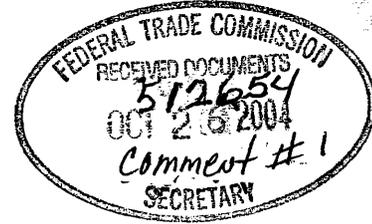




Molina Healthcare of New Mexico
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ORIGINAL



SENT VIA CERTIFIED MAIL

October 25, 2004

Federal Trade Commission
Office of the Secretary, Room H-159
600 Pennsylvania Avenue NW
Washington, D.C. 20580

*Re: White Sands Health Care System, L.L.C.; Alamogordo Physicians' Cooperative, Inc.;
Dacite, Inc.; and James R. Laurenza (File No. 03-1 0135)*

To Whom It May Concern:

Molina Healthcare of New Mexico f/k/a Cimarron Health Plan would like to respond to the recent Decision and Order of the Federal Trade Commission concerning the matter of White Sands Health Care System, LLC, Alamogordo Physicians' Cooperative, Inc., and James R. Laurenza.

Paragraph IV, page 6 of 11 of the proposed consent entitled 'DECISION AND ORDER' specifies that for a period of three years from the date this Order becomes final, each Respondent (includes Dacite, Inc. and James Laurenza) must notify the Secretary of the Commission in writing at least sixty (60) days prior to entering into any arrangement with any providers under which such Respondent would act as a messenger, or as an agent on behalf of those providers, with payors regarding contracts.

We agree with the FTC findings and proposed order in this case. However, due to the financial hardship imposed on the Alamogordo consumers during the past several years our request to the Commission is to deny the Respondents identified above from entering into any arrangements on behalf of any providers in our state for a period of five (5) years, beginning with your final ruling.

Respectfully,

A handwritten signature in black ink, appearing to read 'Gerald Landgraf'.

Gerald Landgraf, President and CEO