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## ZIMMERMAN REED ANNOUNCES COURT'S APPROVAL OF \$100 MILLION SETTLEMENT IN CLASS ACTION AGAINST AMERICAN EXPRESS FINANCIAL ADVISORS

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MINNEAPOLIS: On July 19, 2007, U.S. District Court Judge Deborah A. Batts, Southern District of New York, entered an order granting final approval of a \$100 million settlement of the class action lawsuit brought by customers of American Express Financial Advisors ("AEFA," now known as Ameriprise Financial Services, Inc.) Nasdaq: AMP. As part of the settlement, AEFA also agreed to adopt and implement specific remedial measures.

The settlement resolves claims that AEFA, headquartered in Minneapolis, violated federal securities and investment laws and breached fiduciary duties by perpetrating a scheme to defraud its investing clients. Specifically, the investors alleged AEFA enriched itself by creating incentive programs for financial advisors to sell American Express proprietary products, which imposed an inherent conflict of interest that infected the advisor-client relationship and impaired the advisor's ability to render objective and unbiased advice. AEFA/ has denied any wrongdoing or any damages to its clients.

The settlement resolves several related cases, including the first class action in the case, filed in Arizona in November 2002. Two Minneapolis law firms, Zimmerman Reed and Lockridge Grindal Nauen, represented investors in the Arizona action.

Following a final approval hearing held on July 13, 2007, the Court approved the settlement as fair, reasonable and adequate. Under the terms of the settlement, the Company will pay \$100 million to individuals who purchased financial advice, financial plans or other financial advisory services from AEFA. Of the potential three million potential claimants, more than one million have filed claims. This figure represents significant participation in the settlement. The Court acknowledged that by voting with their feet, the vast number of claimants demonstrated the fairness of the settlement. Under the terms of the settlement, AEFA is also responsible for the costs of claims administration, estimated to exceed \$15 million. According to Zimmerman Reed attorney, Carolyn Anderson, "This settlement demonstrates that investors have a voice and are heard in the legal process, and can impact policies in an industry that too often lacks transparency."

Additional information concerning the settlement and a copy of the Final Judgment and Order can be obtained at [www.zimmreed.com/ameriprise](http://www.zimmreed.com/ameriprise)

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