

CONCILIATION AGREEMENT

Between

THE U.S. DEPARTMENT OF LABOR

OFFICE OF FEDERAL CONTRACT COMPLIANCE PROGRAMS

and

AMERIPRISE FINANCIAL, INC.

1099 AMERIPRISE FINANCIAL CENTER

MINNEAPOLIS, MINNESOTA 55474

PART I. PRELIMINARY STATEMENT

The Office of Federal Contract Compliance Programs ("OFCCP") commenced a compliance evaluation of Ameriprise Financial Inc.'s ("Ameriprise") Client Service Delivery functional unit on August 6, 2012 and found that Ameriprise was not in compliance with Executive Order 11246, as amended ("E.O. 11246"), and its implementing regulations at 41 C.F.R. Part 60-1. OFCCP notified Ameriprise of the initial violations found and the corrective actions required in a Notice of Violation issued on September 2, 2015 and a Show Cause Notice issued on April 13, 2016. In the interest of resolving the violations without engaging in further legal proceedings and in exchange for the good and valuable consideration described in this document, OFCCP and Ameriprise enter into this contract ("Conciliation Agreement" or "Agreement") and agree to all the terms stated below.

PART II. GENERAL TERMS AND CONDITIONS

1. In exchange for Ameriprise's fulfillment of all obligations in Parts III and IV of the Agreement, OFCCP agrees not to institute administrative or judicial enforcement proceedings under E.O. 11246 based on the violations described in more detail in Part III below. However, OFCCP has the right to initiate legal proceedings to enforce the Agreement itself or to correct and obtain relief for the violations described in Part III if Ameriprise violates this Agreement. Nothing in this Agreement precludes OFCCP from initiating enforcement proceedings based on future compliance evaluations or complaint investigations.
2. Ameriprise agrees that OFCCP may review its compliance with this Agreement. As part of such review, OFCCP may require written reports, inspect the premises, interview witnesses, and examine and copy documents. Ameriprise will permit access to its premises during normal business hours for these purposes and will provide OFCCP with all reports and documents requested.

3. Ameriprise understands that nothing in this Agreement relieves Ameriprise of its obligation to fully comply with the requirements of E.O. 11246; Section 503 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. § 793 ("Section 503"); the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. § 4212 ("VEVRAA"); their implementing regulations; and other applicable equal employment laws.
 4. Ameriprise promises not to harass, intimidate, threaten, discriminate, or otherwise retaliate against any individual because the individual: benefits from this Agreement, files a complaint or participates in any investigation or proceeding under E.O. 11246, Section 503, and/or VEVRAA, or engages in any activity listed at 41 C.F.R. § 60-1.32(a).
 5. The parties understand the terms of this Agreement and enter into it voluntarily.
 6. This document and its attachments contain the complete and final understanding of the parties with respect to the matters referenced herein. This Agreement contains all terms by which the parties are bound and it supersedes all prior written or oral negotiations and agreements. There will be no modifications or amendments to this Agreement unless they are in writing, signed by all parties.
 7. If one or more provisions of this Agreement are rendered unlawful or unenforceable, the remaining provisions will remain in full force and effect.
 8. This Agreement becomes effective on the day it is signed by the Regional Director of the Midwest Region (the "Effective Date") unless the Director of OFCCP indicates otherwise within 45 calendar days of the date the Regional Director signs the Agreement.
 9. This Agreement will expire sixty (60) days after Ameriprise submits the final report required in Part IV.1.D, below, unless OFCCP notifies Ameriprise in writing prior to the expiration date that Ameriprise has not fulfilled all of its obligations under the Agreement, in which case, the Agreement is automatically extended until the date that OFCCP determines Ameriprise has met all of its obligations under the Agreement.
10. If Ameriprise violates this Conciliation Agreement,
- A. The procedures set forth at 41 C.F.R. § 60-1.34 will govern:
 - 1) If OFCCP believes that Ameriprise violated any term of the Agreement while it was in effect, OFCCP will send Ameriprise a written notice stating the alleged violations and summarizing any supporting evidence.
 - 2) Ameriprise will have 15 days from receipt of such notice to demonstrate in writing that it has not violated the Conciliation Agreement, unless such a delay would result in irreparable injury to the employment rights of affected employees or applicants.
 - 3) If Ameriprise is unable to demonstrate that it has not violated the Agreement, or if OFCCP alleges irreparable injury, enforcement proceedings may be initiated immediately without issuing a show cause notice or proceeding through any other requirement.

4) OFCCP may seek enforcement of this Agreement itself and is not required to present proof of any underlying violations resolved by this Agreement.

B. Ameriprise may be subject to the sanctions set forth in Section 209 of the Executive Order and/or other appropriate relief for violation of this Agreement.

11. This Agreement does not constitute an admission by Ameriprise of any violation of E.O. 11246, Section 503, VEVRAA, or other laws, nor has there been an adjudicated finding that Ameriprise violated any laws.

PART III. SPECIFIC ALLEGED VIOLATIONS AND REMEDIES

1. ALLEGATIONS OF COMPENSATION DISCRIMINATION.

A. STATEMENT OF ALLEGED VIOLATION. From February 19, 2013 through at least February 18, 2014, OFCCP alleges that Ameriprise discriminated against 20 Black employees in the successor job titles to the Service Professional-Unlicensed, Senior Service Professional-Unlicensed, Service Professional II-Unlicensed, and Senior Service Professional II-Unlicensed job titles, by paying them less than their White counterparts.

B. OFCCP'S SPECIFIC FINDINGS. OFCCP performed multiple regression analyses based on information gathered during the compliance review and found statistically significant disparities after controlling for factors that OFCCP found affected compensation. OFCCP determined that this practice of paying Black Unlicensed Service Professionals less was based on race and not based on legitimate explanatory factors. Accordingly, OFCCP finds that Ameriprise discriminated against 20 Black employees who worked in the Service Professional-Unlicensed, Senior Service Professional-Unlicensed, Service Professional II-Unlicensed, and Senior Service Professional II-Unlicensed job titles (Affected Individuals) because of their race, in violation of Section 202, Paragraph 1 of Executive Order 11246, as amended, and 41 C.F.R. § 60-1.4(a)(1).

C. REMEDY.

1) Notice. Within 14 calendar days of the Effective Date of this Agreement, Ameriprise must notify the Affected Individuals listed in Attachment A of the terms of this Agreement by mailing by certified mail, return-receipt requested to each of the Affected Individuals the: Notice to Affected Individuals (Attachment B, "Notice"), Claim Form (Attachment C), Release of Claims Form (Attachment D), and a postage paid return envelope. Ameriprise will provide OFCCP with a list of the names and addresses of the individuals who have not yet responded (including unclaimed mail, undeliverable mail, and incorrect addresses) within 60 calendar days of the Effective Date of this Agreement. OFCCP will then attempt to obtain and provide updated addresses to Ameriprise within 30 calendar days of receiving the list from Ameriprise. Ameriprise agrees to mail by certified mail, return-receipt a second Notice, Claim Form, Release of Claims Form, and postage paid return envelope to all individuals for whom updated addresses were obtained within 14 calendar days of receiving the updated addresses.

- 2) Eligibility. All Affected Individuals (listed on Attachment A) who sign and return the Claim Form and Release of Claims Form to Ameriprise within 180 calendar days after the Effective Date of this Agreement will receive a share of the monetary settlement ("Settlement Fund Recipients"). If an individual receives, but does not return the Claim Form and Release of Claims Form to Ameriprise within 180 calendar days of the Effective Date of this Agreement, he or she will no longer be entitled to a payment under this Agreement.

Within 194 calendar days after the Effective Date of this Agreement, Ameriprise will provide OFCCP with a list of the Settlement Fund Recipients. Within 14 calendar days of receiving the list, OFCCP will approve the final list of Settlement Fund Recipients or discuss with Ameriprise any issues necessary to finalize the list, such as the inclusion or exclusion of certain individuals.

- 3) Monetary Settlement (Back Pay and Interest). Ameriprise agrees to distribute \$128,200 (\$120,504.26 in back pay and \$7,695.74 in interest), less legal deductions required by law from back pay only (such as federal, state and/or local taxes and the Settlement Fund Recipients' share of FICA taxes), to all Settlement Fund Recipients on the final approved list in the amounts listed in Attachment A. Ameriprise will pay the Internal Revenue Service ("IRS") the employer's share of social security withholdings and will mail each Settlement Fund Recipient an IRS W-2 Form reporting the portion of the payment representing back pay and an IRS Form 1099 for the portion of the payment representing interest. These IRS forms will be mailed at the end of the year. Ameriprise will disburse the monetary settlement within 30 calendar days after OFCCP approves the final list of Settlement Fund Recipients. One Affected Individual has already received a payment of \$2,342.40 (\$2,113.09 in back pay and \$211.31 in interest). The amount listed in Attachment for this individual has been reduced by this amount.

Within 14 calendar days of Ameriprise's receipt of a check to a Settlement Fund Recipient returned as undeliverable, Ameriprise will notify OFCCP of this fact via e-mail sent to Sal G. Guerrero, Jr. at guerrerojr.salvador@dol.gov. OFCCP will attempt to locate the Settlement Fund Recipient and if OFCCP obtains an alternate address, Ameriprise will re-mail the check within 14 calendar days of receiving an alternate or corrected address. Any check that remains uncashed 90 days after the initial date the check was mailed to the Settlement Fund Recipient will be void. With respect to any uncashed funds, Ameriprise will make a second distribution to all Settlement Fund Recipients who cashed their first check, if the total amount of the undelivered checks would result in a payment of \$50.00 or more to each of the located Settlement Fund Recipients who cashed at least one of their checks from the first mailing. The second distribution of uncashed funds will be mailed within 120 days after the first distributions were mailed (if there is a need). The uncashed funds will be split equally among all Settlement Fund Recipients who cashed their first check. If there is any remainder after the second distribution, or if the amount remaining would result in a payment of less than \$50.00 to each Settlement Fund Recipient, Ameriprise will use the amount of the remainder to conduct internal EEO training with an emphasis on compensation practices.

4) Impact Analysis and Prospective Salary Adjustments. Ameriprise has conducted a regression analysis of compensation for Service Professionals-Unlicensed, Senior Service Professionals-Unlicensed, Service Professionals II-Unlicensed, and Senior Service Professionals II-Unlicensed. This regression controlled for all relevant factors. OFCCP has reviewed the results of the analysis and concurs that there is no statistically significant disparity (t-statistic) of (b)(7)(E) standard deviations or higher, adverse to Black employees. Consequently, no salary adjustments are necessary.

D. **NON-MONETARY REMEDIES.** Ameriprise will ensure that all employees are afforded equal employment opportunities. Ameriprise agrees to continue or to implement the corrective actions detailed below.

1) Review and Evaluation of Policies Affecting Compensation. Ameriprise will review and evaluate its policies affecting base salary and non-base compensation to ensure that employees are not discriminated against on the basis of race and will take appropriate corrective action to eliminate and/or revise any policies that are found to have an adverse effect on the basis of race. Ameriprise will continue to track and evaluate for compliance its compensation policies and any revisions thereto.

2) Training. Ameriprise will continue to provide equal employment compensation training and training on the implementation of compensation policies to all individuals involved in any way in determining compensation for Service Professional-Unlicensed, Senior Service Professional-Unlicensed, Service Professional II-Unlicensed, and Senior Service Professional II-Unlicensed positions.

3) Self-Monitoring/Auditing. Ameriprise will continue to monitor base salary as well as the administration of non-base compensation and benefits and adverse employment actions for any indication of statistically significant disparities based on race and will investigate and remedy any such inequity that may be established.

E. **DATES.** Any time an action or deadline referenced in this Part falls on a weekend or federal holiday, performance thereof will be the next business day.

PART IV. REPORTS REQUIRED

1. Ameriprise must submit the documents and reports described below to: Sal G. Guerrero, Jr., Director of Regional Operations, 230 South Dearborn Street, Room 570, Chicago, Illinois 60604.

A. Within 210 calendar days of the Effective Date of this Agreement, Ameriprise must submit documentation that all managers, supervisors, and other personnel involved in making compensation decisions for Service Professional-Unlicensed, Senior Service Professional-Unlicensed, Service Professional II-Unlicensed, and Senior Service Professional II-Unlicensed positions have received equal employment compensation training and training on the implementation of compensation policies. The documentation must include the dates of the training, the names and job titles of all attendees, an outline of the topics discussed during the training, and the name and job title of each person who

conducted the training. Ameriprise will also submit documentation of its review and evaluation of policies affecting compensation, as required by Part III.1.D.1.

- B.** Within the prescribed timeframes, Ameriprise must submit all documents and information referenced in Part III.1.C.
 - C.** After all payments have been made to the Settlement Fund Recipients (see paragraph III.1.C.3), Ameriprise must submit documentation of monetary payments to all Settlement Fund Recipients as specified in Part III.1.C.3. The documentation must include the names of Settlement Fund Recipients who were paid, and, for each Settlement Fund Recipient, the number and the amount of the check and the date the check cleared the bank, or similar proof of payment. Ameriprise must provide OFCCP with copies of all canceled checks or depository notices upon request.
- 2.** Ameriprise will retain all records and data pertinent to the violations resolved by this Agreement and/or used to prepare required reports until this Agreement expires or as long as required by OFCCP's regulations, whichever date occurs later.

PART V. SIGNATURES

The person signing the Conciliation Agreement on behalf of Ameriprise Financial, Inc. personally warrants she is fully authorized to do so, that Ameriprise Financial, Inc. has entered into this Conciliation Agreement voluntarily and with full knowledge of the effect thereof, and that execution of this Agreement is fully binding on Ameriprise Financial, Inc. This Conciliation Agreement is hereby executed by and between the Office of Federal Contract Compliance Programs and Ameriprise Financial, Inc.

(b) (6), (b) (7)(C)

John Iachello
Executive Vice President
Ameriprise Financial, Inc. Client Service
Delivery

DATE: 11/21/16

(b) (6), (b) (7)(C)

Evan D. Szarenski
Director of Regional Operations
OFCCP, Mid-Atlantic Region

DATE: 11/28/2016

(b) (6), (b) (7)(C)

Bradley A. Anderson
Regional Director - Midwest
OFCCP

DATE: 12/08/2016

ATTACHMENT A

AFFECTED INDIVIDUAL LIST

Name	Back Pay	Interest	Total
(b) (6), (b) (7)(C)	\$ 2,609.55	\$ 280.79	\$ 2,890.34
	\$ 7,320.34	\$ 477.47	\$ 7,797.81
	\$ 6,996.12	\$ 457.28	\$ 7,453.40
	\$ 7,252.06	\$ 474.00	\$ 7,726.06
	\$ 7,714.78	\$ 506.53	\$ 8,221.30
	\$ 7,366.88	\$ 479.51	\$ 7,846.39
	\$ 6,787.96	\$ 443.67	\$ 7,231.63
	\$ 5,141.20	\$ 404.90	\$ 5,546.10
	\$ 6,049.75	\$ 395.42	\$ 6,445.17
	\$ 7,263.04	\$ 474.72	\$ 7,737.76
	\$ 6,593.72	\$ 430.97	\$ 7,024.70
	\$ 6,543.95	\$ 427.15	\$ 6,971.11
	\$ 6,722.71	\$ 438.49	\$ 7,161.20
	\$ 6,945.55	\$ 452.69	\$ 7,398.24
	\$ 6,121.35	\$ 400.10	\$ 6,521.45
	\$ 4,397.17	\$ 231.37	\$ 4,628.54
	\$ 4,635.50	\$ 248.11	\$ 4,883.61
	\$ 4,370.05	\$ 150.31	\$ 4,520.36
	\$ 4,008.31	\$ 188.79	\$ 4,197.10
	\$ 3,551.19	\$ 122.14	\$ 3,673.33

Attachment B

Certified Mail, Return Receipt Requested

Date: _____

[Name]

[Street]

[City, State, Zip Code]

RE: Notice that you may be eligible to receive payment under a Settlement between Ameriprise and an Agency of the US Department of Labor

Dear [Name]:

We are writing to provide information about a legal settlement between the U.S. Department of Labor and Ameriprise Financial, Inc. (Ameriprise) that may benefit you. This settlement involves alleged claims of pay discrimination, and our records show that you may be one of the employees covered by the settlement. If you take the steps described in this Notice by the deadline below, you may be eligible for a payment of back wages.

ARE YOU AFFECTED?

Black employees who worked as a Service Professional-Unlicensed, Senior Service Professional-Unlicensed, Service Professional II-Unlicensed, and Senior Service Professional II-Unlicensed at Ameriprise's Minneapolis, Minnesota location between February 19, 2013 and February 18, 2014 are covered by this settlement.

WHAT IS THIS SETTLEMENT ABOUT?

The U.S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP) conducted a review of Ameriprise's compensation practices during February 22, 2011 to February 28, 2014. OFCCP is the government agency responsible for enforcing the equal employment opportunity and affirmative action requirements that apply to federal contractors. OFCCP issued a Notice of Violations alleging that Ameriprise discriminated against African Americans in compensation for workers in the Unlicensed Service Professional positions referenced above during February 19, 2013 to February 18, 2014. Ameriprise denies those claims. Ultimately, OFCCP and Ameriprise have agreed to resolve the issue through a Conciliation Agreement. A Conciliation Agreement is a legal document that explains the terms of an agreement to settle a Notice of Violations issued by OFCCP.

WHAT DOES THIS MEAN FOR YOU?

You may be eligible to receive a payment of at least \$2,800 (before taxes). This payment represents your share of back wages and other payments Ameriprise is making to settle the lawsuit. The final amount you will receive will be reduced by deductions for items such as income tax withholding and Social Security contributions.

To get these benefits, you will need to release (give up) certain legal claims, and sign the enclosed Claim and Release forms.

WHAT IS YOUR NEXT STEP?

You should read this Notice, the Claim and Release forms, and any other information you received from the U.S. Department of Labor or the Settlement Administrator [*Administrator Name*].

Please do not ignore these documents or throw them away. Otherwise, you could miss an opportunity to participate.

To be eligible for a payment, you must complete, sign, and return the originals of **both** the following enclosed documents, (1) Claim Form and (2) Release of Claims [by X Date] to: _____

Settlement Administrator
OFCCP – Ameriprise
(NAME)
(TITLE)
(ADDRESS)

The returned documents must be originals and must be received by Ameriprise by [insert actual date].

You may receive some or all of these benefits only if these forms confirm that you are one of the individuals covered by the settlement. After correct completion and submission of these documents, a final decision will be made about your eligibility.

If you fail to return both of the required documents by the deadline [or if your documents do not verify your eligibility] you will not be eligible to receive any money or any other relief provided to you by the settlement.

HOW CAN YOU GET MORE INFORMATION?

If you have any questions, you may contact OFCCP at (877) 716-9783 or OFCCP-MWR@dol.gov. You can also visit the U.S. Department of Labor website about this case at www.dol.gov/ofccp/cml.

Attachment C

Claim Form – Affected Employees

PLEASE CAREFULLY READ THE ENCLOSED NOTICE BEFORE COMPLETING THIS CLAIM FORM.

**INSTRUCTIONS FOR FILING A CLAIM TO BE CONSIDERED FOR
PAYMENT (BACK WAGES)**

DEADLINE TO RESPOND IS XX DAY, XX MONTH, XXXX YEAR

If you complete this Claim Form, you may be eligible for a payment from the settlement. To receive an award, you must complete and return the original of this Claim Form and Release Form postmarked or hand delivered on or before [Deadline above], to

Settlement Administrator
OFCCP – Ameriprise
(NAME)
(TITLE)
(ADDRESS)

If you do not submit a properly completed Claim Form and Release Form on or before [Deadline above], then your claim will not be on time and **you will not receive any money from this settlement.**

Enclosed is a stamped, pre-addressed envelope you can use.

This Claim Form will only be used to confirm important information we need in order to make sure you are eligible to receive money under this settlement and process your payment.

Step 1: Please confirm [or provide] the following contact information to process your payment (print legibly).

Name: _____

Home Phone: _____

Cell Phone: _____

Email Address: _____

- I confirm that the address on the cover letter is correct.
- The address on the cover letter is not correct. My correct address is:
Address: _____

Please verify [or provide] the last four digits of your social security number _____
The last four digits of your Social Security Number are required in order to process your payment for tax purposes. Your Social Security Number will not be used for any other purpose.

Notify us at the address below if your address changes within the next three months, or contact us if you have any questions about this claim form, the notice, or the settlement.

*Settlement Administrator
OFCCP – Ameriprise
(NAME)
(TITLE)
(ADDRESS)
Phone
Email/website link*

Step 2: Sign and return along with the Release Form

I certify the above as true and correct.

Signature

Date

Attachment D

RELEASE OF CLAIMS UNDER EXECUTIVE ORDER 11246

PLEASE CAREFULLY READ THE ENCLOSED NOTICE BEFORE COMPLETING THIS RELEASE. YOU MUST RETURN A SIGNED RELEASE TO RECEIVE MONEY FROM THE SETTLEMENT

This Release of Claims under Executive Order 11246 ("Release") is a legal document. This document states that in return for Ameriprise Financial, Inc. ("Ameriprise") providing you with money, you agree that you will not file any lawsuit against Ameriprise for allegedly violating Executive Order 11246 in connection with its compensation of Unlicensed Service Professional positions. It also says that Ameriprise does not admit it violated any laws. This Release says you had sufficient time to look at the document, to talk with others about the document, including an attorney if you choose, and that no one pressured you into signing the document. Finally, it says that if you do not sign and return the document by a certain date, you will not receive any money.

In consideration of the payment of at least \$2,800 (less deductions required by law) by Ameriprise to me, which I agree is acceptable, I agree to the following:

I.

I hereby waive, release and forever discharge Ameriprise, its predecessors, successors, related entities, parents, subsidiaries, affiliates and organizations, and its and their shareholders, owners, directors, officers, employees, agents, successors, and assigns, of and from any and all actions, causes of action, damages, liabilities, and claims arising out of or actionable under Executive Order 11246, as amended, which I or my representatives (heirs, executors, administrators, or assigns) have or may have which relate in any way to compensation of Unlicensed Service Professional positions during the period of February 19, 2013 to February 18, 2014.

II.

I understand that Ameriprise denies that it treated me unlawfully or unfairly in any way and that Ameriprise entered into a Conciliation Agreement with the U.S. Department of Labor, Office of Federal Contract Compliance Programs ("OFCCP") and agreed to make the payment described above to resolve without further legal proceedings all issues related to OFCCP's compliance reviews of Ameriprise initiated on August 6, 2012. I further agree that the payment of the aforesaid sum by Ameriprise to me is not to be construed as an admission of any liability by Ameriprise.

III.

I declare that I have read this Release and that I have had a full opportunity to consider and understand its terms and to consult with my advisors and seek legal advice. I further declare that I have decided of my own free will to sign this Release.

I understand that if I do not sign this Release and return it to [*insert Settlement Agent contact*] such that it is received by [DATE], I will not be entitled to receive any payment (less deductions required by law).

IN WITNESS WHEREOF, I have signed this document of my own free will.

Signature: _____ Date: _____

Printed Name: _____