

17 January 2005

Mr. John W. Colloton
200 Hawkins Drive
8746 JPP
Iowa City IA 52242-1009

Dear John:

I was sorry to receive your letter of January 6, 2005 regarding the very unfortunate circumstances which have arisen between Wellmark and the University of Iowa regarding the contract between those parties.

First of all, whoever advised you that I have been telling people that you are the prime reason for the problem between Wellmark and the U. of I. has misinformed you. I have not made this statement, and anyone who says that I have is either acting on the basis of hearsay or is being untruthful.

With respect to our meetings in November, 2004 - I recall two plus discussions during our Ames trip - I was trying to better myself on this matter after it became apparent to me that there was a substantial likelihood that the parties were going to be unable to resolve their differences. I appreciated the information and insights that you provided to me, and this has remained confidential. Several of the suggestions which you made I put into practice.

From late November through the present I have closely monitored the discussions that have taken place, at least from the U. of I. side. I have consistently urged that these negotiations continue, and feel that the parties should redouble their efforts to reach an agreement. When, in late December, it appeared that the sixty (60) day extension proposed was predicated on a highly restrictive set of parameters for future negotiations I reluctantly supported the U. of I.'s request for a reaffirmation of its authority to act in matters of this nature. From my standpoint I was focused, with respect to Wellmark, on those persons it designated as its negotiators, as well as Ed Hansell, who has been a friend for more than forty years. I was advised, on two occasions, by Attorney General Miller

not to discuss any aspect of this with John Forsyth, and did not do so between the time of receiving that advice and the board's action.

The suggestion that I have ascribed any blame in this situation to Marvin Pomerantz is particularly inaccurate. Marvin was good enough to provide counsel to me, as you were, which I greatly appreciated. I expressed that appreciation to Marvin and to others.

John, I am not now, nor have I been previously, interested in assigning blame. What I am interested in is having both Wellmark and the U. of I. work diligently to resolve this matter on a basis which is fair and reasonable to both parties. Nothing less should be expected on either side given the parties' long relationships and the presence of people on both sides who have intense interest in and loyalty to, each entity. If you have further suggestions with respect to a process which might accomplish this I would be happy to discuss it with you.

Very truly yours,

Robert N. Downer

RND/bjf