

Settlement of Class Action Lawsuit

Notice to American Express Cardmembers of Refund Regarding Charges Made in Foreign Currencies

If you used an American Express card for charges in foreign currencies between March 28, 1997 and October 15, 2004, you may be entitled to a refund in connection with the settlement of a class action lawsuit.

Your refund is based on when you opened (or closed) your American Express account.

If you opened your account *after* February 1, 1999, you may receive a payment up to the amount of all conversion "fees" you were charged between February 1, 1999 and October 15, 2004.

If you made purchases in Turkey after February 1, 1999, you may receive an additional amount.

If you opened your account *before* February 1, 1999, you may receive a payment of up to \$15.00 plus all conversion "fees" you were charged between February 1, 1999 and October 15, 2004.

If you closed your account before February 1, 1999, you may receive up to \$15.00.

You Must File a Claim to Get Your Refund. If you did not pay money you owed to American Express, you do not qualify for this refund.

How to File a Claim

Completely fill out, sign, and return the enclosed claim form.

If you need a claim form, call:
1-877-567-4294

Or go to: www.lipumasettlement.com

You can only file one claim per account and your claim *must* be postmarked by **April 13, 2005**.

Legal Background

On October 15, 2004, the U.S. District Court for the Southern District of Florida gave preliminary approval to the Settlement in *LiPuma v. American Express, et al.*, a class action lawsuit on behalf of all former or current American Express cardmembers or accountholders with U.S. billing addresses who incurred a charge denominated in a foreign currency, and paid that charge in U.S. dollars, during the time period between March 28, 1997 and October 15, 2004, and who did not negotiate (or on whose behalf there was not negotiated) a foreign currency conversion methodology for their American Express account(s).

The class representatives alleged that American Express did not adequately disclose its foreign currency conversion practices, including but not limited to a 1% - 2% "fee" on charges made in foreign currencies. Similar lawsuits have been filed in California, New York, Illinois and Texas. **For more details of these cases, see the Settlement Agreement and Addendum No. 1 to the Settlement Agreement.**

American Express denies any wrongdoing and contends that its foreign currency conversion practices are fully disclosed and allowed by its cardmember agreements.

Settlement Terms

American Express has agreed to:

1. Disclose their foreign currency conversion methods in cardholders' agreements and periodic statements, including listing, highlighting, and explaining all foreign currency conversion fees on cardholders' periodic statements.
2. Pay a maximum amount of \$75 million plus interest and a minimum amount of

\$30 million. This money will go to: pay the refunds described above, make donations to charity on behalf of cardholders who do not receive a refund, and reimburse plaintiffs' attorney's fees and litigation expenses.

- If cardholders claim less than \$29.5 million, American Express has agreed to pay additional money to one or more court-approved charities in an amount that will bring the total payment to \$30 million.
 - If cardholder claims are more than \$30 million but less than \$75 million, American Express has agreed to pay up to an additional \$2.5 million to one or more court-approved California based charities.
3. In addition to the \$75 million maximum payment, American Express also will pay for class notice and settlement administrative costs. In addition to the \$30 million minimum payment, American Express also will pay for plaintiffs' attorney fees, class notice and settlement administration costs.
 4. If the amount of valid claims submitted and court awarded attorneys' fees totals more than the \$75 million maximum payment, the refund payments will be decreased on a *pro rata* basis.
 5. The Court will determine the appropriate amount of attorneys' fees and costs to be awarded. Class Counsel intends to apply for an award of attorneys' fees and costs in an amount that will *not* exceed \$11 million plus interest, and incentive awards to the class representatives of up to \$10,000 for serving as class representatives. American Express will not oppose Class Counsel's application. The Settlement is not conditioned upon approval of any of these amounts.

Your Rights

Right to be Excluded from the Settlement

You do not have to be included in the settlement. If you want to exclude yourself from the settlement, write a letter that says: "I/we request to be excluded from the settlement in *LiPuma vs. American Express*,

U.S. District Court for the Southern District of Florida, Case No. 04-20314-CIV-Altonaga."

You must include your full name, address and account number(s). You and any other joint accountholders (unless you have a Corporate Card) must sign the letter. Then mail it to:

***LiPuma Settlement Administrator
P.O. Box 1707
Faribault, MN 55021-1707***

Your letter must be postmarked by **February 14, 2005**.

If you exclude yourself from this settlement, you will not be bound by the settlement and you will still be able to bring your own lawsuit or arbitration against American Express.

If you do not exclude yourself (or do not submit a claim on time) you are still bound by this settlement.

If you want a refund do not request exclusion from the settlement.

Right to Object

The Court has scheduled a Final Settlement hearing on **March 14, 2005**, at **9:00 A.M.** at the United States District Court for the Southern District of Florida, 301 N. Miami Ave., Miami, FL 33128, to consider whether to give final approval to the Settlement.

You can oppose the settlement at the hearing. But, first you must explain your objection in writing and file it with the court by **February 14, 2005**.

You must also mail your objection to:

***Class Counsel: Bruce E. Gerstein
Garwin, Bronzaft et al.,
1501 Broadway, Suite 1416
New York, NY 10036***

***Class Counsel: Frank J. Janecek, Jr.
Lerach Coughlin et. al
401 B Street, Suite 1700
San Diego, California 92101***

***Counsel to American Express:
Julia B. Strickland***

*Stroock & Stroock & Lavan LLP
2029 Century Park East, 18th Floor
Los Angeles, CA 90067.*

Each objection must be postmarked by:
February 14, 2005.

More Information

This notice is only a summary of the Settlement. To review a complete copy,

Call: 1-877-567-4294 (*toll free*)

Or go to:
www.lipumasettlement.com

Or contact any of the Class Counsel:

Garwin, Bronzaft et al., (address above)

Kozyak Tropin & et. al.
*2800 Wachovia Financial Center
200 South Biscayne Blvd.
Miami, FL 33131-2305*

Steyer Lowenthal et. al.
*One California Street, Suite 300
San Francisco, CA 94111*

Lerach Coughlin et. al. (address above)

You can also review the Court's file during regular court hours at:
U.S. District Court for the Southern District of Florida
301 N. Miami Ave.
Miami, FL 33128

Release of Claims

If the Settlement receives final approval from the Court and you do not opt out, you will release all claims, known or unknown, (1) that arise out of or are related in any way to any or all of the acts, omissions, facts, matters, transactions, or occurrences that were directly or indirectly alleged, asserted, described, set forth or referred to in the Litigation; and (2) that are, were, or could have arisen out of or been related in any way to Defendants' foreign currency conversion practices and the disclosures relating thereto.

The complete release is set forth in the Settlement Agreement.