

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Maureen K. Ohlhausen, Acting Chairman
Terrell McSweeney

In the Matter of)
AIR MEDICAL GROUP HOLDINGS, INC.)
a corporation,)
KKR North America Fund XI (AMG) LLC)
a limited liability company,)
and)
AMR HOLDCO, INC.)
a corporation.)
_____)

DECISION AND ORDER
DOCKET NO. C-
[Public Record Version]

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.

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.

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.
- 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, 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
 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).
- 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 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 Respondent (or the Divestiture Trustee) closes 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.
- 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 Respondent 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*, Respondent 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
 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, 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 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) 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 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 Respondent divests 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 Respondent 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
 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 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 Respondent's 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.

IV.

IT IS FURTHER ORDERED that:

- A. Respondents shall (i) keep confidential (including as to Respondent's 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 Respondent's employees or to any other Person under Paragraph IV.A. of this Order, Respondents and Respondent's employees shall not use or share, directly or indirectly, any Confidential Business Information with any of Respondent's employees who operate,

manage, or market, Respondent's 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.

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 Respondent's 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 Respondent's 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 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 Respondent's 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 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 Paragraph II. of this Order, the Commission may appoint a Divestiture Trustee to divest the Air Ambulance Assets and Ground Ambulance Assets and perform Respondent's 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 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 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 Respondent's 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 Respondent, 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 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.
 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 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 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.

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
- 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 10 years from the date it is issued.

By the Commission.

Donald S. Clark
Secretary

SEAL:
ISSUED:

Non-Public Appendix A Divestiture Agreement

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

Appendix B

Monitor Agreement

Non-Public Appendix C

Monitor Compensation Agreement

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