the jurisdictional facts set forth in the draft of Complaint here attached.
3. Proposed Respondent waives:
 - a. any further procedural steps;
 - b. the requirement that the Commission’s Decision and Order, attached hereto and made a part hereof, contain a statement of findings of fact and conclusions of law;
 - c. all rights to seek judicial review or otherwise to challenge or contest the validity of the Decision and Order entered pursuant to this Consent Agreement; and
 - d. any claim under the Equal Access to Justice Act.
4. This Consent Agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this Consent Agreement is accepted by the Commission it, together with the draft of Complaint contemplated thereby, will be placed on the public record for a period of thirty (30) days and information with respect

thereto publicly released. The Commission thereafter may either withdraw its acceptance of this Consent Agreement and so notify the Proposed Respondent, in which event it will take such action as it may consider appropriate, or issue and serve its Complaint (in such form as the circumstances may require) and Decision and Order, in disposition of the proceeding.

5. This Consent Agreement is for settlement purposes only and does not constitute an admission by Proposed Respondent that the law has been violated as alleged in the draft of Complaint here attached, or that the facts as alleged in the draft Complaint, other than jurisdictional facts, are true.
6. This Consent Agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission may, without further notice to Proposed Respondent, (1) issue its Complaint corresponding in form and substance with the draft of Complaint here attached and the Decision and Order in disposition of the proceeding and (2) make information public with respect thereto. When so entered, the Decision and Order shall have the same force and effect, and may be altered, modified, or set aside in the same manner and within the same time provided by statute for other orders. The Decision and Order shall become final upon service. Delivery of the Complaint and the Decision and Order to Proposed Respondent by any means specified in Commission Rule 4.4(a), 16 C.F.R. § 4.4(a), shall constitute service. Proposed Respondent waives any right it may have to any other manner of service. The Complaint may be used in construing the terms of the Decision and Order, and no agreement, understanding, representation, or interpretation not contained in the Decision and Order or the Consent Agreement may be used to vary or contradict the terms of the Decision and Order.
7. Proposed Respondent has read the draft of the Complaint and the Decision and Order contemplated hereby. By signing this Consent Agreement, Proposed Respondent represents that the full relief contemplated by this Consent Agreement can be accomplished. Proposed Respondent understands that once the Decision and Order has been issued, it will be required to file one or more compliance reports showing that it has fully complied with the Decision and Order. Proposed Respondent agrees to comply with Paragraph II of the draft Decision and Order from the date it signs this Consent Agreement. Proposed Respondent represents that, if a payor exercises its right to terminate its preexisting contract pursuant to Paragraph V.C of the Decision and Order, that Proposed Respondent has the authority to terminate that contract without obtaining the consent of any person, including, but not limited, to any member of Proposed Respondent. Proposed Respondent further understands that it may be liable for civil penalties in the amount provided by law for each violation of the Decision and Order after the Decision and Order becomes final.

PREFERRED HEALTH SERVICES, INC.,

a corporation.

By: _____
Paul Hovey, as Executive Director of Preferred
Health Services, Inc.
Signed this ____ day of, _____, 2004

Mike Cowie, Counsel for Preferred Health Services,
Inc.
Signed this ____ day of, _____, 2004

FEDERAL TRADE COMMISSION

By: _____
Steve Vieux
Melea Greenfeld
Karan Singh
Attorneys

APPROVED:

David R. Pender
Deputy Assistant Director
Federal Trade Commission

Jeffrey W. Brennan
Assistant Director
Federal Trade Commission

Susan A. Creighton
Director
Bureau of Competition
Federal Trade Commission