

For Immediate Release

February 15, 2005

**WLF FILES OBJECTIONS TO \$11 MILLION
ATTORNEYS' FEE REQUEST IN CLASS ACTION**
(LiPuma v. American Express Company)

The Washington Legal Foundation (WLF) filed a brief in federal court in Miami this week objecting to a proposed class action settlement against American Express Company, including \$11 million in attorneys' fees. The suit claims that American Express improperly assessed and disclosed adjustments to foreign currency conversions for cardholders who used their American Express card overseas over the last five years. The adjustments or surcharge amounted to 1-2 percent of the currency conversion rate.

American Express agreed to settle the case by providing a minimum of \$30 million and a maximum of \$75 million in credits or checks to account holders up to the amount of the currency conversion charge, but only if they take the time to complete and file a claim form by April 13, 2005. If the claims submitted total less than \$30 million, the difference will be given to charity. In addition, American Express agreed to pay class action attorneys, including those from Lerach Coughlin Stoia & Robbins in San Diego, CA, up to \$11 million without any objection. American Express will continue to assess the foreign currency conversion charges, but has agreed to disclose its policy in bold print on the cardholder's statement.

In its objections filed on behalf of a class member from Atlanta, WLF argued that the settlement was not fair, reasonable, and adequate, arguing that class members' accounts should be automatically credited without the necessity of their submitting claim forms since the account information is readily available to American Express. More importantly, WLF objected to the proposed attorneys' fees of \$11 million as being excessive, particularly because the suit appeared to be a copycat suit filed after a California trial court ruled against Visa and MasterCard for similar conduct. WLF also requested that the March 15 Final Hearing be postponed until 30 days after the attorneys file their formal fee request, and that WLF and all Objectors be afforded a opportunity to further respond to that request as permitted by the rules. WLF also opposed so-called "incentive payments" of \$10,000 to lead plaintiffs.

Mark A. Gonzalez of DeMahy Labrador Drake & Payne, PA of Coral Gables, FL, is serving as local counsel for WLF attorneys.

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For more information, contact Paul Kamenar, WLF Senior Executive Counsel, at 202-588-0302. WLF's objections are available on its website at www.wlf.org.