STATE OF MINNESOTA

COUNTY OF HENNEPIN

DISTRICT COURT

FOURTH JUDICIAL DISTRICT

CASE TYPE: OTHER CIVIL

Judith Klosek, on behalf of herself and all others similarly situated, Plaintiffs, v. The American Express Company, Ameriprise Financial, Inc., and Ameriprise Financial Services, Inc., f/k/a American Express Financial Advisors, Inc., Defendants.	Civil No. _____ **CLASS ACTION COMPLAINT** **(DEMAND FOR JURY TRIAL)**

INTRODUCTION

Plaintiff brings this Class Action Complaint on behalf of a class of investment advisor franchisees who contracted with American Express Financial Advisors ("AEFA"), a wholly-owned subsidiary of the American Express Company ("AMEX"), to use the American Express proprietary mark in exchange for payment of franchise fees. This case generally contends Ameriprise Financial Inc., Ameriprise Financial Services Inc. (collectively "Ameriprise"), AEFA and AMEX (collectively "Defendants") both individually and collectively, breached the AEFA Franchise Agreement ("Franchise Agreement"), tortiously interfered with the Franchise Agreement, and violated the Minnesota Franchise Act. In addition, this action contends that the non-competition covenant contained in each Franchise Agreement

is unenforceable. Plaintiff and the Class seek actual damages and other equitable remedies stemming from Defendants' illegal acts. The allegations in this Complaint are directed at Ameriprise, AEFA and AMEX.

The proprietary mark was part of the "System" that was to be received by the franchisees as part of their Franchise Agreements. One of the distinguishing characteristics of the "System" was the requirement that AEFA provide the franchisees a "well recognized brand." While the underlying Franchise Agreements gave AEFA the right to substitute different proprietary marks, such a substitution obligated AEFA to provide the franchisees a "well recognized brand." In fact, AEFA could only change the marks if it determined that the change would be beneficial to the "System." Here, AEFA made no such determination.

One of the principal purposes of the franchisees in entering into their contracts with AEFA was to acquire and conduct a successful business based on the preexisting brand recognition and associated goodwill of the Defendants. The American Express brand name is one of the most recognized brands in the world. The importance of the brand was acknowledged in the documents signed by the franchisees. The American Express Uniform Franchise Offering Circular states on its front cover: "As an American Express Financial Advisors Inc. franchisee, you get the benefit of the American Express brand. . . ." The Franchise Agreement also makes clear: "The distinguishing characteristics of the System include a well recognized brand."

On February 1, 2005, AMEX announced its plans to "spin-off" its AEFA subsidiary, creating a "new" public company operating under a new brand name—"Ameriprise." In contrast to the widely-known and highly touted American Express mark, the Ameriprise brand was unknown as a marketplace identifier. Accordingly, the name change frustrated and defeated one of the principal purposes of Plaintiff's contract with AEFA. This purpose was fundamentally destroyed when AEFA announced its intention to change its name to an unknown, unbranded trade name that had no associated goodwill. Simply put, if Plaintiff wanted to conduct a business without a brand name, she would have gone into business for herself and certainly would not have agreed to the restrictive covenants contained in the Franchise Agreement (the "Franchise Agreement"), absent the security of American Express brand recognition.

By notifying Plaintiff of its intent to change the brand name from American Express to Ameriprise, AEFA was notifying franchisees of its intention not to perform under its contracts. As a result of their conduct, AEFA breached its contracts with the franchisees, depriving them of the most significant benefit under the contracts. AEFA constructively terminated the franchise agreement by depriving Plaintiff of the singular benefit of the franchise offering—the right to associate with the American Express brand—without warning, without consideration, and without relieving her of her duties under the Franchise Agreement. Accordingly, AEFA breached its agreements with Plaintiff and the Class, breached the implied covenant of good faith and fair dealing, violated the

Minnesota Franchise Act, and is liable for damages and other remedies, including injunctive relief, rescission of the Franchise Agreements, and attorneys' fees. Furthermore, Defendant AMEX tortiously interfered with the contract between AEFA and its franchisees by depriving the franchisees of contractual rights, without justification. Finally, Ameriprise breached any existing contract it has with the franchisees by failing to provide consideration for what was essentially a "new" non-compete covenant between Ameriprise and the franchisees, and violated the implied covenant of good faith by continuing to implement the Franchise Agreement absent a "well recognized brand."

PARTIES

1. Plaintiff Judith Klosek ("Klosek" or "Plaintiff") is a resident of California and is currently a franchisee of Ameriprise; she has been a franchisee of AEFA and Ameriprise since December 24, 2002. Under Defendants' franchise arrangement, franchisee advisors are labeled "P2" Advisors. On or about October 4, 2007 Plaintiff sold her book of business to an approved Ameriprise P2 Advisor, but maintains the Franchise. Ameriprise approved the sale on or about November 12, 2007. Klosek's client accounts were transferred on December 19, 2007 to the new P2 advisor.

2. As set forth below, Plaintiff brings this case on behalf of herself and a Class of similarly situated Ameriprise franchisees who became AEFA franchisees prior to February 1, 2005.

3. Defendant The American Express Company is a corporation headquartered in the State of New York and incorporated in Delaware. American Express Financial Advisors, Inc. was a former wholly owned subsidiary of The American Express Company. Defendant Ameriprise Financial, Inc. is a corporation headquartered in Minneapolis, Minnesota and incorporated in Delaware, formerly known as AEFA, and now operating independently under the Ameriprise brand.

JURISDICTION

4. The District Court has jurisdiction over this matter. Ameriprise is headquartered in Minneapolis, Minnesota. The District Court also has jurisdiction because the wrongful acts complained of originated and occurred, and continue to occur, in Hennepin County, Minnesota and because the Franchise Agreement's choice of law provision mandates that Minnesota law applies to disputes arising out of the contract. Further, the District Court is empowered to grant declaratory relief pursuant to Minn. Stat. § 555, et seq., the Uniform Declaratory Judgments Act.

CLASS ALLEGATIONS

5. Plaintiff brings this action as a class action pursuant to Minnesota Rules of Civil Procedure 23.01 and 23.02(a) and (b) and 23.03(d) on behalf of a class of more than 7,400 former AEFA franchisees who were parties to the Franchise Agreement with AEFA at the time AEFA was "spun-off" and re-branded as "Ameriprise."

6. The members of the Class are so numerous that their joinder is impracticable.

7. Plaintiff's claims are typical of the claims of all members of the class. As described below, Plaintiff, as well as each putative class member, entered into a Franchise Agreement with AEFA prior to February 1, 2005, and sustained damages as a result of the breach of contract, tortious interference with contract, and violation of the Minnesota Franchise Act by Defendants, as set forth below. Each putative class member would benefit from the relief requested in the Complaint.

8. Plaintiff will fairly and adequately protect the interests of the members of the class. Plaintiff has retained counsel who are competent and have experience in class action litigation and have no interests that conflict with those of the members of the class.

9. A class action is superior to other available methods for the fair and efficient adjudication of this controversy because joinder of the members of the class is impracticable.

10. The parties are governed by the National Association of Securities Dealers (NASD) Rule 13204, which provides that industry class claims may not be arbitrated.

11. Plaintiff knows of no difficulty that will be encountered in the management of this litigation that would preclude its maintenance as a class action.

12. Common questions of law and fact exist as to all members of the class and those questions predominate over any questions affecting solely individual members of the class. Among the common questions of law and fact common to the class are:

(a) Did AEFA breach its contract with Plaintiff in failing to provide a well-recognized brand name?

(b) Did Ameriprise breach its contract with Plaintiff in failing to provide consideration for the "new" non-compete covenant between it and Plaintiff?

(c) Did AEFA and/or Ameriprise breach the implied covenant of good faith and fair dealing with Plaintiff in unilaterally changing the terms of the contract?

(d) Did AEFA and/or Ameriprise violate the Minnesota Franchise Act through its breach of Plaintiff's Franchise Agreement?

(e) Did AMEX tortiously interfere with the contract between AEFA and Plaintiff when it "spun-off" AEFA, depriving Plaintiff of the use of a well-recognized brand name?

(f) Is Plaintiff entitled to an injunction preventing Ameriprise from enforcing the franchise agreements against franchisees that contracted with AEFA?

(g) Is Plaintiff entitled to a declaratory judgment that AEFA and/or Ameriprise breached their contracts with Plaintiff and the Class, and violated the Minnesota Franchise Act, Minn. Stat. § 80C.01, et seq.?

(h) Do provisions of the Franchise Agreement violate the Minnesota Franchise Act, Minn. Stat. § 80C.01, et seq., thus requiring reformation of the Franchise Agreement?

13. These common questions of law and fact predominate over any issue individually affecting Class members.

14. The prosecution of separate actions by individual Class members would create a risk of inconsistent and varying adjudications.

15. Ameriprise acted on grounds generally applicable to the Class, thereby making appropriate injunctive and declaratory relief with respect to the Class as a whole.

16. This action may be brought as a class action with respect to particular issues alleged herein.

BACKGROUND

A. The AEFA Franchise

17. AEFA was a registered broker dealer and investment advisor that sold financial advice and products to the general public through a system of financial advisors that comprised over 7,400 franchisees, including Plaintiff.

18. In the course of negotiating with AEFA to become franchisees, Plaintiff and the Class all received a document called the "Uniform Franchise Offering Circular" ("UFOC"), which includes information AEFA must provide to prospective franchisees under federal and state law. (Attached as Ex. A). A UFOC is a document typically circulated by a franchisor to prospective franchisees to fully apprise the potential franchisees of the risks involved in the investment. The Plaintiff and all of the proposed Class also entered into Franchise Agreements with AEFA that govern the franchisor-franchisee relationship.

19. Prior to August 1, 2005, Plaintiff operated as an AEFA franchisee pursuant to the Franchise Agreement. The first page of the Franchise Agreement states:

> "The distinguishing characteristics of the [AEFA franchise] System include a well recognized brand; distinctive products and services; [and] the System is identified by trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, the mark 'American Express.'" (Attached as Ex. B).

Section 24 of the Franchise Agreement provides that AEFA will only change the System in a manner that is not specifically precluded by the Franchise Agreement. Such change may be made based on what is in the best interests of the System. Furthermore, the UFOC says that the changing of proprietary marks for use in the System can only be done if AEFA determines the substitution will be beneficial to the System or if the Proprietary Marks can no longer be used. (*See* Ex. A at 57).

20. AEFA never made any such determination. Rather, the determination was made *for* AEFA. As *Business Week* reported in its September 26, 2005 issue: "[Amex] Chief Executive Kenneth I. Chenault called him [James Cracchiolo] into his New York City office last January and told the 23-year AmEx veteran his unit was being dumped. 'It was shocking,' recalls Cracchiolo."

21. Neither can Ameriprise or AMEX argue in good faith that changing the System's mark from an internationally known mark to an unknown mark was beneficial to or in the best interests of the System. (See Ex. A at 53).

22. The primary benefit of the Franchise Agreement for Plaintiffs was affiliation with the American Express brand, which was rated the 14th most recognized brand name in the world in 2005 in a survey published by Interbrand Corporation (the leading brand consulting firm in the United States) and *BusinessWeek* Magazine.

23. In consideration for this affiliation, Plaintiff built her franchise, and paid franchise and related fees of over $12,000 per year.

24. The Franchise Agreement states that modifications to the Franchise Agreement must be made in writing by *both* parties, except modifications to manuals and systems. (Ex. B at 36). The Franchise Agreement also states that termination of the Franchise Agreement requires AEFA to provide 90 days notice at the time for renewal of the Franchise Agreement. (Id. at 5). AEFA did not provide notice of a termination of the Franchise Agreement, nor did they modify the Franchise Agreement in accordance with the Franchise Agreement's terms.

B. The AEFA "Spin-off"

25. On February 1, 2005, Amex announced to its shareholders plans to "spin off" 100% of the common shares it held in AEFA, through which the financial advisors' business is conducted. Then, on May 25, 2005, it was announced for the first time that, as part of that spin off from Amex, AEFA would "adopt the new name Ameriprise Financial." It was also noted that the transaction was expected to be completed in the third quarter of 2005 and that the company would begin operating under the Ameriprise Financial brand on August 1, 2005. The press release stated that, "the new Ameriprise Financial logo is based on a compass, symbolizing how the company provides direction and helps its clients navigate their financial futures."

26. This severance eliminated a fundamental benefit of the Franchise Agreement for Plaintiff—association with a world-famous branded trade name with associated goodwill. Plaintiff was no longer permitted to operate under the American Express name.

27. The switch to operations under "Ameriprise" robbed Plaintiff and the Class of the benefit of their bargain and left them with only an unbranded trade name. By analogy, McDonald's could not inform its franchisees that it was spinning off its fast-food operation, and prohibiting their further use of the "Golden Arches," when its franchisees paid for use of the McDonald's trade name.

28. Ameriprise has never been and is not now ranked within the Top 100 Brand Names, as compiled in a yearly report created by Interbrands and published in *Business Week*. In contrast to the widely known and highly touted American Express mark, the Ameriprise mark was unknown as a marketplace identifier. This was more than just a change in name, but rather complete severance from AMEX, whose name carries immense prestige and is instantly recognized.

29. In contrast, Ameriprise received one of the lowest rankings in customer satisfaction in a J.D. Power and Associates survey of financial advisory firms conducted in 2006. As of January 2007, the investment research firm Morningstar gave Ameriprise only two stars out of a possible five-star rating. "These are the kinds of public-relations disasters that can cause inestimable damage to a brand, especially one that is so new and competes in the financial-services industry. It is difficult for a firm's financial-planning professionals to maintain credibility with clients if its integrity and objectivity are being questioned." Barry Silverstein, *Ameriprise: Dream Investment?*, Brandchannel.com, June 25, 2007, at: http://www.brandchannel.com/features_profile.asp?pr_id=341.

30. Following the "spin-off," the newly created Ameriprise did not enter into new contracts with Plaintiff, or provide new consideration for any modification of the Franchise Agreement (including, but not limited to, the new brand name and new non-compete clause).

31. Plaintiff and putative Class members who signed Franchise Agreements with AEFA are not permitted to retain or solicit their customers if they leave Ameriprise. Franchisees are subject to vigorous enforcement by Ameriprise of the covenant not to compete clauses contained in the AEFA Franchise Agreements, and are thus subject to expensive arbitration proceedings if they attempt to leave Ameriprise.

COUNT I
Breach of Contract
(Against Defendant AEFA)

32. Plaintiff realleges and incorporates by reference the preceding paragraphs as if fully set forth herein.

33. The Minnesota Franchise Act, Minn. Stat. § 80C.01, et seq., defines a franchise as a contract or agreement, "by which a franchisee is granted the right to engage in the business of offering or distributing goods and services using the franchisor's trade name, trademark, service mark, logotype, advertising, or other commercial symbol or related characteristics" for which the franchisee pays a franchise fee. Minn. Stat. § 80C.01, subd. 4.

34. Accordingly, the fundamental purpose of a franchise is for the right to use certain, specific, and definite trade name or mark. The franchisee pays for the right to use the particular trade name or mark.

35. The Franchise Agreement and the UFOC contain contract terms that promise the franchisees "a well-recognized brand" in exchange for franchise fees. Section 24 of the Franchise Agreement provides that American Express will only change the System in a manner that is not specifically precluded by the Franchise Agreement. Such change may be made based on what is in the best interests of the System. Additionally, the UFOC states that the changing of proprietary marks for use in the System can be done only if AEFA determines the substitution will be beneficial to the System or if the Proprietary Marks can no longer be used. AEFA made no such determination. Further, AEFA cannot argue in good faith that changing its mark from an internationally known mark to an unknown mark was beneficial to or in the best interests of the System. (Ex. A at 53).

36. The August 1, 2005 change from AEFA to Ameriprise breached a contract to provide franchisees the right to use and be affiliated with "a well-recognized brand" name—a right they paid consideration for. Such action constitutes a breach of contract.

37. When Amex "spun-off" AEFA, Plaintiff lost all affiliation with the well-recognized Amex brand. This severance deprived Plaintiff of the association with AMEX, a highly regarded and internationally-known corporation whose name carries considerable cache.

38. AEFA thus terminated and breached its Franchise Agreement with Plaintiff, for which Plaintiff is entitled to damages in an amount to be proved at trial.

39. As a direct and proximate cause of this breach, Plaintiff and the Class are entitled to damages or rescission of the Franchise Agreement.

COUNT II
Breach of Contract: Unenforceable Non-compete Covenant Due to Failure of Consideration (Against Defendant Ameriprise)

40. Plaintiff realleges and incorporates by reference the preceding paragraphs as if fully set forth herein.

41. Section 19 of the Franchise Agreement between AEFA and its franchisees contained a one-year, "Non-Compete Covenant" which is vague, overbroad and excessive. *See* Ex. B at 31-32.

42. At the time of the spin-off, Ameriprise assumed control of the Franchise Agreements, without offering consideration to franchisees for this Non-Compete Covenant. While the Franchisees agreed to a covenant not to compete with AEFA, they did not covenant with the new company Ameriprise. Accordingly, the non-compete provision contained in the purported Franchise Agreement with Ameriprise was a "new" non-compete covenant and, as a result, Ameriprise was required to provide franchisees with independent consideration in exchange for the new non-compete clause. Accordingly, the Non-Compete Covenant is void.

43. As direct and proximate result of Ameriprise's breach, Plaintiff and the Class have been damaged at an amount to be proven at trial.

COUNT III
Breach of the Implied Covenant of Good Faith and Fair Dealing (Against Defendants AEFA and Ameriprise)

44. Plaintiff realleges and incorporates by reference the preceding paragraphs as if fully set forth herein.

45. In Minnesota, every contract includes an implied covenant of good faith and fair dealing.

46. The covenant of good faith and fair dealing requires a party in a contractual relationship to refrain from arbitrary and unreasonable conduct that has the effect of preventing the other party to the contract from receiving the fruits of the contract.

47. AEFA and Ameriprise owed Plaintiff and the Class a continuing duty of good faith and fair dealing in connection with the Franchise Agreements, including a duty not to deprive franchisees of the intended object of the contract—the exchange of money and loyalty for affiliation with a well-recognized brand name, i.e., Amex.

48. AEFA and Ameriprise violated the spirit and letter of the Franchise Agreements by depriving Plaintiff and the Class of what is the heart of any franchise agreement—the use of a specific and particular brand name—without providing consideration or allowing Plaintiff the opportunity to terminate the contract. AEFA and Ameriprise did so in bad faith, with the ulterior motive of keeping current franchisees tied to their contracts.

49. AEFA and Ameriprise acted to prevent Plaintiff from enjoying the benefits of the contract by depriving Plaintiff of the name for which she paid consideration to use to develop her business. Defendant Ameriprise did so in bad faith, in failing to provide new consideration, failing to enter into new contracts with franchisees, and in rigorously enforcing its contractual "rights" to keep franchisees tied to the terms of the AEFA contract.

Count IV
Violation of the Minnesota Franchise Act, Minn. Stat. § 80C.01, et seq.
(Against Defendants AEFA and Ameriprise)

50. Plaintiff realleges and incorporates by reference the preceding paragraphs as if fully set forth herein.

51. AEFA sold Plaintiff a "franchise" opportunity, as defined by the Minnesota Franchise Act, Minn. Stat. § 80C.01, et seq.

52. AEFA and/or Ameriprise is a franchisor as defined by the Minnesota Franchise Act, Minn. Stat. § 80C.01, subd. 6.

53. The Minnesota Franchise Act governs the relationship between the parties because the franchisor is headquartered in the State of Minnesota and the offers to sell the franchises were made and originated in Minnesota, because paragraph 26 of the Franchise Agreement provides that Minnesota law will apply to any legal disputes, and because there is no conflict of laws between the Minnesota Franchise Act and any other applicable state franchise statutes.

54. The Minnesota Franchise Act incorporates an "anti-waiver" provision which specifies that any purported waiver of rights under the Act is void. Minn.

Stat. § 80C.21. In violation of this provision of law, the Franchise Agreement purports to impose on Franchisees, including Plaintiff, numerous releases and waivers of rights. Additionally, in violation of public policy, it is AEFA's and Ameriprise's policy to require franchisees' complete waiver of whistleblower rights. Specifically, paragraph 12 of Addendum 3-T to the Franchise Agreement provides:

> The filing by Advisor of an NASD arbitration claim, seeking to declare any part of this Addendum or the Franchise Agreement invalid or unenforceable, shall be conclusive proof of a violation of and intent to violate such Agreements and a basis for immediate court ordered injunctive relief in favor of AEFA, upholding the Franchise Agreement, pending a decision on the merits by an NASD arbitration panel.

55. Under the Minnesota Franchise Act, a franchisor may not commit unfair practices, defined in Minn. Stat. § 80C.14, and under Minnesota Rule 2860.4400. promulgated pursuant to the Act by the Minnesota Department of Commerce. Accordingly, Plaintiff seeks to remedy all of Ameriprise's unfair or unenforceable contractual and company-wide practices, subject to proof.

56. Minn. Stat. § 80C.17 provides that "[a] person who violates any provision of this chapter or any rule or order thereunder shall be liable to the franchisee or subfranchisor who may sue for damages caused thereby, for rescission, or other relief as the court may deem appropriate." Minn. Stat. § 80C.17, subd. 1.

57. The Franchise Agreement must be reformed to remove the prohibition of franchisees' assignment, transfer, or sale of the franchise to anyone other than another franchisee of Ameriprise.

58. As a direct and proximate result of AEFA's and Ameriprise's violations of the Minnesota Franchise Act and the Minnesota Regulations, Plaintiff and the

Class have suffered damages and are entitled to recover their damages from Ameriprise in an amount to be determined at trial, together with costs, disbursements, and attorneys' fees.

COUNT V
Tortious Interference with Contract
(Against Defendant AMEX)

59. Plaintiff realleges and incorporates by reference all proceeding paragraphs as if fully set forth herein.

60. As detailed above, Plaintiff and the Class entered into Franchise Agreements with Defendant AEFA.

61. AMEX, as the parent company of AEFA, was at all times fully aware of the existence of these contracts.

62. AMEX intentionally and without justification caused AEFA to breach its contracts with Plaintiff and the Class to provide a "well recognized brand" and deprived Plaintiff and the Class of the use of the American Express brand name when it "spun-off" AEFA as detailed above.

63. As a direct and proximate result of AMEX's tortious interference, Plaintiff and the Class have been damaged at an amount to be proven at trial.

COUNT VI
Injunctive Relief
(Against Defendant Ameriprise)

64. Plaintiff realleges and incorporates by reference the preceding paragraphs as if fully set forth herein.

65. As AEFA and Ameriprise are in breach of the Franchise Agreement, all franchisees are now relieved of their legal obligations thereunder.

66. An injunction should therefore issue against Ameriprise to prevent it from taking adverse action against any franchisees, including Plaintiff, as outlined in the prayer for relief.

67. As a result of Ameriprise's course of conduct, in the absence of an injunction barring such conduct, Plaintiff and the Class will be unable to pursue a livelihood in their chosen profession or service any of their clients, and will sustain great and irreparable injury.

68. Plaintiff and the Class cannot be fully compensated in damages, and are without an adequate remedy at law because they would be forced into working at jobs for which they are neither prepared nor trained, nor desirous of entering.

COUNT VII
Declaratory Judgment
(Against Defendants AEFA and Ameriprise)

69. Plaintiff realleges and incorporates by reference the preceding paragraphs as if fully set forth herein.

70. This action constitutes a ripe, justiciable controversy. Plaintiff has standing to seek a Declaratory Judgment pursuant to Minn. Stat. § 555.02. Plaintiff seeks a declaration that the Franchise Agreement violates the Minnesota Franchise Act. Plaintiff also seeks a declaration that AEFA and Ameriprise have breached their contracts with the Class Members and that the Class is entitled to damages or restitution.

WHEREFORE, Plaintiff, and the Class she seeks to represent, requests the following relief:

1. An order granting Class status to this action pursuant to Rule 23 of the Minnesota Rules of Civil Procedure.

2. Reformation of the Franchise Agreement to bring it into conformance with applicable law.

3. A permanent injunction enjoining Defendants, their agents, employees, officers, attorneys, and representatives, from engaging in or performing any wrongful acts against franchisees, including but not limited to the following:

   a. Directing class members to cease using so-called Ameriprise confidential client information and soliciting their Ameriprise clients and affiliates;

   b. Directing class members to immediately return all originals and copies of Ameriprise documents, including all so-called Ameriprise client records, financial plans, and financial inventories—other than Ameriprise computer software, in any franchisee's possession or control.

   c. Enjoining any class member, his or her agents, servants, employees, officers, attorneys, successors, and assigns, and all persons, firms and corporations acting in

connection or participation with them or on their behalf, from:

i. For a period of one year, directly or indirectly, soliciting any further business from any Ameriprise client whom the franchisee served or whose name became known to the franchisee while representing Ameriprise;

ii. Revealing or disclosing in any manner information contained in the records or files of Ameriprise, including the names, addresses, or any financial information of any Ameriprise client whom the franchisee served or whose name became known to the franchisee while representing Ameriprise;

iii. Encouraging or inducing any Ameriprise client whom the franchisee served or whose names because known to the franchisee while representing Ameriprise (who has not already transferred their accounts from Ameriprise) to terminate any agreement or relationship with Ameriprise or to withdraw any investment or account currently with Ameriprise for one year.

d. Enjoining any class member from selling any investment, financial or insurance products or services except through Ameriprise with Ameriprise's written approval or consent; or

e. Enjoining any class member from opening an account for, or providing or offering to provide any investment, financial or investment products or services to any Clients that the Independent Advisor contacted, serviced or learned about while operating under the Franchise Agreement.

4. A declaration pursuant to Minn. Stat. § 555, et seq. that the Franchise Agreement violates the Minnesota Franchise Act.

5. A declaration pursuant to Minn. Stat. § 555, et seq. that Defendants have breached the Franchise Agreements entered into by the Class Members

6. That the Franchise Agreements be rescinded and restitution of all franchise fees paid since the change to Ameriprise be awarded.

7. That monetary damages or restitution in the amount equal to the franchisees' losses stemming from loss of the well-recognized American Express brand be awarded.

8. Awarding Plaintiffs' damages or restitution in the amount of their investments in their AEFA franchisees, recoverable since the change to Ameriprise.

9. Costs of this action, including attorneys' fees, and other just relief.

JURY TRIAL DEMAND

Plaintiff demands a jury trial.

Respectfully submitted,

Dated: January 25, 2008

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ACKNOWLEDGMENT

The undersigned hereby acknowledges that costs, disbursements, and reasonable attorney and witness fees may be awarded pursuant to Minn. Stat. §549.211, subd. 2 to the party against whom the allegations in this pleading are asserted.

KDH

Dated: January 25, 2008

Timothy J. Becker