



## Ameriprise Financial Planning Service – Update

Update Dated September 2012

This update revises information contained in the Ameriprise Financial Services, Inc. Form ADV, Part 2A Client Disclosure Brochure (“Brochure” or “Disclosure Brochure”)(Form 94003). All information contained in the Disclosure Brochure remains the same with the exception of the language noted below. To help you better understand this information, headings and subheadings in this supplement and the Disclosure Brochure, the update supersedes the Disclosure Brochure.

Beginning on page 2, this update replaces in their entirety the sections “Advisory Business”, “Fees and Compensation”, “Performance-Based Fees and Side-by-Side Management”, “Types of Clients”, “Methods of Analysis, Investment Strategies and Risk of Loss”.

## Advisory Business

Ameriprise Financial Services, Inc. (“Ameriprise Financial Services”) is an investment advisory firm offering financial planning services since 1986. Ameriprise Financial, Inc. is the parent company of Ameriprise Financial Services and American Enterprise Investment Services, Inc.

### Ameriprise Financial Planning Service

Ameriprise Financial Planning Service (“AFPS”) is designed as a long-term, collaborative, ongoing financial planning relationship based on our unique *Dream > Plan > Track >®* approach to financial planning. You and your financial advisor will work together to define your dreams, develop a plan to help you get there and then track your progress along the way, making changes when needed. Ameriprise Financial Services uses the six-step financial planning process defined by the Certified Financial Planner Board of Standards, Inc. As participants in this process, you and your financial advisor will:

**o Identify/prioritize objectives.** Discuss your dreams, goals and needs to develop a clear vision of your financial future.

**o Gather information.** Review important documents such as your bank and brokerage statements, tax returns, insurance policies and retirement plans.

**o Analyze information.** Understand the big picture of your financial situation, based on information you provide, and analyze how the different elements of financial planning may impact each other.

**o Propose recommendations.** Develop written financial planning recommendations that align with your goals.

**o Take action.** Take action on your recommendations after developing proposed financial solutions to help reach your goals.

**o Track your progress.** Your needs and goals evolve over time. Tracking your progress will enable you to make adjustments in light of personal, legislative and economic changes.

References in this Brochure to “you” and “your” apply to each AFPS client who signs the AFPS Agreement. References to “us,” “we,” and “our” refer to Ameriprise Financial Services. References to your “financial advisor” are to your Ameriprise financial advisor.

The advice you receive from your financial advisor is intended for your use only. If you choose to share your analysis and recommendations with a third party, neither your financial advisor nor Ameriprise Financial Services (nor any of its affiliates) is responsible for the outcome.

## **AFPS planning topics**

Your financial advisor will review your data and other information to make recommendations that can help you meet your goals.

### **Financial Fundamentals**

**Basic financial position.** At a minimum, this will include a high-level compilation of your net worth, income (inflows) and expenses (outflows). It may also include action statement(s) and/or an acknowledgement by your financial advisor that figures are based on estimates if you are not able to provide accurate data.

**Protection needs.** At a minimum, this will include an inventory of your insurance policies, including life, disability (if you are not retired) and long-term care (if you have reached a certain age). You may also receive an analysis of your needs and your family’s needs in the event of death, disability and long-term care, as applicable. This may include an overview of other protection needs (e.g., property and casualty). Your financial advisor may also provide action steps in the form of recommendations; observations about the adequacy of your coverage; and/or other statements acknowledging your insurance situation, protection planning preferences, and/or whether any of the data or analysis is based on estimates if you are not able to provide accurate data.

**Basic estate needs.** This may include an inventory of basic estate documents that are essential for the proper disposition of your assets upon your death and to provide for appropriate care in the event of your incapacitation. It may also include a review of asset and policy ownership and beneficiary designations, as well as action steps or comments on how to work with legal advisors to improve your basic estate situation.

NOTE: Your financial advisor will review the financial fundamentals at least in the first year of your financial planning relationship. Fundamentals do not apply to advisory relationships with entity clients, such as trusts or businesses. Financial fundamentals are not provided as part of estate settlement or divorce planning.

### **Advisory relationship packages**

Ameriprise Financial Services offers the following AFPS advisory relationship packages (“relationship packages” or “relationship package”) to help you achieve your financial planning goals.

*ENDEAVOR* - This relationship package is intended for clients who seek financial planning services to help achieve one primary goal.

*EMPOWER*– This relationship package is intended for clients who seek financial planning services to help achieve up to three primary goals.

Note: Your financial advisor may also use your overall complexity of your financial situation and goal(s) to determine which relationship package is appropriate for you.

**Not all Ameriprise financial advisors are approved to provide these relationship packages which are offered on a limited basis. These relationship packages are optional offerings. You may engage in an AFPS relationship without selecting one of these two packages. Discuss your options with your financial advisor.**

## Goals to track over time

*ENDEAVOR* – Your analysis and written recommendation(s) may address one of the following goals:

**Strengthen financial position** - applying cash flow management strategies to help you optimize resources available. This may include debt management techniques, major purchase financing decisions, cash reserve strategies and family budgeting. This is correct

**Fund retirement** — applying strategies to help you fund retirement, transition to retirement or ensure adequate retirement income.

**Fund education** — applying strategies to help you fund the education of children, grandchildren or others. This may also include financial aid analysis.

*EMPOWER* - Your analysis and recommendations may address the goals described under *ENDEAVOR* and/or one or more of the following goals :

**Investment planning — applying strategies to help optimize portfolio performance to reach future financial goals. AFPS does not include market timing or product transfer timing advice.**

**Income tax planning —addressing the general tax considerations for financial services products, transactions and registrations (ownerships). Ameriprise Financial Services and your financial advisor do not provide legal or tax advice.**

**Estate, legacy or multigenerational planning— addressing gaps and/or adequacy of assets, ownership, and estate needs.**

Our financial advisors can provide you with advice or education to help you meet a wide variety of your financial needs, including asset allocation services. However, neither Ameriprise Financial Services nor your financial advisor is acting as a “fiduciary” for purposes of any law regulating any governmental plan (“Plan”), including with respect to asset allocation services provided to you. Also, to the extent an asset allocation service identifies any specific investment alternative, please note that other investment alternatives with similar risk and return characteristics may be available to you. Your Plan sponsor (for government plans or those that fall under the Employee Retirement Income Security Act of 1974, “ERISA”) or your financial advisor can assist you in obtaining information about other potential investment alternatives.

## Initial recommendations

In the first year following the effective date of the Agreement, described below, your financial advisor will make best efforts to perform an analysis and deliver within 180 days initial written recommendation(s). The analysis and written recommendations will address the priority goal(s) you have discussed with your financial advisor. The remainder of the first year may focus on tracking progress to goals; and if you have

the EMPOWER relationship package, you may also address other financial planning topics and/or begin to take action on written recommendations as appropriate.

Shortly after you sign the Agreement, we will send you a confirmation of services that will summarize certain information contained in the Agreement, including the total quoted AFPS fee, and the date that your planning relationship began. The summary will include the latest date within the engagement period, defined below, on which you can expect to receive your initial written recommendations. You will also receive a confirmation of services annually, in the form of a notice on your consolidated statement or other written notice to you each time your Agreement renews. Please contact Ameriprise Financial Services at 800.862.7919 if you do not receive a confirmation of services within 120 days of your renewal date. If your personal financial circumstances or need for financial planning services changes, you and your financial advisor should discuss whether your fee needs to change.

## **Ongoing relationship**

As your financial planning relationship continues, you will work with your financial advisor following the financial planning process described above. For example, you and your financial advisor will:

- o Confirm your working relationship and the associated fee, annually
- o Track progress over time toward identified goals
- o Identify key changes to your situation and revisit your financial goals
- o Propose new recommendations as appropriate

Your Agreement is effective the day you and your financial advisor sign it. If you do not receive your written financial planning recommendations within the engagement period, defined below, you are entitled to a refund of your AFPS fee.

## **Changing your planning topics**

You may change your financial planning topics by discussing any desired changes with your financial advisor. In addition, after looking at all of your financial data, your financial advisor may decide to recommend further assessment in a specific area that has not already been identified.

You and your financial advisor should also discuss whether a different relationship package is right for you (appropriate for your level of complexity and desired goals to achieve) or if you should consider other Ameriprise financial planning services in light of the changes to your planning topics.

Changes are confirmed to you by the delivery of recommendations consistent with your new topics. Read and understand those recommendations to determine if the topic changes are consistent with your understanding of them. If the changes differ from your understanding, please contact your financial advisor.

## **Implementation of your financial planning recommendations**

The recommendations provided may be implemented through Ameriprise Financial Services, its affiliates or other financial services providers. We cannot guarantee future financial results or the achievement of your financial goals through implementation of recommendations provided to you. Ameriprise Financial Services does not monitor the day-to-day performance of your specific investments. Before implementing any recommendations you should consider carefully the ramifications of purchasing products or services, and

you may want to seek further advice from your lawyer and/or accountant, particularly in connection with estate planning, taxes, or small business owner planning issues.

When you choose to purchase products and services through us, you have the option of investing through a transaction-based brokerage account, a fee-based investment advisory account, or both.

**Transaction-based brokerage account.** You pay commissions and other charges (such as sales loads on mutual funds) at the time of each individual securities transaction. As a result, this type of account may be more suitable than a fee-based investment advisory account if you do not expect to trade on a regular basis.

**Fee-based investment advisory account.** You pay a fee on a monthly or quarterly basis based on the assets held within, and investment advisory services provided for, your account rather than a commission on each individual transaction. As a result, this investment advisory account, which is also known as a managed account, may be more suitable than a brokerage account if you expect to trade more frequently. Ameriprise Financial Services acts as sponsor and introducing broker in connection with a managed account and offers several different types of managed accounts. See the *Ameriprise®* Managed Accounts Client Disclosure Brochure for additional important information, including applicable fees and other charges. Your financial advisor may not offer all investment advisory services or accounts.

Depending on how long you choose to be a financial planning client and the number and types of products that you purchase from Ameriprise Financial Services, you may pay more or less to purchase products and services through Ameriprise Financial Services and its affiliates than if you were to purchase products and services from other financial services providers. If you have Ameriprise Financial Services accounts, your financial advisor will review or answer questions about your monthly and/or quarterly consolidated statement of accounts.

## How to make the most of your financial planning relationship

At Ameriprise Financial Services, we believe that financial planning is the best way to help you achieve your dreams. The financial planning relationship begins with you. As an AFPS client, you will need to:

**Establish clear and measurable financial goals.** Have an idea of what you want to achieve and by when. Talk with your financial advisor about these goals so he or she may be part of the planning process. For example, if you dream of a “comfortable” retirement, think about what that means to you. The more specific you are about where you want to be, the better equipped your financial advisor will be to make recommendations to help you get there.

**Provide complete and timely information to your financial advisor.** Your financial advisor will base your financial planning analysis and written recommendations on the information that you provide.

You must provide the requested information in a timely manner to receive your recommendations in a timely manner. When you become an AFPS client, you represent that all financial and other data that you and/or your representatives or agents furnish to your financial advisor relating to your assets, liabilities, policies, present and future income, and obligations are true and correct and may be relied upon by your financial advisor and Ameriprise Financial Services for the purposes of providing AFPS. If you provide complete and thoughtful information to your financial advisor about your current financial and economic situation, the financial goals on which you want advice, your investment objectives, and any investment restrictions you may have, your financial advisor will be better able to make recommendations to help you achieve your goals and dreams. If you experience significant life events or material changes in your financial situation, inform your financial advisor promptly.

**Review the written recommendations you receive.** Your financial advisor will perform planning analysis on certain topical areas necessary to give you written recommendations, based on the information you have provided. Your financial advisor is obligated to provide recommendation(s) within a particular timeframe, which is discussed in detail in the “Ameriprise Financial Planning Service” section of this Brochure. If your

financial advisor's assumptions, methods, conclusions or recommendations do not meet your expectations, contact your financial advisor right away to resolve your concerns.

**Form reasonable expectations.** Understand the benefits of and limits to the financial planning process and be reasonable in your expectations of the results to be obtained from your financial plan and investments, given your risk tolerance and objectives. Financial planning is an ongoing process; it will not change your situation overnight. Furthermore, events beyond your financial advisor's control, such as changes in economic conditions, will affect your financial planning results. Share with your financial advisor your expectations about the financial planning process and what you want to achieve. If your expectations are not met, let your financial advisor know so that he or she can make adjustments to meet your needs.

**Take action.** After reviewing your financial planning recommendations with your financial advisor, the next step is to take action on the advice you have received. You decide whether or not to implement any of the recommendations. You are not obligated to purchase products or services through Ameriprise Financial Services.

If you would like to work with a different financial advisor, please call us at 800.862.7919 and we will help you find another financial advisor. If for some reason your financial advisor is unable to fulfill the terms of the service agreement, another Ameriprise financial advisor may be assigned to you to provide the written financial planning recommendations and complete the terms of your Agreement.

**Understand that your financial planning service will continue until you terminate it.** Each year of your AFPS Agreement ("engagement period") you will receive written recommendations and pay a financial planning service fee. The service will automatically renew on an annual basis until you decide to terminate the Agreement or stop paying the fee. In addition, Ameriprise Financial Services will notify you when there are material changes to the AFPS Brochure and offer you the opportunity to receive a copy of that revised Brochure. You should carefully consider accepting this offer, as that revised Brochure replaces any previous version you have received. You may request and receive copies of a current Brochure at any time by writing to Ameriprise Financial Services at the following address or by contacting us at 800.862.7919 between 7 a.m. and 6 p.m. Central time.

Ameriprise Financial Services, Inc.  
476 Ameriprise Financial Center  
Minneapolis, MN 55474

**Take an active role in the process.** Understand the process, your role and your financial advisor's role. Provide information. Ask questions about the recommendations you receive. If at any time there are additional topics you would like to cover, let your financial advisor know. Take an active role in making decisions about your financial future, and you will position yourself to get the most out of your financial planning relationship.

## Other advisory services

Ameriprise Financial Services offers several types of managed accounts, including Strategic Portfolio Service ("SPS") *Advantage*, SPS Advisor, *Active Portfolios*® investments, Select Separate Account, *Ameriprise Vista* Separate Account, *Ameriprise Investor* Unified Account, and *Ameriprise Access* Account. At this time not all managed accounts are available to all clients; contact your financial advisor for more information. Please review the *Ameriprise Managed Accounts Client Disclosure Brochure*, or if you have elected to pay a consolidated advisory fee, the *Ameriprise Managed Accounts and Financial Planning Service Combined Disclosure Brochure* for a full description of these services. As of December 31, 2011, Ameriprise Financial Services managed \$81,204,366,559 in nondiscretionary assets and \$22,180,972,795 in discretionary assets.

# Fees and Compensation

The fixed AFPS fees for each relationship package are as follows:

*ENDEAVOR* - The fee for this package is \$300 for the first engagement period. Each time you change your goal, the initial fee will be \$300 and you will begin a new engagement period for the new goal.

*EMPOWER* - The fee for this package is \$600 for each engagement period.

Your financial advisor will explain the AFPS fee so that you understand the factors considered in arriving at your financial planning fee and what you can expect for this fee. Some states may impose a sales tax on your AFPS fee, which we will collect and remit to the applicable state. Your financial advisor will assign an overall complexity factor of “low,” “medium” or “high” to your case based on your particular personal financial circumstances and financial planning needs. Medium and high complexity cases are not available for the ENDEAVOR package.

A portion of the financial planning service and managed accounts fees is paid to your financial advisor for introducing you to the service, gathering the information necessary to prepare your service, helping you establish needs and goals, preparing and presenting your service, and/or providing financial advice on behalf of Ameriprise Financial Services. The remaining portion of the fee goes to Ameriprise Financial Services for the supervisory, technical, administrative and other support provided to all financial advisors. If you establish an *Ameriprise SPS Advantage* or other managed account, the investment advisory fee you pay for the managed account is separate from your AFPS fee. Please refer to the *Ameriprise Managed Accounts Client Disclosure Brochure*, or if you have elected to pay a consolidated advisory fee, the *Ameriprise Managed Accounts and Financial Planning Service Combined Disclosure Brochure*.

You and your financial advisor will determine the payment method for the financial planning fee. You can pay by check or credit card, or you can choose to have the fee deducted from your accounts. You can send the payment after your financial advisor sends you a bill for AFPS.

Some financial advisors require clients to pay financial planning fees either at the beginning of an engagement period or before providing AFPS. See the “Termination of AFPS” and “Termination procedure” sections below for information regarding refunds if you or Ameriprise Financial Services terminates the AFPS Agreement before the end of an engagement period.

Ameriprise Financial Services is dedicated to providing quality client service. We work hard to ensure your satisfaction with the AFPS services that you receive, and seek to meet or exceed your expectations. We will work with you to address any of your concerns, including helping you work with a different financial advisor or terminating the Agreement.

Ameriprise Financial Services and its affiliates receive revenue from several different sources on the products and services you purchase. These sources include the fees and charges you pay, other arrangements we have in place with product companies, and investment and interest income.

The revenue generated or received supports the development of new products, maintenance of our infrastructure, and retention of employees and financial advisors.

**See the “How we get paid” section later in this Disclosure Brochure for more information on conflicts of interest regarding revenue sources for Ameriprise Financial Services and its affiliates.**

Your financial advisor may recommend mutual funds as described in the “Payments from product companies” subsection later in this Disclosure Brochure. The recommendation(s) may include no-load mutual funds.

Within its investment advisory business, Ameriprise Financial Services receives less than 50% of its revenue from its advisory clients for the sale of investment products recommended by its financial advisors, including asset-based distribution fees from the sale of mutual funds.

Your AFPS fee does not include commissions or markups by Ameriprise Financial Services or your financial advisor. If you implement your financial plan in whole or in part through Ameriprise Financial Services or its affiliates, typical investment advisory fees, product fees, and brokerage commissions will apply.

**See the “How we get paid” section and the “Revenue sources for RiverSource Life Insurance Company and, in New York only, RiverSource Life Insurance Co. of New York (collectively “RiverSource Life”)” subsection later in this Disclosure Brochure for more information about the fees and commissions you pay when you implement your financial advisor’s recommendations through Ameriprise Financial Services and its affiliates.**

## **Termination of AFPS**

AFPS will remain in effect until one of the following occurs: termination by you; termination of an existing AFPS Agreement by replacing it with a new one, as described in the **“Terms and Conditions of Your AFPS Agreement”** section of this Brochure; termination by Ameriprise Financial Services, which would require sending you written notice reasonably in advance of the termination date, except as noted in this paragraph, to your address as shown on our records; termination by Ameriprise Financial Services, with no advance notice for nondelivery of services to you by your financial advisor; or termination by you through nonpayment of the AFPS fee.

If you choose to terminate the Agreement during the first year before receiving your initial recommendations, you will receive a full refund of fees paid. However, if you terminate at any time after Ameriprise Financial Services has performed under this Agreement, or if you terminate the services and have not provided your financial advisor with complete and accurate information concerning your financial situation, Ameriprise Financial Services reserves the right in its sole discretion to limit the amount of the refund you receive, if any.

## **Termination procedure**

To terminate or cancel the Agreement and request a refund, if eligible, complete an Account Cancellation and Refund form available from [ameriprise.com](http://ameriprise.com). You may also request the form from your financial advisor or by calling Ameriprise Financial Services directly at 800.862.7919 between the hours of 7 a.m. and 6 p.m. Central time, Monday through Friday.

# **Performance-Based Fees and Side-by-Side Management**

Neither Ameriprise Financial Services nor any of its supervised persons accepts performance-based fees for its investment advisory services, nor do we, through AFPS, manage accounts with different fee structures that may present a conflict of interest.



# Types of Clients

AFPS is generally appropriate for individuals who seek an ongoing fee-based financial planning relationship and who have financial goals and sufficient assets and income to begin addressing those goals. AFPS is intended for individuals; married couples; and domestic partners

## Methods of Analysis, Investment Strategies and Risk of Loss

### Methods of financial analysis

When developing recommendations for you, your financial advisor compares your financial goal(s) with your investment risk tolerance and the risk and potential of a specific product. Your financial advisor may use asset value, current and projected return, and other assumptions you provide, as well as historical return analysis prepared by Ameriprise Financial Services or an affiliate. Your financial plan may be prepared through the use of one or more computer software packages that take a needs-based approach to analyze your goals using one or more methods of analysis, including deterministic and probability modeling. The analysis and projections generated by the tools or other analysis described in this section of the Brochure include information regarding the likelihood of various potential investment outcomes. They are hypothetical in nature, vary depending on which tool of analysis is used and with each use and over time, do not reflect actual investment results, and are not guarantees of future results. The probability of success also varies based on differing assumptions, on different tools and from one financial planning contract year to the next based on changing circumstances and market information. Results may reflect one point in time only and are only one factor you should consider as you determine how best to plan for your future.

Your financial plan also may include an asset allocation analysis designed to assist you in positioning your investment assets. If your financial plan includes such analysis, the recommended portfolio allocation will be determined based on a variety of factors, including your personal financial information and the historical and anticipated performance of different asset classes. The analysis is meant only to illustrate the relative experience among asset classes and portfolios. Periodic rebalancing of your portfolio and reallocation among the asset classes is recommended in most circumstances, and rebalancing and reallocation may not be part of AFPS. Ameriprise Financial Services does not rebalance your portfolio or reallocate your target asset allocations on a continuous basis. If you have a substantial percentage of your net worth given asset or asset class, the illustrations may prompt your financial advisor to recommend that you sell a significant portion of such position to reduce risk by reducing the concentrated positions within your portfolio. This is particularly true if the asset in question is stock of your employer, given that both your income and investment could be tied to the profitability of your employer. **Before you actually sell any such assets, consult with your legal and tax professionals regarding the tax and other implications of any such sale.**

The asset allocation analysis does not provide a comprehensive financial analysis of your ability to reach your other financial planning goals, and it does not identify the impact of your investment strategy on your tax and estate planning situations.

### Sources of information

The principal source of information used by your financial advisor is the data provided by you, such as your personal data, assets and liabilities, income expectations, assumed overall rates of interest and inflation,

short-term and long-term financial goals, risk tolerance associated with goals, and other relevant information. When developing product recommendations, your financial advisor may also use training and marketing materials; prospectuses and annual reports for the investment; financial and insurance products distributed or, in certain instances, created by Ameriprise Financial Services or its affiliates; and market commentary provided by Ameriprise Financial Services or our affiliate, Columbia Management Investment Advisers, LLC (“Columbia Management Investment Advisers”), or other unaffiliated entities. Your financial advisor is supported by Ameriprise Financial Services corporate office staff that reviews publications and other research materials featuring current financial planning techniques, methodologies, laws, regulations and rulings.

## **Investment strategies**

Your financial advisor may recommend long-term strategies for your financial plan, such as dollar-cost averaging, reinvestment of dividends or other proceeds on investments, and asset allocation.

Recommendations may also be made to help you realize capital gains or losses on securities or investment products that you own. Depending on the investment strategy you select, your financial advisor may advise you on, among others: equity securities (e.g., exchange-listed, over-the-counter and foreign); fixed income securities (e.g., corporate debt securities, U.S. government securities, municipal securities, certificates of deposit and commercial paper); warrants; variable life insurance; variable annuities; mutual funds; futures contracts; options contracts; and interests in, among other things, real estate investment trusts (“REITs”) and limited partnerships (“LPs”). See the “Implementation of your financial planning recommendations” section for further information on investment products and services offered by Ameriprise Financial Services.

We cannot guarantee future financial results or the achievement of your financial goals through implementation of your financial plan and any advice or recommendations provided to you. Ameriprise Financial Services does not monitor the day-to-day performance of your specific investments. Before implementing your financial plan, you should consider carefully the ramifications of purchasing products or services, and you may want to seek further advice from your lawyer and/or accountant, particularly in connection with estate planning, taxes or small business owner planning issues.

The benefits and advantages of cash value life insurance generally increase as the policy matures and are most fully realized with the death of the insured. A client with immediate liquidity needs may consider whether to sell the policy to a third party at a discounted value (commonly referred to as a life settlement).

# Terms and Conditions of Your AFPS Agreement

By signing your AFPS Agreement, you agree that the following terms and conditions are incorporated by reference into the Agreement. The Agreement will help ensure that you and your financial advisor are provided with the information required to begin your financial planning relationship.

## 1. Financial planning process

At Ameriprise Financial Services our process is guided by the six-step financial planning process defined by the Certified Financial Planner Board of Standards, Inc. Financial planning is designed to help address your goals and needs through an ongoing relationship. The six-step process is described in the “Ameriprise Financial Planning Service” section of this Brochure.

## 2. Entire agreement

The Agreement, together with (1) any future fee amendment form(s) signed by you and/or your financial advisor as required, and (2) any changes to your goals and financial planning areas discussed between you and your financial advisor, represents the entire Agreement between you and Ameriprise Financial Services. Ameriprise Financial Services may amend the Agreement by providing written notice to you of the amendment. Unless you object to the amendment after receiving written notice of the changes, the amendment will become a part of the Agreement. Notwithstanding the foregoing, an increase to the fee you pay for AFPS because of a change in relationship package must be in writing and signed by you and Ameriprise Financial Services.

The Agreement does not need to be re-signed to reflect changes except as noted below. A new Agreement is required in these instances:

- o You and your financial advisor determine to restart the initial year of service.
- o There is a change in owners or parties to the Agreement, except when there is a joint ownership death.
- o There is a lapse of a prior Agreement (for example, if fees have not been paid for more than one year).

You may terminate the Agreement at any time. If you choose to terminate the Agreement, your eligibility to receive AFPS as described in this Brochure will cease. See the “Termination of AFPS” section of this Brochure for a detailed explanation.

**About the married person as AFPS individual client** — If you are married and participating in a financial planning relationship as an individual, you understand, acknowledge and agree that: (1) as of the signing of the AFPS Agreement, your spouse is not a party to the Agreement; (2) pursuant to the Agreement's Privacy Policy, neither Ameriprise Financial Services nor its representatives will collect personally identifiable data about your spouse due to existing privacy and contract laws; and (3) your analysis and recommendations will be based on information that you provide regarding your financial goals, needs, and priorities since your spouse's data and information are not collected.

**About power of attorney appointments** — If you are an Attorney-in-Fact pursuant to a Power of Attorney for the client, you understand, acknowledge and agree that: (1) the financial planning services will be based on the information you provide us regarding the client's financial situation; (2) you will provide us with complete and accurate information, to the best of your knowledge; and (3) with the service you purchase the financial advisor is not obligated to make any recommendations or give any financial advice that, in the sole judgment of the financial advisor, would be impracticable, unsuitable, unattainable or undesirable for

the client. We strongly recommend you seek advice from legal counsel before implementing suggested planning strategies that involve disposition of assets. We reserve the right to decline business.

### **3. Disclosure of interest and capacity**

**About advisor compensation** — Your financial advisor may recommend that you purchase or sell investments, recommend that you enter into other financial transactions or provide financial advice regarding financial decisions. You have no obligation to follow any such recommendations or advice. If you implement any such recommendations through Ameriprise Financial Services, then in addition to the financial planning fee described above, your financial advisor will receive a commission or other financial benefit as a consequence of the transaction, as described in the “How our financial advisors get paid” section elsewhere in this Brochure.

**About your agreement** — No assignment of the Agreement by Ameriprise Financial Services will be effective without your consent.

**About your initial proposal and ongoing service** — Your financial advisor’s initial recommendations may address only the areas that you have identified as your most immediate needs and priorities. Your financial advisor is not obligated to make any recommendations or give any financial advice to you that, in the sole judgment of the financial advisor, would be impracticable, unsuitable, unattainable or undesirable. It is understood that your financial advisor provides financial services of the type contemplated in the Agreement, as well as other financial services for a number of clients. Your financial advisor will review your financial fundamentals, which may include an analysis of your insurance protection coverages. Ameriprise Financial Services does not provide insurance consulting, tax advice, legal advice or document preparation as part of AFPS. Ameriprise Financial Services does not monitor the day-to-day performance of your specific investments. Neither your financial advisor nor Ameriprise Financial Services shall have any liability for your failure to promptly inform your financial advisor of material changes in your financial and economic situation, your investment objectives or results, and any restrictions you wish to propose that may affect the development of your financial plan.

**About life insurance and annuity products** — You understand and acknowledge that with the sale of life insurance and annuity products, Ameriprise Financial Services and your financial advisor selling the life insurance or annuity product are the appointed agents of the insurer and receive compensation from the insurer for the sale and service of that product. This compensation is separate from and in addition to any fee you pay for AFPS, and may vary depending on the type or size of the life insurance or annuity product that you purchase, the insurer that issues the product, the total number of life insurance and annuity products sold by Ameriprise Financial Services and/or your financial advisor for that insurer, and other factors. This compensation typically will increase based on the size of the life insurance product or annuity product that you purchase, or as the amount of the payments that you make on that product increases. Generally speaking, the compensation that Ameriprise Financial Services and your financial advisor will receive is dependent on a relative compensation formula. That is, compensation received from the sale of life insurance and annuity products is often greater than from the sale of other financial products such as mutual funds. As a result, Ameriprise Financial Services and your financial advisor typically will have a financial incentive to recommend that you purchase a life insurance product or annuity product instead of another financial product such as a mutual fund. You are not obligated to purchase an insurance product from Ameriprise Financial Services or your financial advisor.

**About retirement accounts** — You agree that neither your financial advisor nor Ameriprise Financial Services is acting as a “fiduciary” within the meaning of the Employee Retirement Income Security Act of 1974 (“ERISA”), the Internal Revenue Code of 1986, the Pension Protection Act of 2006, or any law regulating any governmental plan, including with respect to asset allocation services provided to you, and that your financial advisor and Ameriprise Financial Services are not providing investment advice for a fee that will be the primary basis for your investment decisions on IRA, 403(b), government plan or ERISA (e.g., 401(k)) assets. To the extent an asset allocation service identifies any specific investment

alternative, you understand that other investment alternatives having similar risk and return characteristics may be available, and that your plan sponsor, for government or ERISA plans, or your financial advisor can assist you in obtaining information on other potential investment alternatives.

## **4. About arbitration**

Any controversy or claim arising out of or relating to this contract or the breach thereof shall be settled solely by arbitration in accordance with the Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Unless otherwise agreed to by all of the parties to the arbitration (including without limitation Ameriprise Financial Services and you), the American Arbitration Association shall be the sole venue for resolving claims arising out of or relating to the Agreement, and all of the parties to the arbitration (including without limitation Ameriprise Financial Services and you) irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity. **Federal and state statutes of limitation, repose, and/or other rules, laws, or regulations impose time limits for bringing claims in federal and state court actions and proceedings. The parties agree that all federal or state statutes of limitation, repose, and/or other rules, laws, or regulations imposing time limits that would apply in federal or state court, apply to any dispute, claim or controversy brought under this Agreement, and such time limits are hereby incorporated by reference. Therefore, to the extent that a dispute, claim, or controversy arises under this Agreement and would be barred by a statute of limitation, repose or other time limit, if brought in a federal or state court action or proceeding, the parties agree that such dispute, claim, or controversy shall be barred in an arbitration proceeding.** This paragraph does not constitute a waiver of any right of private claim or cause of action provided by the Investment Advisers Act of 1940. **If either you or Ameriprise Financial Services, its employees or independent contractors elects to resolve a claim by arbitration, that claim shall be arbitrated on an individual basis. There shall be no right or authority for any claims to be arbitrated on a class action basis or bases involving claims brought in a purported representative capacity on behalf of the general public, clients or other persons similarly situated. The arbitrator's authority to resolve claims is limited to claims between the parties to the arbitration (including you and Ameriprise Financial Services) alone, and the arbitrator's authority to make awards is limited to the parties to the arbitration (including to you and Ameriprise Financial Services) alone. Furthermore, claims brought by you against Ameriprise Financial Services, its employees or independent contractors, or by Ameriprise Financial Services against you, may not be joined or consolidated in arbitration with claims brought by or against someone other than you, unless agreed to in writing by both you and Ameriprise Financial Services, its employees or independent contractors. The parties agree that venue and personal jurisdiction is proper in Minneapolis, Minnesota.**

## **5. Customer privacy**

Our privacy policy is set forth in "What Does Ameriprise Financial Do With Your Personal Information?" (the "Privacy Notice"), which is provided to you along with the Agreement. You may also find it online at [www.ameriprise.com/global/docs/privacy-notice.pdf](http://www.ameriprise.com/global/docs/privacy-notice.pdf).