

Wells Timberland REIT, Inc.
Form S-11/A
June 19, 2009
Table of Contents

As filed with the Securities and Exchange Commission on June 19, 2009

Registration No. 333-157087

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Pre-Effective Amendment No. 1

to

Form S-11

FOR REGISTRATION

UNDER

THE SECURITIES ACT OF 1933

OF SECURITIES OF CERTAIN REAL ESTATE COMPANIES

Wells Timberland REIT, Inc.

(Exact name of registrant as specified in its governing instruments)

**6200 The Corners Parkway
Norcross, Georgia 30092-3365
(770) 449-7800**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Leo F. Wells, III
President
Wells Timberland REIT, Inc.
6200 The Corners Parkway
Norcross, Georgia 30092-3365
(770) 449-7800**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

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Lesley H. Solomon
Alston & Bird LLP
1201 West Peachtree Street
Atlanta, Georgia 30309
(404) 881-7000**

Approximate date of commencement of proposed sale to public: As soon as practicable after the effectiveness of the registration statement.

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If any of the Securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box:

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

Indicate by check mark whether the registrant is a larger accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer Accelerated filer Non accelerated filer Smaller reporting company

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

SUBJECT TO COMPLETION DATED JUNE 19, 2009.

Information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the SEC and various states is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

WELLS TIMBERLAND REIT, INC.

Maximum Offering of \$2,200,000,000

Wells Timberland REIT, Inc. is a Maryland corporation formed in 2005 primarily for the purpose of acquiring timberland properties in the timber-producing regions of the United States and, to a lesser extent, in timber-producing regions outside the United States. We currently own approximately 223,370 acres of timberland in fee simple and have long-term leasehold interests on another approximately 89,860 acres of timberland, all located in Georgia and Alabama. We intend to elect to be taxed as a REIT, under the Internal Revenue Code of 1986, as amended, commencing with the taxable year ending December 31, 2009.

We are offering up to \$2.0 billion of shares of common stock in our primary offering at an initial price of \$10.00 per share, with volume discounts available to investors who purchase more than \$500,000 of shares at any one time. Discounts are also available for other categories of purchasers as described in Plan of Distribution. We are also offering up to \$200.0 million of shares to be issued pursuant to our distribution reinvestment plan at a purchase price equal to \$9.55 per share during our primary offering. We reserve the right to reallocate the shares of common stock we are offering between the primary offering and the distribution reinvestment plan. As of May 31, 2009, we had received and accepted subscriptions in our initial public offering for approximately 16.0 million shares of common stock, for aggregate gross offering proceeds, net of discounts, of approximately \$159.3 million.

This investment involves a high degree of risk. You should purchase these securities only if you can afford the complete loss of your investment. See Risk Factors beginning on page 17 to read about risks you should consider before buying shares of our common stock. These risks include the following:

There is no public trading market for our common stock. If you are able to sell your shares, you would likely have to sell them at a substantial discount from their public offering price.

We have a very limited operating history, have only completed one timberland acquisition and have not identified any additional properties to acquire with the proceeds from this offering, which make our future performance and the performance of your investment difficult to predict.

We have not paid any cash distributions to date to our stockholders as a result of restrictions resulting from our credit agreements. Once we are able to make cash distributions, our cash distributions are not guaranteed and may fluctuate.

We may pay cash distributions from offering proceeds or borrowings, which may reduce amounts available to acquire properties.

If we raise substantially less than the maximum offering proceeds, we may not be able to invest in a diverse portfolio of properties, and the value of your investment may vary more widely with the performance of specific properties.

The terms of our mezzanine and senior loan agreements prohibit us from paying distributions or redeeming shares (except in cases of death or disability) until we repay the mezzanine loan in full and attain certain financial performance measures.

Our charter limits a person from owning more than 9.8% of our common stock without prior approval of our board of directors.

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We will pay substantial fees and expenses to our advisor, its affiliates and participating broker/dealers, which payments increase the risk that you will not earn a profit on your investment.

Our advisor and its affiliates will face conflicts of interest, including significant conflicts in allocating time among us and similar programs sponsored by our sponsor.

We are dependent upon our advisor and its affiliates to conduct our operations and this offering. Adverse changes in the financial health of our advisor or its affiliates or our relationship with them could cause our operations to suffer.

Our advisory agreement was not negotiated on an arm -length basis and it is possible that an unaffiliated third party would provide similar services at a lower cost. Because our advisory agreement must be renewed on an annual basis, the fees and expenses that we pay to our advisor may be increased in future renewals.

We have not qualified as a REIT and may fail to meet the requirements to qualify as a REIT which could require us to pay additional taxes and reduce our funds available to make distributions to our stockholders.

Neither the Securities and Exchange Commission, the Attorney General of the State of New York nor any other state securities regulator has approved or disapproved of our common stock, determined if this prospectus is truthful or complete or passed on or endorsed the merits of this offering. Any representation to the contrary is a criminal offense. The use of projections or forecasts in this offering is prohibited. No one is permitted to make any oral or written predictions about the cash benefits or tax consequences you will receive from your investment.

	Price to Public*	Selling Commissions*	Dealer Manager Fee*	Net Proceeds (Before Expenses)**
Primary Offering				
Per Share	\$ 10.00	\$ 0.70	\$ 0.18	\$ 9.12
Total Primary Offering	\$ 2,000,000,000	\$ 140,000,000	\$ 36,000,000	\$ 1,824,000,000
Distribution Reinvestment Plan				
Per Share	9.55			9.55
Total Distribution Reinvestment Plan	\$ 200,000,000	\$	\$	\$ 200,000,000
Total	\$ 2,200,000,000	\$ 140,000,000	\$ 36,000,000	\$ 2,024,000,000

* The selling commissions and all or a portion of the dealer-manager fee will not be charged with regard to shares sold in our primary offering to or for the account of certain categories of purchasers. The reduction in these fees will be accompanied by a corresponding reduction in the per share purchase price. See Plan of Distribution.

** Payment of additional underwriting compensation will reduce the proceeds to us, before expenses. See Plan of Distribution.

The dealer-manager of this offering, Wells Investment Securities, Inc., which is our affiliate, is not required to sell any specific number or dollar amount of shares but will use its best efforts to sell the shares offered. The minimum permitted purchase is generally \$5,000.

This is a continuous offering that will end no later than [____], 2011, two years from this date of the prospectus, unless extended. If we extend beyond [____], 2011, we will supplement the prospectus accordingly. We may also terminate this offering at any time.

[____], 2009

Table of Contents

SUITABILITY STANDARDS

The shares we are offering are suitable only as a long-term investment. Because there is no public market for the shares, you will have difficulty selling your shares. In consideration of these factors, we require initial stockholders and subsequent purchasers to have either:

a net worth of at least \$250,000; or

gross annual income of at least \$70,000 and a net worth of at least \$70,000.

In addition, we will not sell shares to investors in the states named below unless they meet special suitability standards.

Alabama In addition to the suitability standards described above, investors must have a liquid net worth of at least 10 times their investment in this program and other similar programs.

California, Massachusetts, Ohio and Oregon In addition to the suitability standards described above, your investment in us may not exceed 10% of your liquid net worth.

Iowa Investors who reside in the state of Iowa must have either (1) a minimum annual gross income of \$70,000 and a minimum net worth of \$100,000 or (2) a minimum net worth of \$350,000. Additionally, Iowa residents may invest no more than 10% of their liquid net worth in us or our affiliated programs.

Kansas In addition to the suitability standards described above, the state of Kansas recommends that your aggregate investment in us and similar direct participation investments should not exceed 10% of your liquid net worth, which is defined as that portion of net worth which consists of cash, cash equivalents and readily marketable securities.

Kentucky Investors who reside in the state of Kentucky must have either (1) a minimum annual gross income of \$85,000 and a minimum net worth of \$85,000 or (2) a minimum net worth of \$300,000. Additionally, Kentucky residents may invest no more than 10% of their liquid net worth in our securities.

Michigan In addition to the suitability standards described above, the state of Michigan requires that your aggregate investment in us and similar direct participation investments may not exceed 10% of your net worth.

Pennsylvania Investors who reside in the state of Pennsylvania must have either (1) a net worth of at least \$500,000 or (2) an annual gross income of at least \$140,000 and a net worth of at least \$140,000. Pennsylvania investors must also have a net worth of at least 10 times their investment in us.

Tennessee Investors who reside in the state of Tennessee must have a minimum annual gross income of \$150,000 and a minimum net worth of \$150,000 or a minimum net worth of \$500,000 exclusive of home, home furnishings and automobiles.

For purposes of determining suitability of an investor, net worth in all cases should be calculated excluding the value of an investor's home, furnishings and automobiles. In the case of sales to fiduciary accounts, these suitability standards must be met by the fiduciary account, by the person who directly or indirectly supplied the funds for the purchase of the shares if such person is the fiduciary or by the beneficiary of the account.

Our sponsor and those selling shares on our behalf must make every reasonable effort to determine that the purchase of shares in this offering is a suitable and appropriate investment for each stockholder based on information provided by the stockholder regarding the stockholder's financial situation and investment objectives. See Plan of Distribution Stockholder Suitability for a detailed discussion of the determinations regarding suitability that we require of all those selling shares on our behalf.

Table of Contents

TABLE OF CONTENTS

<u>PROSPECTUS SUMMARY</u>	1
<u>QUESTIONS AND ANSWERS ABOUT THE OFFERING</u>	10
<u>RISK FACTORS</u>	17
<u>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	40
<u>ESTIMATED USE OF PROCEEDS</u>	41
<u>MANAGEMENT</u>	43
<u>MANAGEMENT COMPENSATION</u>	60
<u>STOCK OWNERSHIP</u>	67
<u>CONFLICTS OF INTEREST</u>	68
<u>INDUSTRY OVERVIEW</u>	75
<u>BUSINESS AND POLICIES</u>	80
<u>TIMBERLAND INVESTMENTS</u>	87
<u>THE GERMAN OFFERING</u>	92
<u>SELECTED FINANCIAL DATA</u>	93
<u>PRIOR PERFORMANCE SUMMARY</u>	96
<u>FEDERAL INCOME TAX CONSIDERATIONS</u>	102
<u>ERISA CONSIDERATIONS</u>	122
<u>DESCRIPTION OF SHARES</u>	126
<u>CERTAIN PROVISIONS OF MARYLAND LAW AND OF OUR CHARTER AND BYLAWS</u>	137
<u>THE OPERATING PARTNERSHIP AGREEMENT</u>	140
<u>PLAN OF DISTRIBUTION</u>	144
<u>LEGAL MATTERS</u>	150
<u>EXPERTS</u>	150
<u>INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE</u>	150
<u>Appendix A Prior Performance Tables</u>	A-1
<u>Appendix B Subscription Agreement (Sample) with Instructions</u>	B-1
<u>Appendix C Distribution Reinvestment Plan</u>	C-1

Table of Contents

PROSPECTUS SUMMARY

This summary highlights material information contained elsewhere in this prospectus. Because it is a summary, it may not contain all of the information that is important to you. To understand this offering fully, you should read the entire prospectus carefully, including the Risk Factors section, before making a decision to invest in our common stock.

Wells Timberland REIT, Inc.

Wells Timberland REIT, Inc. is a Maryland corporation formed for the purpose of acquiring timberland properties in the timber-producing regions of the United States. Our portfolio may also include, to a limited extent, investments in timberland located in other countries.

We seek to generate income returns in the form of cash flows from harvesting and selling timber, and from pursuing non-timber related revenue sources. When and where we believe that it is appropriate, we also will seek to generate cash flow from the sale of lands that have a higher and better use. We expect to realize additional long-term returns from the appreciation in the value of our timberland and the standing timber on that land upon the ultimate disposition of our properties. We may also invest in other entities that own timberland or form joint ventures with entities that have complementary investment objectives.

We were incorporated in Maryland on September 27, 2005 and intend to elect to be taxed as a real estate investment trust, or REIT, commencing with the taxable year ending December 31, 2009. However, we cannot give assurances regarding when we will qualify or elect to be taxed as a REIT because our ability to do so is subject to the satisfaction of certain organizational and operational requirements which we have not met as of the date of the prospectus. See Federal Income Tax Considerations Requirements for Qualification and Federal Income Tax Considerations Federal Income Taxation of Our Company as a REIT.

We have no paid employees and are externally advised and managed by Wells Timberland Management Organization, LLC, which we refer to as Wells TIMO or our advisor.

Description of Investments

We currently own approximately 223,370 acres of timberland in fee simple and have long-term leasehold interests on another approximately 89,860 acres of timberland, all located on the Lower Piedmont and Upper Coastal Plains of East Central Alabama and West Central Georgia, which we refer to as the Mahrt Timberland. We acquired the Mahrt Timberland on October 9, 2007. See Timberland Investments Mahrt Timberland.

We will seek to acquire additional timberland properties in the timber-producing regions of the United States, which include the states in the Appalachian, Great Lakes, Northeastern, Northwestern and Southeastern regions. Our portfolio may also include, to a limited extent, investments in timberland located in other countries. We may also invest in entities that own timberland and make or acquire other types of real estate investments, provided that for so long as our board of directors determines it is in our best interests to qualify as a REIT, such other investments must be consistent with the preservation of our status as a REIT.

Our advisor will strive to diversify our portfolio by maturity of the growth stages of our timber. In order to achieve our income objective, the timberland portfolio will, at least initially, be weighted heavily towards more mature forests with a smaller weighting to younger forests. The portfolio also will be diversified geographically, by timber species, by hardwood/softwood and by milling sub-market. We may also attempt to further diversify our portfolio of timberland properties by investing in joint ventures with entities that have complementary investment objectives.

Table of Contents

Use of Proceeds

We expect to use a portion of the net proceeds from this offering to repay existing indebtedness that we incurred in connection with our acquisition of the Mahrt Timberland in order to meet our long-term objective of reducing our overall leverage to a conservative level. Thereafter, we expect to use substantially all of the additional net proceeds from this offering to acquire additional timberland properties.

We paid a portion of the purchase price for the Mahrt Timberland by obtaining funds through \$372.0 million in debt financing arranged by Wachovia Bank, National Association, or Wachovia Bank. This debt financing included two loans, which we refer to as the senior loan and the mezzanine loan, respectively. The senior loan is an adjustable rate first mortgage loan in the original principal amount of \$212.0 million. The mezzanine loan is a fixed rate second mortgage loan in the original principal amount of \$160.0 million. See **Timberland Investments Mahrt Timberland Financing**.

Investment Objectives

Our primary investment objectives are:

to preserve and return your capital contributions;

to provide current income to you through the payment of cash distributions; and

to realize capital appreciation upon the ultimate sale of our assets.

As of the date of this prospectus, we have not paid any cash distributions to our stockholders and we will not be able to pay any cash distributions until we repay the mezzanine loan or renegotiate its terms, and attain certain financial performance measures under the senior loan. See **Timberland Investments Mahrt Timberland Financing** for a description of the terms of our senior and mezzanine loans. See the **Business and Policies** section of this prospectus for a more complete description of our investment policies and the investment restrictions imposed by our charter.

Summary Risk Factors

An investment in our shares involves significant risk, including the following:

There is no public trading market for our common stock. If you are able to sell your shares, you would likely have to sell them at a substantial discount from their public offering price.

We have a very limited operating history, have only completed one timberland acquisition, and have not identified any additional properties to acquire with the proceeds from this offering. In addition, neither we nor our advisor has substantial experience investing in timberland properties. These factors make our future performance and the performance of your investment difficult to predict.

We have not paid any cash distributions to date to our stockholders as a result of restrictions resulting from our credit agreements. Once we are able to make cash distributions, our cash distributions are not guaranteed and may fluctuate.

We may pay cash distributions from offering proceeds or borrowings, which may reduce amounts available to acquire properties.

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If we raise substantially less than the maximum offering proceeds, we may not be able to invest in a diverse portfolio of properties, and the value of your investment may vary more widely with the performance of specific properties.

Table of Contents

The terms of our mezzanine and senior loan agreements prohibit us from paying distributions or redeeming shares (except in cases of death or disability) until we repay the mezzanine loan in full and attain certain financial performance measures under the senior loan.

Our charter limits a person from owning more than 9.8% of our common stock without prior approval of our board of directors.

We will pay substantial fees and expenses to our advisor, its affiliates and participating broker/dealers, which payments increase the risk that you will not earn a profit on your investment. The fees payable to our advisor during our operational stage are not based on the performance of our investments.

Our advisor and its affiliates will face conflicts of interest relating to (1) allocating time among us and other programs sponsored by our sponsor, and (2) the compensation arrangements between affiliates of our advisor and other Wells programs which may incent our advisor and its affiliates to act other than in our best interest.

We are dependent upon our advisor and our dealer-manager to conduct our operations and this offering. Adverse changes in the financial health of our advisor or dealer-manager, or our relationship with them could cause our operations to suffer.

Our advisory agreement was not negotiated on an arm's-length basis and it is possible that an unaffiliated third party would provide similar services at a lower cost. Because our advisory agreement must be renewed on an annual basis, the fees and expenses that we pay to our advisor may be increased in future renewals.

We have not qualified as a REIT and may fail to meet the requirements to qualify as a REIT, which could require us to pay additional taxes and reduce our funds available to make distributions to our stockholders.

Our Advisor

We are advised by Wells TIMO, a Georgia limited liability company formed on July 12, 2006 for the purpose of serving as our advisor. Wells TIMO is a wholly-owned subsidiary of Wells Capital, Inc., our sponsor. We are a party to an advisory agreement with Wells TIMO under which Wells TIMO manages our daily affairs and makes recommendations to our board of directors on all property acquisitions. Jess E. Jarratt, Brian M. Davis, Troy A. Harris, John C. Iverson and Don L. Warden, as officers of our advisor, will make most of the decisions regarding which investments will be recommended for us. Our board of directors must approve or reject all proposed property acquisitions.

Our Sponsor

Our advisor is managed by and is a wholly owned subsidiary of our sponsor, Wells Capital, Inc., which we refer to as Wells Capital. Wells Capital was incorporated in Georgia on April 20, 1984. As of May 31, 2009, Wells Capital had sponsored or advised public real estate programs on an unspecified property, or blind pool basis, that have raised approximately \$10.8 billion of equity from approximately 290,000 investors. Some of our officers and directors are also officers and directors of Wells Capital.

Table of Contents

Our Corporate Structure

We expect to own substantially all of our properties and other investments through our operating partnership, Wells Timberland Operating Partnership, L.P., which we refer to as Wells Timberland OP or our operating partnership. Wells Timberland OP was formed in November 2005 to acquire properties on our behalf. We are the sole general partner of Wells Timberland OP and own approximately 99.99% of its common units. Wells TIMO is the sole limited partner of Wells Timberland OP and owns the remaining approximately 0.01% of the common units. As a result of this structure, we are considered an UPREIT, or Umbrella Partnership Real Estate Investment Trust.

The UPREIT structure is used because a contribution of property directly to a REIT is generally a taxable transaction to the contributing property owner. In an UPREIT structure, a seller of a property who desires to defer taxable gain on the sale of his property may transfer the property to the UPREIT in exchange for common units in the UPREIT and defer taxation of gain until the seller later sells his common units or causes our operating partnership to redeem his common units. Using an UPREIT structure may give us an advantage in acquiring desired properties from persons who may not otherwise sell their properties because of unfavorable tax results. At present, we have no plans to acquire any specific properties in exchange for common units of Wells Timberland OP.

Wells TIMO also owns 100 special units in Wells Timberland OP, representing 100% of this class of limited partnership interest. The special units entitle Wells TIMO to receive certain distributions and redemption payments described under Compensation of our Advisor and its Affiliates only in the event that certain performance-based conditions are satisfied at the time such amounts become payable. The special units do not entitle the holder to any of the rights of a holder of common units, including the right to regular distributions from operations.

Wells Timberland TRS, Inc. is a wholly owned subsidiary of Wells Timberland OP. We will elect to treat Wells Timberland TRS to be a taxable REIT subsidiary, or TRS, upon commencement of our REIT status. A TRS is a fully taxable corporation that may earn income that would not be qualifying REIT income if earned directly by us if we have elected to be taxed as a REIT. Our use of a TRS will enable us to engage in non-REIT qualifying business activities, such as the sale of higher and better use properties. We do not anticipate that a substantial portion, if any, of our income will be earned by our TRS.

Table of Contents

The following chart shows the relationship among us and our subsidiaries and the ownership structure of the Wells entities that perform important services for us.

Table of Contents

Conflicts of Interest

Wells TIMO, as our advisor, will experience conflicts of interest in connection with the management of our business affairs, including the following:

Wells TIMO and its affiliates will have to allocate their time between us and other real estate programs and activities in which they are involved;

Wells TIMO and its affiliates will receive fees regardless of the quality or performance of the investments acquired or the services provided to us;

The compensation arrangements between Wells TIMO and its affiliates and other Wells programs may incent our advisor and its affiliates to act other than in our best interest;

The advisory agreement between Wells TIMO and us was not negotiated on an arm's-length basis and it is possible that an unaffiliated third party would provide similar services at a lower cost; and

Because our advisory agreement must be renewed on an annual basis, the fees and expenses that we pay may be increased in future renewals.

All of our officers and one of our directors, Jess E. Jarratt, will also face these conflicts because of their affiliation with Wells Capital, Wells TIMO, Wells Real Estate Investment Trust II, Inc., which we refer to as Wells REIT II, and Wells Total Return REIT, Inc., which we refer to as Wells Total Return REIT. Wells Capital, Inc., the owner and manager of our advisor, serves as the advisor to Wells REIT II and as a subadvisor to Wells Total Return REIT. In addition, all of our officers serve as officers of Wells REIT II and Wells Total Return REIT, and one of our directors, E. Nelson Mills, who is one of our independent directors, also serves as a director of Wells REIT II. See the Conflicts of Interest section of this prospectus for a detailed discussion of the various conflicts of interest relating to your investment, as well as the procedures that we have established to mitigate a number of these potential conflicts.

Table of Contents**Compensation of the Advisor and its Affiliates**

Wells TIMO and its affiliates will receive compensation and reimbursement for services relating to this offering and the investment and management of our assets. In addition, Wells TIMO has received partnership units in our operating partnership, Wells Timberland OP, constituting a separate series of partnership interests with special distribution and redemption rights, which we refer to as the special units. The most significant items of compensation, fees, expenses and other payments that we expect to pay to Wells TIMO and its affiliates are included in the table below. The selling commissions and dealer-manager fee may vary for different categories of purchasers. See Plan of Distribution. This table assumes the shares are sold through distribution channels associated with the highest possible selling commissions and dealer-manager fees and assumes a \$9.55 price for each share sold through our distribution reinvestment plan, which is the price at which the shares will be sold during this offering.

Type of Compensation	Determination of Amount	Estimated Amount for Maximum Offering (\$2,200,000,000)
<i>Offering Stage</i>		
Selling Commissions	7% of gross offering proceeds from the primary offering; all selling commissions will be reallocated to participating broker/dealers.	\$140,000,000
Dealer-Manager Fee	Up to 1.8% of gross offering proceeds from the primary offering; a portion of the dealer-manager fee will be reallocated to participating broker/dealers.	\$36,000,000
Other Organization and Offering Expenses	Up to 1.2% of gross offering proceeds; however, if we raise the maximum offering amount, we expect that these other organization and offering expenses will not exceed 0.33% of our gross offering proceeds, or \$7.3 million. Wells TIMO will incur or pay our organization and offering expenses (excluding selling commissions and the dealer-manager fee). We will then reimburse Wells TIMO for these amounts up to 1.2% of gross offering proceeds. We also may engage in offerings of common stock that are exempt from securities registration and may reimburse Wells TIMO for certain expenses incurred by it in connection with such offerings.	\$7,300,000
<i>Operational Stage</i>		
Asset Management Fees	Monthly fee equal to one-twelfth of 1% of the greater of the cost or value of investments.	Actual amounts are dependent upon the total equity capital we raise, the amount of debt we incur and results of operations and therefore cannot be determined at this time.

Table of Contents

Type of Compensation	Determination of Amount	Estimated Amount for Maximum Offering (\$2,200,000,000)
Other Operating Expenses	Reimbursement of our advisor's cost of providing services to us other than personnel costs relating to services for which our advisor earns real estate disposition fees.	Actual amounts are dependent upon the results of our operations; we cannot determine these amounts at this time.

Liquidity Stage

Real Estate Disposition Fees	Up to 2% of the contract price for any property sold for \$20.0 million or less and up to 1% of the contract price for any property sold for more than \$20.0 million, in each case as determined by our board of directors (including a majority of our independent directors) based on market norms for the services provided.	Actual amounts are dependent upon the results of our operations; we cannot determine these amounts at this time.
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Special Units	Our advisor will be entitled to receive (1) 15% of specified distributions made upon the disposition of Wells Timberland OP's assets, and/or (2) a one time payment, in the form of a non-interest-bearing promissory note or shares of our common stock (as applicable), in conjunction with the redemption of the special units upon the occurrence of certain liquidity events or upon the occurrence of certain events that result in a termination or non-renewal of the advisory agreement, but in each case only after the holders of common units, including us, have received (or have been deemed to have received), in the aggregate, cumulative distributions equal to their capital contributions (less any amounts received in redemption of their common units) plus a 7% cumulative non-compounded annual pre-tax return on their net capital contributions.	Actual amounts are dependent upon the results of our operations; we cannot determine these amounts at this time.
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In the event that Wells TIMO receives a special unit redemption payment in connection with a listing, it will no longer be eligible to receive a special unit redemption payment upon termination or non-renewal of the advisory agreement or a special unit distribution in connection with the disposition of Wells Timberland OP's assets. Similarly, in the event that Wells TIMO receives a redemption payment in connection with the termination or non-renewal of the advisory agreement without cause, it will no longer be eligible to receive a

Table of Contents

special unit redemption payment upon listing or a special unit distribution in connection with the disposition of Wells Timberland OP's assets. The fees payable to our advisor during our operational stage are not based on the performance of our investments. See Management Compensation, The Operating Partnership Agreement, Plan of Distribution and Conflicts of Interest for a more detailed description of the fees and expenses payable to our advisor, our dealer-manager and their affiliates, and the conflicts of interest related to these arrangements.

Sources of Income

We seek to generate income primarily by selling to third parties the right to access our land and harvest our timber pursuant to supply agreements and through open market sales. We also anticipate generating revenue by leasing our timberland for certain activities such as extracting underground natural resources, pine straw collection, recreational uses and other land use rights. In addition, we will continually review our timberland portfolio to identify properties to sell that may have higher and better uses than as commercial timberland. We do not expect that our higher and better use property sales will generate a substantial portion of our revenue and income.

Board of Directors and Executive Officers

We currently have a five-member board of directors, four of whom are independent of our advisor. All of our officers are affiliated with our advisor, and one of our independent directors, E. Nelson Mills, serves on the board of one other program advised by Wells Capital, the owner of our advisor. Our charter requires that a majority of our directors be independent of our advisor. Our board of directors is responsible for reviewing the performance of our advisor and must approve other matters set forth in our charter. See Conflicts of Interest Certain Conflict Resolution Procedures. Our directors are elected annually by the stockholders. See Management Executive Officers and Directors for a description of the experience of each of our current executive officers and directors.

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE OFFERING

What is a REIT?

In general, a real estate investment trust (or REIT) is a company that:

combines the capital of many investors to acquire or provide financing for real estate properties;

allows individual investors to invest in a large-scale diversified real estate portfolio through the purchase of interests, typically shares, in the REIT;

is required to pay distributions to investors of at least 90% of its annual REIT taxable income (computed without regard to the dividends paid deduction and excluding net capital gain); and

avoids the double taxation treatment of income that would normally result from investments in a corporation because a REIT does not generally pay federal corporate income taxes on the net income it distributes, provided certain income tax requirements are satisfied.

However, REITs are subject to numerous organizational and operational requirements. Upon our qualification as a REIT, if we subsequently fail to qualify for taxation as a REIT in any year, our income will be taxed at regular corporate rates, and we may be precluded from qualifying for treatment as a REIT for the four-year period following our failure to qualify. Even if we qualify as a REIT for federal income tax purposes, we may still be subject to state and local taxes on our income and property and to federal income and excise taxes on our undistributed income.

When will you become qualified as a REIT?

Pursuant to our charter, our board of directors has the authority to determine when and if it is in our best interest to elect to be taxed as a REIT. Our qualification as a REIT requires compliance with a number of tests imposed by the Internal Revenue Code, including requirements regarding our organization and ownership, the distribution of at least 90% of our ordinary taxable income to stockholders, and the nature and diversification of our income and assets. See [Federal Income Tax Considerations](#) [Federal Income Taxation of Our Company as a REIT](#).

As a result of the structure of our acquisition of the Mahrt Timberland in 2007 from MeadWestvaco Corporation, we did not meet the requirements to qualify as a REIT in 2007 or 2008. See [Timberland Investments Mahrt Timberland](#). This transaction affected several of the REIT qualification requirements. In particular, this transaction prevented us from satisfying the quarterly requirement that at least 75% of our gross assets consist of real estate assets, cash and cash items (including receivables) and government securities. It also prevented us from satisfying the quarterly requirement that the value of any one issuer's securities not exceed 5% of the value of our gross assets, as well as preventing us from satisfying the 75% gross income test. On December 18, 2008, we completed certain transactions that we believe will allow us to satisfy the asset and gross income tests in 2009 and thereafter. See [Timberland Investments Mahrt Timberland Special Purpose Entity Sale](#).

In addition, we incurred indebtedness in connection with the acquisition of the Mahrt Timberland which restricts our ability to make distributions to our stockholders. See [Timberland Investments Mahrt Timberland Financing](#). We do not believe that the distribution restrictions will prevent us from being able to qualify as a REIT for our taxable year ending December 31, 2009. We currently do not project positive REIT taxable income (as computed for purposes of the distribution requirement) for 2009 and, accordingly, do not expect to have any distribution requirement for 2009. Even if we have positive REIT taxable income for 2009, it may be possible to satisfy our 2009 distribution requirement in 2010 if we are able to terminate the distribution restrictions in 2010.

Table of Contents

Therefore, we expect that our board of directors will elect for us to qualify as a REIT commencing with the taxable year ending December 31, 2009. However, we cannot give any assurances that we will qualify to be taxed as a REIT for the year ending December 31, 2009, or if we do so qualify, that we will continue to qualify in future years. See **Federal Income Tax Considerations** **Requirements for Qualification**.

What will you do with the money raised in this offering?

We intend to use substantially all of the net proceeds from this offering to repay the senior loan and the mezzanine loan and to acquire timberland properties in the timber-producing regions of the United States. Our portfolio also may include investments in timberland located in other countries. We will also use the net proceeds to pay fees to our advisor, including an asset management fee. Depending primarily upon the number of shares we sell in this offering and assuming a \$9.55 per share price for shares sold under our distribution reinvestment plan, we estimate for each share sold in this offering that between \$9.05 and \$9.17 per share will be available for our intended use of proceeds. We will use the remainder of the offering proceeds to pay the costs of the offering, including selling commissions and the dealer-manager fee. If in the future we pay cash distributions, we expect to use substantially all of the net offering proceeds from the sale of shares under our distribution reinvestment plan to repurchase our common stock pursuant to our share redemption plan.

Until we invest the proceeds of this offering in real estate assets, we may invest in short-term, highly liquid or other authorized investments. Such short-term investments will not earn as high a return as we expect to earn on our real estate investments, and we may not be able to invest the proceeds in real estate assets promptly.

What kind of offering is this?

We are offering up to \$2.2 billion of shares of common stock on a **best efforts** basis. We are offering up to \$2.0 billion of shares of our common stock in our primary offering at \$10.00 per share, with discounts available for certain categories of purchasers as described in **Plan of Distribution** below. We are also offering \$200.0 million of shares of common stock under our distribution reinvestment plan at \$9.55 per share during the primary offering. We may reallocate the total number of shares we are offering between the primary offering and the distribution reinvestment plan.

How does a **best efforts offering work?**

When shares are offered on a **best efforts** basis, the broker/dealers participating in the offering are only required to use their best efforts to sell the shares and have no firm commitment or obligation to purchase any of the shares. Therefore, we may not sell all or any of the shares that we are offering.

How long will this offering last?

This is a continuous offering that will end no later than [____], 2011 (two years from the date of this prospectus) unless extended. If we extend this offering beyond [____], 2011, we will supplement this prospectus. We may continue to offer shares under our distribution reinvestment plan beyond that date and until we have sold the shares allocated pursuant to this offering for purchase pursuant to the plan. In some states, we may not be able to continue the offering for these periods without renewing the registration statement or filing a new registration statement. We may terminate this offering at any time.

Who can buy shares?

Generally, you can buy shares only pursuant to this prospectus if you have either (1) a net worth of at least \$70,000 and an annual gross income of at least \$70,000, or (2) a net worth of at least \$250,000. For this purpose, net worth does not include your home, home furnishings or automobiles. These minimum levels are higher in certain states, so you should carefully read the more detailed description under **Suitability Standards** on page i of this prospectus.

Table of Contents

For whom is an investment in our shares recommended?

An investment in our shares may be appropriate for you if you meet the minimum suitability standards mentioned above, seek to diversify your personal portfolio with a real estate based investment, seek to preserve your capital contribution, seek to receive some current income through the payment of distributions, wish to obtain the benefits of potential long-term capital appreciation and are able to hold your investment for a time period consistent with our liquidity plans. We cannot guarantee that we will achieve any of these objectives.

Are there any special restrictions on the ownership or transfer of shares?

Yes. Our charter contains restrictions on the ownership of our shares that prevent any one person from owning more than 9.8% in value of the aggregate of our outstanding shares, or more than 9.8% (in value or in number of shares, whichever is more restrictive) of the aggregate of our outstanding common shares, unless exempted by our board of directors. See Description of Shares Restriction on Ownership of Shares. Our charter also limits your ability to transfer your shares to prospective stockholders unless the transfer complies with minimum purchase requirements, which are described at Plan of Distribution Minimum Purchase Requirements.

Are there any special considerations that apply to employee benefit plans subject to ERISA or other retirement plans that are investing in shares?

Yes. The section of this prospectus entitled ERISA Considerations describes the effect the purchase of shares will have on individual retirement accounts, retirement plans, and other benefit plans subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA), or the Internal Revenue Code (Code). ERISA is a federal law that regulates the operation of certain tax-advantaged retirement plans. Any retirement plan trustee or individual considering purchasing shares for a retirement plan, individual retirement account, or other benefit plan should read this section of the prospectus very carefully.

In addition, governmental plans, foreign plans, and church plans generally are exempt from the requirements of ERISA and the Code. However, such plans may be subject to state, foreign, or other laws that impose fiduciary requirements similar to those of ERISA and the Code. Persons making an investment on behalf of a governmental, foreign or church plan should satisfy themselves that the investment is in accordance with the plan and applicable law.

Is there any minimum investment required?

Yes. For your initial purchase of our shares, you must generally invest at least \$5,000. Once you have satisfied the minimum purchase requirement, any additional purchases of our shares must be in amounts of at least \$100, except for additional purchases pursuant to our distribution reinvestment plan, which may be in lesser amounts.

How do I subscribe for shares?

If you choose to purchase shares in this offering, you will need to fill out a subscription agreement, like the one contained in this prospectus as Appendix B, for a specific number of shares and pay for the shares at the time you subscribe.

What are your exit strategies?

We presently intend to effect a transaction that will provide liquidity to all of our holders of common stock within five to seven years from the completion of our offering stage, which we will view as complete upon the termination of our last public equity offering prior to the listing of our shares on a national securities exchange. However, there can be no assurance that we will effect such a liquidity event within this period or at all. Our

Table of Contents

board of directors expects to make a preliminary determination regarding our liquidity event no later than five years after the completion of our offering stage. The board's decision regarding when and if we effect a liquidity event may include, but is not limited to:

listing our common stock on a national securities exchange; or

our sale or merger in a transaction that provides our stockholders with cash and/or securities of a publicly traded company. In making the decision as to which exit strategy to pursue, our board of directors will try to determine which transaction would result in greater long-term value for our stockholders. We cannot determine at this time the circumstances, if any, under which our board of directors will determine to list our shares on a national securities exchange. However, if we do not list our shares of common stock on a national securities exchange by August 11, 2018, our charter requires that we either:

seek stockholder approval of an extension or amendment of this listing deadline; or

seek stockholder approval to commence an orderly liquidation.

If our shares are not listed before August 11, 2018, we are under no obligation to actually sell our portfolio within a specified period of time since the precise timing of the sale will depend upon real estate and financial markets, economic conditions of the areas in which the properties are located, and U.S. federal income tax effects on stockholders that may be applicable in the future. Furthermore, we cannot assure you that we will be able to liquidate our assets, and it should be noted that we will continue in existence until all of our assets are liquidated.

If I buy shares in this offering, how may I later sell them?

At the time you purchase the shares, they will not be listed for trading on a national securities exchange. In fact, there will not be any public market for the shares when you purchase them, and we cannot be sure if one will ever develop. In addition, our charter imposes restrictions on the ownership of our common stock, which will apply to potential purchasers of your stock. As a result, you may find it difficult to find a buyer for your shares and realize a return on your investment. See [Description of Shares](#) [Restriction on Ownership of Shares](#).

Our board of directors has adopted a share redemption plan that enables stockholders to sell their shares to us under limited circumstances as determined by the board of directors. However, under the terms of the senior loan agreement and the mezzanine loan agreement entered into in connection with the acquisition of the Mahrt Timberland, we are prohibited from redeeming any shares until we achieve certain financial performance measures under the senior loan and until the mezzanine loan is repaid in full (except for redemptions sought within two years of the death or qualifying disability of a stockholder).

Under the terms of the share redemption plan and following repayment of the mezzanine loan, after you have held your shares for at least one year, you may be able to sell your shares to us pursuant to our share redemption plan. Initially, we will repurchase shares under the share redemption plan at \$9.10 per share. The initial redemption price will remain fixed until one year after we complete our offering stage. Thereafter, we will redeem shares at a price equal to 95% of the estimated per share value of the shares, as estimated by our advisor or another firm chosen for that purpose. The terms of our share redemption plan are more generous for redemptions sought within two years of a stockholder's death or qualifying disability. There are, however, numerous restrictions on your ability to sell your shares to us under the share redemption plan. For example, the dollar amount we pay in connection with all redemptions during any calendar year may not exceed the net proceeds from the sale of shares under the distribution reinvestment plan durit;">

Number of meetings held in 2008

15 9 1 3

- (1) Chairman and audit committee financial expert
- (2)

Chairman

(3)

Chairman and Presiding Director

(4)

Audit committee financial expert

Compensation and Benefits Committee

Under its written charter, the Compensation and Benefits Committee's primary purposes are to: establish the philosophy and objectives that will govern our compensation and benefits programs; oversee and approve the compensation and benefits paid to our chief executive officer and other executive officers; recommend to the Board for approval executive and other compensation and benefits plans and arrangements; and promote the clear and complete disclosure to shareholders of material information regarding the compensation and benefits of our chief executive officer, chief financial

Table of Contents

officer, and our highest paid executive officers. A copy of the committee's charter is posted on our Web site on the Corporate Governance page of the "Company Information" section at ir.ameriprise.com.

Among other matters, the committee exercises ultimate authority with respect to: the compensation and benefits of our chief executive officer and other executive officers; the approval of grants and awards of equity-based and other incentive awards to our chief executive officer and other executive officers and to employees below the executive officer level; and the engagement, oversight, compensation, and termination of the committee's compensation consultant.

While the Compensation and Benefits Committee oversees our executive compensation program, the Nominating and Governance Committee has the authority to oversee the compensation and benefits of non-management directors and make recommendations on such matters to the Board of Directors for approval. You can find information about the compensation of our non-management directors beginning on page 15.

The Compensation and Benefits Committee has the authority under its charter to: retain independent legal or other advisors; ask us to provide the committee with the support of one or more of our officers or employees to assist it in carrying out its duties; and request any of our officers or employees or those of our outside counsel or independent auditors to attend a meeting of the committee or to meet with any members of, or consultants to, the committee.

The committee has the authority to determine the appropriate amount of funding to be provided by us for the payment of the compensation of any compensation consultant or other advisor engaged by the committee and for the payment of any administrative expenses of the committee that are necessary or appropriate in carrying out its duties.

The committee has the authority to delegate its authority to one or more subcommittees, including to the committee Chairman, who may act on behalf of the committee during the intervals between meetings. Depending on the nature of the authority being delegated, a subcommittee may have to consist of a minimum of two members due to certain federal securities and tax law requirements.

The committee may also delegate its authority to one or more of our officers or employees to the extent permitted by federal securities and income tax laws, Delaware law, the rules of the New York Stock Exchange or the governing compensation plan document.

The committee has delegated certain administrative authority to our chief human resources officer to promote the efficient and timely administration of our compensation and benefits plans.

The Role of Executive Officers. Our executive officers play the following roles in recommending the amount or form of executive compensation: preparing committee meeting materials related to the performance of the committee's duties, including total compensation tally sheets and other summaries of executive officers' total compensation; proposing the adoption of new or amended compensation or benefits plans; the chief executive officer will make recommendations to the committee for consideration regarding compensation actions for executive officers other than himself; our chief human resources officer will discuss survey and benchmarking data related to executive compensation and other topics of interest to the committee; and our chief financial officer will discuss and explain the setting and calculation of financial performance goals for executive compensation plans. No executive officer has the authority to approve his or her compensation or to make equity-based grants to himself or herself, or to any other executive officer.

The Committee's Independent Compensation Consultant. The Compensation and Benefits Committee uses the firm of McLagan as its independent compensation consultant. In 2008, the committee approved a Compensation Consultant Policy that addresses the following topics: the relationship between the committee and its compensation consultant; the criteria that the committee uses to select its consultant; the consultant's duties; how the committee evaluates its compensation consultant; the standards that the committee will apply in determining whether its consultant is independent of the Company's management; and the related disclosure to be provided to our shareholders. We have posted the committee's Compensation Consultant Policy on our Web site on the Corporate Governance page of the

Table of Contents

"Company Information" section at *ir.ameriprise.com*. You can request a copy of the Compensation Consultant Policy by writing to Thomas R. Moore, Vice President, Corporate Secretary and Chief Governance Officer, 1098 Ameriprise Financial Center, Minneapolis, MN 55474. You may also call Mr. Moore at (612) 678-0106 or e-mail him at *thomas.r.moore@ampf.com*. He will send you a copy of the policy without charge.

Under the committee's charter, the engagement letter between McLagan and the committee, and the Compensation Consultant Policy, the committee is responsible for the appointment, oversight, amount of compensation, evaluation, retention, and termination of its compensation consultant. McLagan works for and reports directly to the committee, not the Company's management, with respect to executive compensation matters. The committee recognizes that its consultant will necessarily work with representatives of management on executive compensation and other matters within the scope of the committee's responsibilities. When doing so, however, McLagan will act as the committee's representative and solely on the committee's behalf.

In its capacity as the committee's consultant, McLagan provided the following services, among others: advice and guidance with respect to trends and issues related to executive compensation; assisting the committee in benchmarking competitive compensation, including the composition of a peer group to be used as a reference point in reviewing proxy compensation data; assisting the committee in developing an executive compensation philosophy and program suited to our business strategy and goals; and preparing reports and analyses for the committee's meeting materials. A representative of McLagan will attend committee meetings as needed. To the extent that McLagan works with management on committee matters, it does so on the committee's behalf.

At the committee meeting held on February 24, 2009, the committee considered whether McLagan continues to be independent of the Company's management, in light of the five independence standards established in the policy. The committee conducted its discussions of McLagan's independence in executive session, without representatives of either McLagan or management present. The representative of McLagan assigned to the committee engagement has certified in writing to the committee that McLagan satisfies four of the independence standards: all products and services provided by McLagan or its affiliates to the committee or Ameriprise Financial have been provided in the ordinary course of business and on substantially the same terms and conditions, including fees and charges, as would be available to similarly situated parties; McLagan has not provided products or services to any executive officer of Ameriprise Financial as an individual client of the firm; the representative is not an "immediate family member", as defined in the policy, of any committee member or any executive officer of Ameriprise Financial; and that the representative is not a former employee of Ameriprise Financial or any of its affiliates.

The fifth and final independence standard requires the committee to compare: (i) the amount of fees paid to McLagan for products and services *related* to its committee engagement with (ii) the amount of other fees paid by Ameriprise Financial to McLagan and its affiliates for products and services *unrelated* to McLagan's committee engagement. When the committee adopted the Compensation Consultant Policy, it decided that neither McLagan nor its affiliates should be prohibited from providing products and services to the Company that are unrelated to McLagan's committee engagement. Such a prohibition may have deprived the Company's management of products and services that are not readily available elsewhere or that otherwise serve the best interests of the Company and its shareholders.

In addition to the fees that McLagan received during 2008 for its committee engagement, it also received fees from Ameriprise Financial for compensation and performance surveys and related consulting work. McLagan is a wholly-owned subsidiary of Aon Corporation, a leading provider of risk management services, insurance and reinsurance brokerage, and human capital and compensation consulting services. During 2008, Ameriprise Financial paid Aon or its subsidiaries other than McLagan fees for: reinsurance brokerage based on a percentage of reinsurance premiums; corporate risk management services; and the preparation of total compensation statements for our employees.

The committee, after reviewing all of the relevant facts and circumstances, exercised its business judgment to conclude that the fees paid during 2008 to McLagan and to its parent company and affiliates for products and services unrelated to McLagan's committee engagement do not irreparably impair McLagan's ability to provide objective and independent

Table of Contents

advice to the committee. As a result, the committee approved a resolution reaffirming that McLagan continues to be independent of the Company's management and may be described as "independent" in this proxy statement.

The committee has decided to conduct its annual evaluation of McLagan, as provided for in the Compensation Consultant Policy, later during the first half of 2009.

Reporting to the Board. The committee Chairman reports to the entire Board regarding each committee meeting. When appropriate these reports and related discussion are conducted in executive session, without management present. Before the committee takes final action with respect to compensation actions affecting the chief executive officer, it first discusses its proposed actions with the other independent directors, without management present.

Management discusses the proposed agenda for each committee meeting with the committee Chairman in advance and it is reviewed with the other committee members in advance as well. The committee has adopted a policy of including an executive session on the agenda of each committee meeting. The committee members may decide, however, that an executive session is unnecessary at a particular meeting. This executive session is held without management present. The committee Chairman has the authority to add or delete items from any proposed agenda, and to call special meetings of the committee at any time.

Compensation Committee Interlocks and Insider Participation. The Compensation and Benefits Committee members include Ira. D. Hall, Warren D. Knowlton, W. Walker Lewis (Chairman), Siri S. Marshall, Richard F. Powers III, and Robert F. Sharpe, Jr. We have previously disclosed that Messrs. Hall and Powers have decided not to stand for re-election at the 2009 annual meeting. None of the members is a former or current officer or employee of the Company or any of its subsidiaries, or is an executive officer of another company where an executive officer of Ameriprise Financial is a director.

Nominating and Governance Committee

The Nominating and Governance Committee operates under a written charter that is posted on our Web site on the Corporate Governance page of the "Company Information" section at ir.ameriprise.com. The committee's purposes are to: assume a leadership role in shaping the corporate governance of the Company; promote the effective functioning of the Board and its committees; advance the best interests of the Company and its shareholders through the implementation, oversight, and disclosure of sound corporate governance guidelines and practices; and promote the clear and complete disclosure to shareholders of material information regarding the compensation and benefits of the Company's non-management directors.

The committee has adopted a policy of including an executive session of committee members only on the agenda of each committee meeting. The committee members may decide, however, that an executive session is unnecessary at a particular meeting.

Director Nomination Process. The Nominating and Governance Committee considers and recommends candidates for election to the Board. The committee also considers candidates for election to the Board submitted by shareholders. Each member of the committee participates in the review and discussion of director candidates. In addition, members of the Board of Directors who are not on the committee may meet with and evaluate the suitability of candidates. In making its selections of candidates to recommend for election, the committee will apply the standards and criteria set forth under the caption "Director Qualifications and Board Policies" beginning on page 7 of this proxy statement. The committee applies the same standards in considering candidates submitted by shareholders as it does in evaluating candidates submitted by members of the Board of Directors.

Shareholders who wish to submit nominees for election at an annual or special meeting of shareholders should follow the procedures described on pages 66-67.

Table of Contents

Audit Committee

The responsibilities of the Audit Committee are described in the Audit Committee charter and in the following required Audit Committee Report. A copy of the committee's charter is posted on our Web site on the Corporate Governance page of the "Company Information" section at *ir.ameriprise.com*. The committee's purposes are to provide assistance to the Board of Directors by: monitoring the integrity of the consolidated financial statements of the Company; monitoring compliance by the Company with legal and regulatory requirements and the Company's Code of Conduct; evaluating and monitoring the independent auditors' qualifications and independence; evaluating and monitoring the performance of the Company's internal audit function and independent auditors, with respect to the parent company and its subsidiaries; and addressing the finance and risk management matters specified in its charter.

The committee has adopted a policy of including executive sessions on the agenda of each committee meeting. Such executive sessions may include committee members only, or may include separate executive sessions between the committee members and the general auditor, representatives of our independent auditors, or representatives of management, including our chief executive officer, chief financial officer, and general counsel. The committee members may decide, however, that executive sessions are not required at a particular meeting.

Audit Committee Financial Experts. The Board has determined that Mr. Turner, Mr. Sarles and Mr. Noddle are "audit committee financial experts" as defined by the Securities and Exchange Commission, or SEC, regulations and that they have accounting or related financial management expertise, as the Board interpreted such qualification in its business judgment. The Board has also determined that each Audit Committee member is financially literate, as that term is interpreted by the Board in its business judgment.

Table of Contents

REPORT OF THE AUDIT COMMITTEE

The Audit Committee's job is one of oversight as set forth in its charter. It is not the duty of the Audit Committee to prepare the Company's consolidated financial statements, to plan or conduct audits or investigations, or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. The Company's management is responsible for preparing the Company's consolidated financial statements and for establishing and maintaining effective internal control over financial reporting. The Company's management is also responsible for its assessment of the effectiveness of internal control over financial reporting. The independent registered public accountants are responsible for the audit of the Company's consolidated financial statements and the audit of the effectiveness of the Company's internal control over financial reporting. In addition, the independent registered public accountants are responsible for the audit of management's assessment of the effectiveness of internal control over financial reporting.

In the performance of its oversight function, the Audit Committee has reviewed and discussed with management and the independent registered public accountants the Company's audited financial statements. The Audit Committee also has discussed with the independent registered public accountants the matters required to be discussed by Statement on Auditing Standards No. 61 relating to communication with audit committees. In addition, the Audit Committee has received the written disclosures and the letter from its independent accountant required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountants' communications with the Audit Committee concerning independence and has discussed with the independent accountants its independence.

The Audit Committee discussed with the Company's internal auditor and independent registered public accountants the overall scope and plans for their respective audits. The Audit Committee meets with the internal auditor and independent registered public accountants, with and without management present, to discuss the results of their examinations, their evaluations of the Company's internal controls and the overall quality of the Company's financial reporting. In addition, the Audit Committee meets with the Chief Executive Officer and Chief Financial Officer of the Company to discuss the Company's control environment and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board has approved, that the Company's audited financial statements be included in the Company's 2008 Annual Report to Shareholders and, for filing with the Securities and Exchange Commission, the Company's Annual Report on Form 10-K for the year ended December 31, 2008.

MEMBERS OF THE AUDIT COMMITTEE:

William H. Turner, Chairman
Warren D. Knowlton
Jeffrey Noddle
Richard F. Powers III
H. Jay Sarles
Robert F. Sharpe, Jr.

COMPENSATION OF DIRECTORS

Our compensation philosophy for outside directors. We compete with other companies for executive talent, as we explain in the Compensation Discussion and Analysis later in this proxy statement. We must also compete with them for persons with the ability, integrity, experience, and judgment required to serve on the board of a public company. We need to attract and retain directors who meet the high qualification standards set by our Board of Directors. In order to do so, we must offer a compensation package that is both competitive and fair in view of the significant time commitment and responsibilities that come with a director's job. Only outside directors receive compensation for serving on our Board. Mr. Cracchiolo does not receive any additional compensation for his service as a director.

We believe that our outside directors should have a substantial personal financial stake in the Company. Accordingly, a significant portion of our directors compensation package is equity-based. Also, a director is expected to have an equity holding in the Company with a market value of at least \$375,000 upon attainment. A decrease in the price of a share of our common stock after a director has attained the required ownership threshold will not negate the director's satisfaction of this requirement. A director must reach this goal within five years of joining our Board. Shares of our common stock and deferred share units both count toward this goal. Using a December 31, 2008, closing price of \$23.36 for a share of our common stock, the value of the common stock and deferred share units beneficially held by our outside directors on that date is as follows, rounded to the nearest dollar: Ms. Marshall (\$187,791) and Messrs. Hall (\$254,040); Knowlton (\$221,009); Lewis (\$220,378); Noddle (\$331,011); Powers (\$187,791); Sarles (\$363,201); Sharpe (\$427,955); and Turner (\$271,420).

How and why our outside directors' compensation was determined. The Board's Nominating and Governance Committee is responsible under its charter for overseeing the compensation and benefits paid to our outside directors. The committee will annually review the appropriateness of the outside directors' compensation package with the help of an independent compensation consultant. The committee has retained McLagan as its compensation consultant. McLagan also serves as the compensation consultant for the Board's Compensation and Benefits Committee with respect to the compensation of our executive officers.

The committee will discuss with its consultant the consultant's proposed changes to the compensation of outside directors. The committee will then recommend to the Board that it approve such changes as the committee believes are reasonable and appropriate, based on the consultant's report and findings. If the Board approves the committee's recommendations, the new compensation package will become effective as of a date set by the Board.

The outside directors' current compensation program as approved by the Board in 2007. At a meeting held on July 27, 2007, the Board approved the current outside directors' compensation program as recommended by the Nominating and Governance Committee. The committee based its recommendations on a report prepared by McLagan.

The following chart summarizes the current compensation program for our outside directors which became effective on August 1, 2007. As you will note, we do not pay meeting fees or grant stock options or restricted stock to our outside directors.

The committee evaluates the outside directors' compensation program annually. The committee will recommend such future program changes to the Board as it deems appropriate. Such recommendations will be based in part on the advice and guidance of the committee's independent compensation consultant.

Table of Contents

Outside Directors Compensation Program	
Annual Cash Retainer	\$80,000
Annual Equity Retainer	\$100,000 in the form of Deferred Share Units
Board Meeting Fees	No board meeting fees
Committee Meeting Fees	No committee meeting fees
Committee Member Annual Retainer	Committee members receive an annual retainer as follows: Audit Committee \$15,000; Compensation and Benefits Committee \$10,000; and Nominating and Governance Committee \$10,000. There is no committee member retainer for the members of the Executive Committee.
Committee Chairman Annual Retainer	Committee Chairmen receive an annual retainer <i>in addition to</i> the committee member retainer, as follows: Audit Committee Chairman \$20,000 (\$35,000 total committee retainer); Compensation and Benefits Committee Chairman \$10,000 (\$20,000 total committee retainer); and the Nominating and Governance Committee Chairman \$10,000 (\$20,000 total committee retainer)
Charitable Matching Gift Program	Up to \$5,000 annually

Perquisites and personal benefits. Our outside directors receive occasional perquisites or personal benefits of reasonable value, such as: commemorative items in connection with their Board service; welcoming gifts at the hotel where they stay during Board meetings or events; holiday gifts; and recreational or other services and amenities when attending the annual off-site Board strategic planning meeting. If any gifts or other items are taxable to our directors, we will provide them with a tax gross-up amount.

We pay for or reimburse our outside directors for their reasonable travel, lodging, food, and other expenses related to their attendance at Board, committee, or annual shareholder meetings. Our outside directors may use our corporate aircraft for Board-related travel, subject to the aircraft's availability and other restrictions. In extraordinary or unusual circumstances, such as a family emergency, we may make our corporate aircraft available to our outside directors on an exception basis.

Our outside directors are eligible to participate in our charitable gift matching program on the same basis as our employees. We will match a director's personal contributions to one or more qualifying charitable organizations, subject to an annual aggregate limit of \$5,000. Directors' requests for matching gifts are processed by the same outside vendor that we use for employee matching gift requests.

Other assistance and payments. As is true at many other public companies, our in-house counsel and other employees, as well as outside counsel, assist our outside directors in satisfying their legal reporting obligations under Section 16(a) of the Securities Exchange Act of 1934, as amended. We pay for the fees and expenses related to the preparation and filing of Securities and Exchange Commission Forms 3, 4, and 5 for our outside directors, but only for transactions in our equity securities.

A director's Section 16(a) reporting obligations for transactions in our equity securities are imposed solely due to his or her service on our Board. Therefore, we do not consider such assistance and related payments to be perquisites or personal benefits. Nevertheless, we have provided this information to you in the interests of full and transparent disclosure.

Table of Contents

Compensation earned by our outside directors during 2008. The table below shows the total compensation earned by our outside directors during 2008. The chart also discloses other payments, such as deemed dividends on deferred share units and the amount of charitable matching gifts we made for a director.

2008 COMPENSATION OF DIRECTORS

Name	Fees Earned or Paid in Cash (\$)(1)	Stock Awards (\$)(2)	All Other Compensation (\$)(3)	Total (\$)
Ira D. Hall	\$ 100,000	\$ 91,594	\$ 15,719	\$ 207,313
Warren D. Knowlton	105,000	91,594	4,813	201,407
W. Walker Lewis	110,000	91,594	4,747	206,341
Siri S. Marshall	110,000	91,594	4,770	206,364
Jeffrey Noddle	105,000	91,594	12,775	209,369
Richard F. Powers III	105,000	91,594	9,690	206,284
H. Jay Sarles	105,000	91,594	9,751	206,345
Robert F. Sharpe, Jr.	105,000	91,594	12,803	209,397
William H. Turner	115,000	91,594	7,813	214,407

(1)

Ira D. Hall, Warren D. Knowlton, Jeffrey Noddle and Robert F. Sharpe, Jr. elected to defer 100% of their cash retainers for 2008 under the Ameriprise Deferred Compensation Plan for Outside Directors. In lieu of cash Messrs. Hall, Noddle, and Sharpe each received an aggregate total of deferred share units in his deferred compensation account as follows: Messrs. Hall (2,773); Noddle (2,912); and Sharpe (2,912). That number does not include deemed dividends on those units that were reinvested in additional deferred share units. Mr. Knowlton did not elect to defer his cash retainers into deferred share units.

(2)

The dollar amounts in this column show the compensation expense that we recognized with respect to the annual grant of deferred share units. The number of deferred share units credited to a director's account is calculated as follows: The dollar value to be received by the director is divided by the average value of a share of our common stock for the five trading days before the date of the grant. For accounting purposes, we then calculate the compensation expense of those deferred share units back to a dollar amount by multiplying the number of units by the closing price of a share of our common stock on the grant date. We then record the compensation expense of the deferred share units as of the grant date. In addition to the annual share award, Messrs. Sharpe, Noddle and Hall elected to defer 100% of their annual retainer into deferred share units. As a result, their fees earned of \$100,000, \$105,000 and \$105,000 respectively, were expensed at \$102,824, \$107,966, \$107,966, using the same process as the annual award for each quarterly fee payment. The compensation expense that we record does not factor in the deemed dividends that will be credited to the deferred share units held in the director's account.

(3)

The dollar amount shown in this column is the total of: deemed dividends credited during 2008 to a director's plan account and reinvested in additional deferred share units; charitable matching gifts we made during 2008 to one or more charitable organizations on behalf of the director; and the tax gross-up amount on a gift we gave to the director that was includable in the director's income for tax purposes. The aggregate incremental cost of perquisites and personal benefits is less than \$10,000 for each director. As a result, the Securities and

Exchange Commission does not require us to disclose those costs. All deemed dividends were credited at the same rate as the dividends paid to holders of shares of our common stock.

Table of Contents

For your convenience, we've broken out the three components of "All Other Compensation" in the chart below. Dollar amounts in each component have been rounded to the nearest dollar.

Name	Deemed Dividends	Charitable Matching Gifts	Tax Gross-Ups*
Ira D. Hall	\$ 5,419	\$ 10,000**	\$ 300
Warren D. Knowlton	2,513	2,000	300
W. Walker Lewis	4,447	0	300
Siri S. Marshall	4,447	0	323
Jeffrey Noddle	7,459	5,000	316
Richard F. Powers, III	4,447	5,000	243
H. Jay Sarles	4,447	5,000	304
Robert F. Sharpe, Jr.	7,459	5,000	344
William H. Turner	4,447	3,000	366

*

Tax gross-up amounts relate to the income imputed to the director as a result of a welcoming gift we gave to the director at an off-site Board retreat as well as a holiday gift shipped in December 2007. Variations in tax gross-up amounts are due primarily to differences in state income tax rates.

**

This amount includes \$5,000 of matching gifts we made in 2008 as a result of charitable gifts that Mr. Hall made in 2007. Therefore, the \$5,000 annual limit on charitable matching gifts was not exceeded for gifts that Mr. Hall made in 2007 and 2008.

Components of cash compensation earned during 2008. The following table breaks out the elements of the cash compensation shown in the 2008 Compensation of Directors Table, in the column captioned "Fees Earned or Paid in Cash."

2008 CASH RETAINERS PAID

Name	Annual Retainer (\$)	Committee Chairman Retainer (\$)	Committee Member Retainer (\$)	Total (\$)
Ira D. Hall	\$ 80,000		\$ 20,000	\$ 100,000
Warren D. Knowlton	80,000		25,000	105,000
W. Walker Lewis	80,000	\$ 10,000	20,000	110,000
Siri S. Marshall	80,000	10,000	20,000	110,000
Jeffrey Noddle	80,000		25,000	105,000
Richard F. Powers, III	80,000		25,000	105,000
H. Jay Sarles	80,000		25,000	105,000
Robert F. Sharpe, Jr.	80,000		25,000	105,000
William H. Turner	80,000	20,000	15,000	115,000

Table of Contents

Deferred Share Plan for Outside Directors. All of our outside directors participate in the Ameriprise Financial Deferred Share Plan For Outside Directors. Each outside director receives an annual grant of deferred share units following the annual meeting of shareholders. A deferred share unit is a phantom share of our common stock that tracks the value of our common stock. A deferred share unit receives deemed dividends in the same amount paid on a share of our common stock, but it has no voting rights. Outside directors may also choose to defer part or all of their annual cash retainer and any committee chairman's retainer under the plan. This deferral feature is voluntary and during 2008 three of our directors, Messrs. Hall, Noddle and Sharpe, elected to defer 100% of their cash retainers into deferred share units. During 2008, Mr. Knowlton also elected to defer 100% of his cash retainers, but he did not defer his retainers into deferred share units.

OUTSIDE DIRECTORS DEFERRED SHARE PLAN

FEATURE	ANNUAL GRANT	ELECTIVE RETAINER DEFERRAL
Amount	Equal to the dollar value of the annual cash retainer, which is currently \$80,000 Outside directors whose first term is less than one year long will receive a pro-rata grant based on their length of service between their appointment to the Board and the next annual meeting of shareholders	Before the beginning of each calendar year, a director may elect to defer up to 100% of the annual cash retainer and any committee chairman or member retainer, in 25% increments
Investment Options	Only investment option is Ameriprise deferred share units, credited to a separate annual equity grant deferred share unit account	Director may choose to invest deferred amounts in one or both of these options: Ameriprise deferred share units or a cash account that receives a market rate of interest, credited on the last day of each month
Number of Deferred Share Units Credited	The number of deferred share units is determined by dividing the dollar amount awarded by the average closing price of a share of our common stock for the five trading days following the date of our annual shareholders meeting, or the five trading days following the appointment date of a director who joins the Board after the date of the most recent annual meeting	The number of units credited is determined by dividing the quarterly deferral amount by the average closing price of a share of our common stock for the five trading days following the public release of our earnings results for that quarter

Table of Contents

FEATURE	ANNUAL GRANT	ELECTIVE RETAINER DEFERRAL
Dividend Equivalent Reinvestment	<p>Account is credited with additional deferred share units on each dividend payment date for our common stock</p> <p>Number of additional units is calculated by first multiplying the number of units held on the dividend record date by the dividend payable on a share of our common stock; that number is then divided by the average of the high and low prices of a share of our common stock on the dividend payment date</p>	<p>Deemed dividends on deferred share units are reinvested in the same manner used for the annual equity grant account</p>
Distribution	<p>Single payment in shares of our common stock following the director's end of service</p>	<p>A director makes a distribution election at the same time he or she makes a deferral election, and that election applies to that year's deferrals. A director makes a new distribution election each year. A director has three distribution choices:</p> <ul style="list-style-type: none"> Lump sum on March 31 of a specified year Lump sum following the director's end of service Up to five annual installments following the director's end of service
Change in Control	<p>Upon a change in control, the entire account will be distributed in shares of our common stock.</p>	<p>Upon a change in control, all amounts held in either account will be distributed as explained immediately above.</p>

Table of Contents

Deferred share units issued to outside directors in 2008. The table below shows the number of deferred share units issued to outside directors during 2008. In order to simplify the presentation, we have rounded the numbers shown to the nearest unit. During 2008, directors' accounts were credited with deemed dividends on the deferred share units. These deemed dividends were reinvested in additional deferred share units at the same rate as those paid on a share of the Company's common stock.

Name	DSU Balances as of 12/31/2007			DSUs Credited During 2008			DSU Balances as of 12/31/2008			
	Annual Equity Grant	Retainer Deferral	Total Equity DSUs	Annual Reinvested Grant	Deemed Dividends	Retainer Deferral	Annual Total Equity DSUs	Retainer Deferral	Total DSUs	
Ira D. Hall	5,426	0	5,426	1,947	214	2,773	4,934	7,539	2,821	10,360
Warren D. Knowlton	2,418	0	2,418	1,947	96	0	2,043	4,461	0	4,461
W. Walker Lewis	5,426	0	5,426	1,947	166	0	2,113	7,539	0	7,539
Siri S. Marshall	5,426	0	5,426	1,947	166	0	2,113	7,539	0	7,539
Jeffrey Noddle	5,426	3,097	8,523	1,947	288	2,912	5,147	7,539	6,131	13,670
Richard F. Powers, III	5,426	0	5,426	1,947	166	0	2,113	7,539	0	7,539
H. Jay Sarles	5,426	0	5,426	1,947	166	0	2,113	7,539	0	7,539
Robert F. Sharpe, Jr.	5,426	3,097	8,523	1,947	288	2,912	5,147	7,539	6,131	13,670
William H. Turner	5,426	0	5,426	1,947	166	0	2,113	7,539	0	7,539

Includes 2007 deemed dividends reinvested in additional Deferred Share Units

Includes 2008 deemed dividends reinvested in additional Deferred Share Units

Table of Contents**OWNERSHIP OF OUR COMMON SHARES**

The table below shows how many Ameriprise common shares certain individuals and entities beneficially owned on February 25, 2009. These individuals and entities include: (1) owners of more than 5% of our outstanding common shares; (2) our current directors (Messrs. Hall and Powers have decided not to stand for re-election at the 2009 annual meeting.); (3) the five executive officers named in the compensation tables included in subsequent sections of this proxy statement; and (4) all current directors and executive officers as a group. A person has beneficial ownership over shares if the person has or shares voting or investment power over the shares or the right to acquire such power within 60 days. Investment power means the power to direct the sale or other disposition of the shares. Each person has sole voting and investment power over the shares, except as we describe below.

The column captioned "Deferred Share Units" shows DSUs owned by non-management directors through the Outside Directors Deferred Share Plan and phantom units owned by the executive officers under the Company's Supplemental Retirement Plan. The information in this column is not required by the rules of the Securities and Exchange Commission because these units carry no voting rights and will be settled in shares of common stock that the recipient does not have the right to acquire within 60 days of February 25, 2009. Nevertheless, we believe that this information provides a more complete picture of the financial stake that our directors and executive officers have in the Company.

Name	Number of Shares Owned(5)(6)	Right to Acquire(7)	Percent of Class(%)	Deferred Share Units
Wellington Management Company, LLP 75 State Street Boston, MA 02109	16,408,562(1)		7.58%	
T. Rowe Price Associates, Inc. 100 E. Pratt Street Baltimore, MD 21202	14,047,947(2)		6.4%	
Davis Selected Advisors, L.P. 2949 E. Elvira Rd, Suite 101 Tucson, AZ 85756	13,001,920(3)		6.0%	
Barclays Global Investors, N.A. 45 Fremont Street San Francisco, CA 94105	11,944,332(4)		5.51%	
Ira D. Hall	515		*	10,360
Warren D. Knowlton	5,000		*	4,461
W. Walker Lewis	1,895		*	7,539
Siri S. Marshall	500		*	7,539
Jeffrey Noddle	500		*	13,670
Richard F. Powers III	500		*	7,539
H. Jay Sarles	8,009(8)		*	7,539
Robert F. Sharpe, Jr.	18,150(9)		*	13,670
William H. Turner	4,080(10)		*	7,539
James M. Cracchiolo	164,015	2,232,505	1.01%	69,521
Walter S. Berman	28,582	348,747	*	21,682
Glen Salow	49,373	960,437	*	127
William F. Truscott	63,175	525,616	*	27,301
Joseph E. Sweeney	15,501	272,099	*	6,979
All current directors and executive officers (21 individuals)	459,356	5,209,600	2.6%	260,138

*

Less than 1%.

Table of Contents

- (1) Based on information contained in a report on Schedule 13G filed with the Securities and Exchange Commission on February 17, 2009, by Wellington Management Company, LLP, which contained information as of December 31, 2008.
- (2) Based on information contained in a report on Schedule 13G filed with the Securities and Exchange Commission on February 13, 2009, by T. Rowe Price Associates, Inc., which contained information as of December 31, 2008.
- (3) Based on information contained in a report on Schedule 13G that Davis Selected Advisers, L.P. filed with the Securities and Exchange Commission on February 13, 2009, which contained information as of December 31, 2008.
- (4) Based on information contained in a report on Schedule 13G filed with the Securities and Exchange Commission on February 6, 2009, by Barclays Global Investors, N.A., Barclays Global Fund Advisors, Barclays Global Investors, Ltd., Barclays Global Investors Japan Limited, Barclays Global Investors Canada Limited, Barclays Global Investors Australia Limited and Barclays Global Investors (Deutschland) AG (collectively, "Barclays"). As of December 31, 2008, Barclays reported sole dispositive power over 11,944,332 shares and sole voting power over 10,264,113 shares of our outstanding common stock. The report indicates that these shares are held in trust accounts for the economic benefit of the beneficiaries of those accounts.
- (5) This column includes shares held in employee benefit plan accounts on February 25, 2009, as follows:

Name	Number of Shares in Plan Accounts
James M. Cracchiolo	1,228
Walter S. Berman	224
Glen Salow	245
William F. Truscott	183
Joseph E. Sweeney	194
All executive officers	7,359

- (6) Certain executive officers hold restricted shares that we include in this column. The executive may vote the restricted shares, but may not sell or transfer them during the restricted period. These restrictions lapse over a period of years. The individuals in the table hold the following number of restricted shares:

Name	Number of Restricted Shares
James M. Cracchiolo	58,569
Walter S. Berman	14,471
Glen Salow	14,197
William F. Truscott	20,864
Joseph E. Sweeney	7,113
All executive officers	172,557

- (7) These are shares that the named individuals have the right to acquire within 60 days of February 25, 2009, upon the exercise of stock options that they hold.
- (8) Shares are held indirectly in the H. Jay Sarles Revocable Trust.

- (9) Includes 15,150 shares held indirectly in the Robert F. Sharpe, Sr. Credit Shelter Trust.
- (10) Includes 80 shares held indirectly in the William H. Turner Individual Retirement Account.

Table of Contents

ITEMS TO BE VOTED ON BY SHAREHOLDERS

ITEM 1 ELECTION OF DIRECTORS

Our Board of Directors currently has ten members divided into three classes of nearly equal size. The members of each class are elected to serve a three-year term with the term of office for each class ending in consecutive years. If, during the year, a director resigns or retires, the Board of Directors, upon the recommendation from the Nominating and Governance Committee, may elect another director as a replacement. The Board may add new members during the year based on a number of factors, such as the size of the Board and the Board's desire to add fresh perspectives or expertise.

At this year's annual meeting, the terms of our Class I directors will expire. We have previously disclosed that Messrs. Hall and Powers have decided not to stand for re-election at the 2009 annual meeting and our Board has therefore fixed the number of directors at eight, as of the date and time of the 2009 annual meeting. Mr. Noddle, who currently serves as a Class I director, has been nominated for re-election to the Board to serve until the 2012 annual meeting or until his successor is elected and qualified. Our By-Laws and the corporate governance listing standards of the New York Stock Exchange require that the three classes of directors be as nearly equal in number as possible and that a majority of directors be elected at least once every two years. Therefore, the Board of Directors has nominated Messrs. Knowlton and Sharpe to stand for election as Class I directors with Mr. Noddle at the 2009 annual meeting. Like Mr. Noddle, Messrs. Knowlton and Sharpe, if elected, will each serve a three-year term ending at the 2012 annual meeting, or until his successor is elected and qualified. Each of the nominees has agreed to serve as a director if elected. Proxies may not be voted for more than three directors.

The Board has appointed Walter S. Berman, John C. Juneck, and Thomas R. Moore as proxies who will vote your shares on your behalf. Their names appear on the proxy card. Proxies will be voted FOR the election of each of the three nominees unless you indicate on the proxy card or voting instructions that you vote "Against", or "Abstain" from voting with respect to, any or all of the nominees. The telephone and Internet proxy submission procedures will include instructions on how to abstain from voting with respect to any or all nominees. We expect that each nominee will be able to serve if elected as a director. However, if any nominee is not able to serve, the persons named as proxies may vote for another person nominated by the Nominating and Governance Committee. Alternatively, the Board of Directors, at its option, may reduce the number of directors constituting Class I directors.

We currently expect that the election of directors will be uncontested and therefore the nominees for director will be subject to a majority voting standard, as explained in more detail beginning on page 3.

The Board of Directors recommends a vote FOR the election of the three director nominees. Proxies will be voted FOR the election of the three nominees unless otherwise specified.

The nominees for election as director and the directors whose terms of office will continue after the meeting have provided the following information about themselves.

CLASS I DIRECTORS NOMINEES FOR TERMS ENDING IN 2012

Warren D. Knowlton: Age 62, director since September 28, 2006. Mr. Knowlton is the chairman of Graham Packaging Company, L.P., a leading international supplier of plastic food and beverage containers. Formerly, Mr. Knowlton served as chairman and chief executive officer of Graham Packaging Company, L.P. from December 2006 to December 2008. Prior to joining Graham Packaging Company, L.P., Mr. Knowlton was the chief executive officer and board member of The Morgan Crucible Company plc, a U.K.-based building materials company with global operations. Prior to joining The Morgan Crucible Company plc, he held senior leadership positions with Pilkington plc and Owens Corning in both the U.S. and international markets. Mr. Knowlton has been a director on the Smith & Nephew board since 2000, serving as chairman of the global medical technology company's audit committee since 2001.

Table of Contents

Jeffrey Noddle: Age 62, director since September 20, 2005. Mr. Noddle has served as the president and chief executive officer of SUPERVALU INC. since 2001, and as chairman of its board of directors since 2002. Prior to his present position, Mr. Noddle held a number of other leadership positions at SUPERVALU, including president and chief operating officer from 2000 to 2001, corporate executive vice president and president and chief operating officer of SUPERVALU's distribution food companies, corporate vice president merchandising and president of the company's Fargo and former Miami divisions. Mr. Noddle is the immediate past chairman of the board of directors of The Food Marketing Institute. In addition, he serves as a member of the boards of directors of Donaldson Company, Inc., the Independent Grocers Alliance, Inc., The Food Industry Center at the University of Minnesota, the Carlson School of Management at the University of Minnesota and the Academy of Food Marketing at Saint Joseph's University.

Robert F. Sharpe, Jr.: Age 57, director since September 30, 2005. Mr. Sharpe was appointed President of Commercial Foods and Executive Vice President, External Affairs of ConAgra Foods, Inc. in early 2008 having joined ConAgra in November 2005. From 2002 until joining ConAgra, Mr. Sharpe was a partner at the Brunswick Group LLC, an international financial public relations firm. Prior to that, he served as senior vice president public affairs, secretary and general counsel for PepsiCo, Inc. from 1998 to 2002. Previously, Mr. Sharpe was senior vice president and general counsel for RJR Nabisco, Inc.

CLASS II DIRECTORS TERMS ENDING IN 2010

James M. Cracchiolo: Age 50, Chairman and Chief Executive Officer of the Company since September 30, 2005. Mr. Cracchiolo has been chairman and chief executive officer of Ameriprise Financial, Inc. since September 30, 2005, when American Express Financial Corporation completed its spin-off from American Express Company. Prior to that, Mr. Cracchiolo was chairman and chief executive officer of American Express Financial Corporation, since March 2001, president and chief executive officer of American Express Financial Corporation since November 2000, and group president, global financial services of American Express since June 2000. He served as chairman of American Express Bank Ltd. from September 2000 until April 2005 and served as president and chief executive officer of Travel Related Services International from May 1998 through July 2003. Mr. Cracchiolo joined American Express in 1982. He is also on the board of advisors of the March of Dimes.

H. Jay Sarles: Age 64, director since September 30, 2005. Mr. Sarles is retired, having most recently served as vice chairman of Bank of America Corporation. Prior to that, he served as vice chairman and chief administrative officer of FleetBoston Financial with responsibility for administrative functions, technology and operations, treasury services, corporate strategy and mergers and acquisitions. During his 37 years at Fleet, Mr. Sarles oversaw virtually all of Fleet's businesses at one time or another, including, most recently, the company's wholesale banking businesses. These included commercial finance, real estate finance, capital markets, global services, industry banking, middle market and large corporate lending, small business services and investment banking businesses. Mr. Sarles is also a member of the boards of directors of AvalonBay Communities, Inc., Carlyle Capital Corporation Limited, Dental Service of Massachusetts, Inc., and is a trustee of Mount Holyoke College.

CLASS III DIRECTORS TERMS ENDING IN 2011

W. Walker Lewis: Age 64, director since September 30, 2005. Mr. Lewis serves as chairman of Devon Value Advisers, a financial consulting and investment banking firm that he founded in 1997. Prior to that, he served as a managing director of Kidder Peabody, where he was a member of the firm's management committee. From 1991 to 1993, Mr. Lewis was president of Avon Products Inc., North America and a member of the Office of the Chairman of Avon Incorporated.

Siri S. Marshall: Age 60, director since September 30, 2005. Ms. Marshall is the former senior vice president, general counsel and secretary and chief governance and compliance officer at General Mills, Inc., having retired from those positions as of January 1, 2008. Prior to joining General Mills in 1994, Ms. Marshall was senior vice president, general counsel and secretary of Avon Products, Inc. Ms. Marshall is also a director of Equifax, Inc., Alphatec Holdings, Inc. and the Yale Center for the Study of Corporate Law, a Distinguished Advisor to the Straus Institute of Dispute Resolution, and a

Table of Contents

Trustee of the Minneapolis Institute of Arts She has served as a director of NovaCare, Inc., Jafra Cosmetics International, Snack Ventures Europe and the American Arbitration Association. She has also served as a member of The New York Stock Exchange Legal Advisory Committee Council.

William H. Turner: Age 68, director since September 30, 2005. Mr. Turner is the Acting Dean of Montclair State University. Previously, he was the founding dean of the College of Business at Stony Brook University and a senior partner at Summus Limited. Prior to that, Mr. Turner was president and chief executive officer of PNC Bank, New Jersey from 1997 to 2000 and chairman of PNC Bank, N.A., New Jersey and Northeast Region from 2000 until his retirement in 2002. Before joining PNC, Mr. Turner was president and co-chief executive officer at Franklin Electronic Publishers, Inc. and vice chairman of Chemical Banking Corporation, which merged with The Chase Manhattan Corporation in 1995. Mr. Turner is also a member of the boards of directors of Franklin Electronic Publishers, Inc., Standard Motor Products, Inc., Volt Information Sciences, Inc. and New Jersey Resources, Inc.

ITEM 2 RATIFICATION OF AUDIT COMMITTEE'S SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTANTS

On November 19, 2008, the Audit Committee of the Board of Directors selected Ernst & Young LLP as our independent registered public accounting firm for the year beginning January 1, 2009, subject to shareholder ratification at the 2009 annual meeting. The Audit Committee confirmed its decision to appoint Ernst & Young at the committee's meeting held on February 24, 2009.

We are asking shareholders to ratify the Committee's appointment, subject to the limitation stated in the last sentence of this paragraph. In the event the shareholders fail to ratify the appointment, the Audit Committee will consider other accounting firms for 2009. The Audit Committee will be under no obligation, however, to appoint new independent auditors.

One or more representatives of Ernst & Young will be present at the meeting with the opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions.

Independent Registered Public Accountant Fees

The following presents the aggregate fees billed for professional services by Ernst & Young in fiscal years 2008 and 2007 for these various services:

Description of Fees	Fiscal Year	Fiscal Year
	2008	2007
	Amount	Amount
Audit Fees	\$ 11,065,000	\$ 10,342,000
Audit-Related Fees	1,017,000	713,000
Tax Fees:	545,000	610,000
All Other Fees		
Total	\$ 12,627,000	\$ 11,665,000

Audit Fees

The audit fees set forth above consist of fees for professional services during each fiscal year in connection with the audit of the Company's annual financial statements, review of financial statements included in the Company's Quarterly Reports on Form 10-Q and services that were provided in connection with statutory and regulatory filings or engagements and other attest services.

Table of Contents

Audit-Related Fees

The audit-related fees set forth above for fiscal year 2008 consist of fees for assurance and related services that were reasonably related to the performance of the audit or review of the Company's financial statements.

Tax Fees

The tax fees set forth above consist of fees for tax services during each fiscal year.

Services to Associated Organizations

Ernst & Young also provided other services to associated organizations of the Company that were charged directly to those organizations. These amounts included \$4,364,000 for 2008 and \$3,082,000 for 2007, primarily for performing audits and tax compliance services to mutual funds, collective funds, and alternative investment funds.

Policy on Pre-Approval of Services Provided by Independent Registered Public Accountants

Pursuant to the requirements of the Sarbanes-Oxley Act of 2002, the terms of the engagement of the Company's independent registered public accountants are subject to the specific pre-approval of the Audit Committee. All audit and permitted non-audit services to be performed by the Company's independent registered public accountants require pre-approval by the Audit Committee in accordance with pre-approval procedures established by the Audit Committee. The procedures require all proposed engagements of the Company's independent registered public accountants for services of any kind to be directed to the Company's general auditor and then submitted for approval to the Audit Committee or to the Audit Committee chairman prior to the beginning of any services. The Audit Committee has delegated such approval authority to its chairman, to be exercised in the intervals between committee meetings.

In 2008, 100% of the services provided by Ernst & Young for the Company and its subsidiaries were pre-approved by the Audit Committee or its chairman.

The Board of Directors recommends a vote FOR the following resolution. Proxies will be voted FOR the following resolution unless otherwise specified:

RESOLVED, that the Audit Committee of the Board of Directors' selection of Ernst & Young LLP, independent registered public accountants, to audit the accounts of the Company and its subsidiaries for 2009 is ratified.

Table of Contents

COMPENSATION OF EXECUTIVE OFFICERS

COMPENSATION AND BENEFITS COMMITTEE REPORT

The Compensation and Benefits Committee has reviewed and discussed with the Company's management the Compensation Discussion and Analysis that follows this report. Based upon that review and discussion, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2008, and in this proxy statement.

MEMBERS OF THE COMMITTEE:

W. Walker Lewis, Chairman

Ira D. Hall

Warren D. Knowlton

Siri S. Marshall

Richard F. Powers III

Robert F. Sharpe, Jr.

COMPENSATION DISCUSSION AND ANALYSIS

INTRODUCTION

In this section of the proxy statement, we'll describe the material elements of the executive compensation program for the executive officers identified in the Summary Compensation Table on page 48, who are called named executive officers. We will also provide an overview of our executive compensation philosophy and our executive compensation program. In addition, we'll explain how and why our Board's Compensation and Benefits Committee arrives at specific compensation decisions and policies.

The 2008 operating environment. During 2008, financial markets faced their greatest challenges since the 1930s. Investment banks that were Wall Street fixtures for generations either failed, merged with other financial firms and went out of existence, or became bank holding companies. Banks and insurance companies marked down the value of hundreds of billions of dollars in assets on their balance sheets, requiring them to seek massive capital infusions. We witnessed the largest bank failure in United States history. The credit markets were severely disrupted for both businesses and individuals. Many individual investors lost confidence in the stock market and were further shaken when a long-established money market mutual fund unexpectedly "broke the buck", or set a net asset value per share of less than \$1.00, and suspended redemptions. The Dow Jones Industrial Average began 2008 at 13,043 and ended the year at 8,776, a decline of approximately 34%, its worst annual performance since 1931. The S&P 500 declined by approximately 39%, its worst year since 1937.

The federal government intervened in the markets in ways that would have seemed unimaginable at the start of the year. As the crisis deepened, Congress approved a financial stabilization plan whose scope, effects, and details still remain uncertain in many ways.

Key 2008 accomplishments. Despite the broad dislocations in the financial markets and the steep declines in equity values, we finished 2008 in a much stronger position than many other financial services firms. We have a strong balance sheet, including a high-quality, diversified asset portfolio. Unlike many of our competitors, we didn't need to raise capital in the markets or from other sources. In fact, we ended the year with excess capital of approximately \$700 million and approximately \$6.2 billion in cash and cash equivalents. The strength of our balance sheet is particularly remarkable because during 2008 we raised our dividend, made \$600 million in share repurchases, and completed important all cash acquisitions totaling \$800 million. Our risk management and internal control programs, which we continue to enhance and refine, helped to protect the value of our franchise at a time when a number of other firms were forced to merge, go out of business, or recognize massive asset write downs.

We were particularly pleased by the continued strength of our business model and the year over year core operating performance of our business segments, after excluding the after-tax impacts due to the extraordinary dislocation in financial markets in the second half of 2008, and the exclusion of after-tax separation costs and after-tax realized investment gains in 2007. During the second half of 2008, we had significant net realized investment losses, primarily from other than temporary impairments. These impairments, along with significant other market dislocation impacts, drove the fourth quarter and full-year losses we incurred. We intend to hold these securities until maturity. We believe that we will recover a significant portion of those impairments.

Despite the many challenges facing us in 2008, we produced these significant accomplishments:

We completed an all cash acquisition of J. & W. Seligman & Co., adding approximately \$13 billion in assets in open and closed end mutual funds, hedge funds, and institutional accounts to our subsidiary, RiverSource Investments and expanded our third-party distribution.

Table of Contents

We also completed all-cash acquisitions of H&R Block Financial Advisors and Brecek & Young Advisors, adding more than 1,200 advisors. These transactions brought us more than 365,000 client accounts and more than \$25 billion in client assets.

Our board increased our quarterly cash dividend from 15 cents to 17 cents, a 13% increase. We also repurchased more than \$600 million of our common stock.

Despite the unprecedented market uncertainty and volatility, we maintained a stable client base, with a continued strong retention rate of 94% and high client satisfaction.

Financial planning engagement with existing clients increased significantly and planning and advice fees also grew compared with 2007.

Demonstrating our unwavering commitment to our clients' best interests, we voluntarily committed up to \$36 million to mitigate the losses of our clients who had assets invested in the Primary Fund, the money market mutual fund managed by Reserve Management and the first major money market mutual fund to break the buck.

We rapidly responded to the extraordinary degree of market volatility by creating the Market Volatility Resource center, launching new national ads promoting the strength of Ameriprise Financial and RiverSource Life Insurance to reassure clients and policyholders, and by hosting the first ever nationwide Ameriprise Town Hall broadcast for clients and prospects.

We exceeded our \$75 million reengineering goal and plan to lower our general and administrative expenses by an additional 10% in 2009, excluding the impact of our 2008 acquisitions.

We executed a multi-million dollar technology enhancement agenda that focused on our strategic growth priorities.

Through grant making, volunteerism and gift matching, we supported a diverse group of over 5,000 nonprofits across the country. Together with our employees and advisors, we gave back to our communities more than \$12 million last year. In addition, our employees and retirees contributed more than 26,500 hours to charitable purposes during 2008.

We realize that executive compensation can be a complicated subject. When we drafted this year's Compensation Discussion and Analysis, we continued our efforts to simplify it, use tables or illustrations when possible, and keep it crisp and readable.

We'll discuss Company, business and individual measures considered in assessing performance. These measures are discussed in the limited context of our executive compensation program. You should not interpret them as statements of our expectations or as any form of guidance by us. We caution you not to apply the statements or disclosures we make in the Compensation Discussion and Analysis in any other context.

COMPENSATION FOR 2008 PERFORMANCE

2008 compensation. As we discussed in the Introduction, 2008 was marked by precipitous declines in the equity markets, critical disruptions in the credit markets and a volatile and unpredictable economic environment. As a result, our 2008 shareholder performance measures were significantly lower than those we achieved in 2007.

Because our executive compensation program is performance-based, the Compensation and Benefits Committee substantially reduced 2008 incentive awards as described in further detail below. In deciding upon the size of the awards, the committee took into account 2008 individual and leadership results and important business accomplishments, as well as the reduced financial benefit delivered to shareholders.

Table of Contents

These are the key decisions that the Compensation and Benefits Committee made for our named executive officers' compensation for 2008 performance, including the compensation of our chief executive officer:

There were no salary increases for 2009.

There were no cash incentive awards for 2008 performance.

There were no restricted stock awards for 2008 performance.

There were new stock options granted, but with an extended vesting period of four years, rather than three years as in prior option grants. Stock options have no monetary value until they vest *and* the price of a share of our common stock rises above the exercise price of the option. It is possible that the options will expire after their ten-year term without the named executive officer realizing *any* value from them, unless there is share price appreciation above the exercise price.

The committee decided that for 2008 performance, the named executive officers should receive only an equity incentive award consisting of non-qualified stock options. In order to increase the power of the options to retain the named executive officers, the Compensation and Benefits Committee imposed an extended vesting period on the options. One-third of the options will vest *two* years after the effective grant date, rather than the previous one year vesting period for the first third of the options. One-third of the options will vest three years after the effective grant date and the final one-third will vest in four years.

Consistent with the Company's executive compensation philosophy and design, the committee determined the size of the 2008 incentive awards to executive officers by considering several factors that included the Company's operating performance for 2008, key business accomplishments for 2008, market data and trends among peer companies and the financial services industry, and recommendations from our independent compensation consultant. In assessing the Company's operating performance for 2008, the committee considered many factors including, but not limited to: core operating results on shareholder measures, achievements on business metrics, and the strength of our capital position and balance sheet. The committee believes that the continued strength of the Company's financial condition despite severe impacts from the business environment represents a very significant accomplishment by our management. The committee also considered the significant net realized investment losses we experienced in the second half of 2008, primarily from other than temporary impairments. The Company has built a strong foundation due to its prudent investment philosophy, sound decision making and well established risk management processes. Importantly, this allowed the Company to maintain its strong client focus and remain in a position of strength to navigate through this environment and build for future growth.

The committee believes that these decisions are consistent with our executive compensation philosophy and shareholder interests. The committee also believes these decisions will continue to retain and motivate key executive talent during an uncertain and extremely challenging economic period.

THE ROLE OF THE COMPENSATION AND BENEFITS COMMITTEE

The Compensation and Benefits Committee of our Board of Directors oversees our executive compensation program. The committee operates under a written charter approved by the Board, and only independent directors are eligible to serve on the committee. You will find important information about the committee's authority, the extent to which it may delegate its authority to other persons, and its processes and procedures in the section of this proxy statement captioned "Corporate Governance Compensation and Benefits Committee" on pages 9-12. That section also provides additional information about the role of our executive officers in recommending the amount or form of executive compensation, and the role of the independent compensation consultant used by the committee, McLagan. During 2008, the committee approved a Compensation Consultant Policy that is discussed in that section. Among other things, the policy establishes

Table of Contents

independence standards for the committee's consultant. A copy of the policy is posted on our Website on the Corporate Governance page of the "Company Information" section at *ir.ameriprise.com*.

OUR EXECUTIVE COMPENSATION PHILOSOPHY

A talented, motivated and experienced workforce is essential to the success of any Company. That is true for all employees, from senior executives to our entry level employees. Just as we compete with other companies for customers in the retail financial services marketplace, we also compete with other companies in the labor marketplace for employees with talent, knowledge, integrity and the proven ability to produce results. The overall objective of our executive compensation program is to promote the long-term best interests of our shareholders by attracting and retaining effective, stable and motivated leadership, particularly in the current volatile economic and financial environment.

In order to achieve that objective, the committee has developed an executive compensation philosophy that continues to be based on these core principles:

Executive officers' compensation must be aligned with the long-term best interests of our shareholders.

Our executive compensation program must be competitive enough to attract and retain executive officers who can achieve Ameriprise Financial's strategic goals and create long-term shareholder value.

An executive officer's compensation must be appropriate in light of his or her experience, responsibilities and performance.

There should be a strong linkage between the total direct compensation that an executive officer earns and Company, business, and individual performance. The amount an executive officer earns should depend to a significant degree upon how well the Company and the executive officer perform against established measures that are aligned with shareholder interests.

The committee does not consider gains from equity incentive awards made in prior years, such as stock option exercises and restricted stock vesting, in determining new incentive awards. It should be noted that the named executive officers have not realized any gains on options awarded since spin off, and that these outstanding options do not currently have any intrinsic value or market gain as of the end of fiscal year 2008. The committee believes that reducing or limiting current stock option grants, restricted stock awards or other forms of compensation because of prior gains realized by an executive officer would unfairly penalize the officer for high past performance and reduce the motivation for continued high achievement. Additionally, any employee, regardless of his or her financial situation, should have an annual total compensation opportunity that is competitive. Similarly, our severance and change-in-control arrangements, which we discuss in detail beginning on page 44, do not affect the committee's decisions regarding other elements of compensation. Those arrangements serve very specific purposes that are unrelated to the determination of a named executive officer's total direct compensation for a specific year.

OUR EXECUTIVE COMPENSATION PROGRAM

Our executive compensation program is designed to be in line with the Company's executive compensation philosophy. Our executive compensation program has these key design features:

The overall design and operation of the program are simple;

A strong link between compensation and the financial benefits received by the shareholder as measured by Company, business, and individual performance;

A compensation opportunity that is competitive; and

32

Table of Contents

An appropriate mix of base salary, cash incentives, and equity incentives.

Our executive compensation program is performance-based. Our executive compensation program rewards named executive officers for financial and business results that benefit our shareholders. The size of the incentive awards received by our chief executive officer and each other named executive officer is directly related to Company, business and individual performance results for the year.

How our compensation program works. The committee determines the size and form of the named executive officers' incentive awards based on a method recommended by McLagan, the committee's independent compensation consultant. In 2007, the committee approved this method, which links the size of the pool to the amount of financial benefit received by shareholders each year.

The committee established the initial size of the awards in 2007 at a level that, after achieving the specified shareholder benefit, would provide adequate funding of an incentive award for each executive officer within a market-based pay range for that officer's position. The committee approves the actual incentive award for each executive officer based on the performance assessment process that we describe later in this section. That process takes into account Company, business and individual performance.

Assuming it is funded, our incentive award program has two components: a cash incentive award and an equity incentive award. With the assistance of McLagan, the committee determines the appropriate split between the cash and equity components each year. **As we noted above, none of the named executive officers received a cash incentive award for 2008 performance.** This allows the committee to adjust the mix of cash and equity values within the total incentive awards to strike the right balance between short-term cash rewards and long-term equity ownership opportunities. In the past, each named executive officer could elect to take his equity incentive award in non-qualified stock options or time vested restricted stock, or a combination of both. The committee limits the choices available to the officer, and may change the range of elections each year. For 2008, the committee made the decision to make all equity awards for the named executive officers in non-qualified stock options with an extended four year vesting period. Executive officers could not elect to take any portion of their equity award for 2008 in restricted stock. The committee made this shift for the 2008 awards in order to create meaningful equity incentives that will only reward the executive officers for significant increases in shareholder value, as described on page 31.

Total direct compensation. We call the sum of base salary and the incentive awards total direct compensation. The amount of an executive officer's total direct compensation is a primary focus of the committee in making decisions on either the base salary or the incentive awards. During this process, the committee reviews tally sheets that detail the executive officer's compensation history. The tally sheets help the committee to track changes in an executive officer's total direct compensation from year-to-year and to remain aware of the compensation historically paid to each executive officer. With the assistance of McLagan, the committee has established market ranges for total direct compensation for each named executive officer. The committee considered this information as it reviewed and approved incentive awards for 2008.

Benefits and other compensation. In addition to total direct compensation, our executive officers are eligible to participate in the health, welfare benefit and retirement programs of the Company on the same basis as other employees. For information about the pension benefits available to our named executive officers, please see pages 56-57.

Deferred compensation plan. Executive officers and other eligible employees can elect to participate in a voluntary deferred compensation plan. To encourage share ownership among employees, deferrals directed to Ameriprise share units rather than RiverSourceSM mutual funds are eligible for a Company stock match, subject to percentage limitations.

Table of Contents

The match applies to deferrals of cash incentive awards earned for the prior year's performance. **As we noted above, none of the named executive officers received a cash incentive award for 2008 performance.** Once deferrals are credited to phantom stock units, they cannot be transferred to another investment in the plan. Also, the match is credited to phantom stock units and is subject to a three-year cliff vesting requirement.

Perquisites. The committee regularly reviews the type and amount of perquisites provided to our executive officers. We provide detailed information about this element of our executive compensation program for our named executive officers in footnote (6) to the Summary Compensation Table, on page 49. The committee believes that perquisites add value to the overall mix of our executive compensation program, even though they constitute the smallest element of the program.

Our focus on performance. Performance-based compensation, such as stock options, stock awards, and non-equity incentive plan payouts, is by far the most significant portion of the overall mix for total direct compensation. This is consistent with our philosophy of having a strong link between compensation and performance. This linkage is discussed in more detail beginning on page 30, in the section discussing the 2008 incentive awards for our named executive officers.

The other elements of compensation that are non-performance based, such as base salary, are consistent with our philosophy of providing a competitive total compensation package that will attract and retain our executive talent. The committee regularly reviews market data on these elements to confirm that they remain competitive and relatively minor elements in the mix of compensation.

HOW AND WHY THE COMMITTEE DETERMINED OUR NAMED EXECUTIVE OFFICERS' COMPENSATION FOR 2008

The committee determined the incentive award for each named executive officer for 2008 for the reasons described beginning on page 36. This process involved the review of market compensation data and trends with the assistance of McLagan and the completion of the performance assessment for each named executive officer. In addition, the committee reviewed and discussed its proposed compensation actions for our chief executive officer in executive session with the other independent directors before finally approving his compensation. In advance of the board meeting at which these discussions were held, the committee chairman provided a summary of the committee's proposed compensation actions for the chief executive officer to each independent director who does not serve on the committee. This allows those directors to become familiar with the committee's proposed actions in advance of the formal approval of such actions by the committee and the discussions at the board meeting. The committee chairman also makes himself available to each such director to answer questions or provide an explanation of the committee's reasons for its proposed compensation actions. The committee amended its charter in 2008 to include this procedure, so that it is now an annual responsibility of the committee chairman.

Market data review. During 2008, McLagan provided compensation market data to the committee for each named executive officer's position. This data included an updated estimate of the total direct compensation market range for each named executive officer position and the expected trends for year-end compensation for 2008. The sources of the data used by McLagan include survey data for comparable industry positions and proxy disclosures by companies included in our peer group. McLagan screened the survey data to confirm that the information is appropriate given our size, type and mix of businesses, and the industries where we compete for executive talent.

It is important to understand that the compensation market data and ranges provide only a reference point for the committee. Depending upon Company, business and individual performance results, a named executive officer's total direct compensation may be within, below or above the market range for that position. The market data and ranges do not determine a named executive officer's total direct compensation. Similarly, they do not determine the total direct compensation paid for all executive officers.

In September 2008 and December 2008, McLagan provided the committee with a special analysis of expected trends in executive compensation in the financial services industry. McLagan focused on the expected declines in executive

Table of Contents

compensation resulting from the extremely challenging 2008 financial and economic environment. The committee's assessment of the placement of the named executive officer's compensation relative to market range considers the scope, complexity and responsibility of the Ameriprise Financial executive position in relation to positions in the sources of data. The committee exercised its judgment in interpreting the market ranges and trends provided by McLagan. A named executive officer's actual positioning relative to that market range is a result of the committee's assessment of the Company, business, and individual performance factors we describe below.

Our peer group. Ameriprise Financial's unique mix of business segments includes: asset management; advice and wealth management; and insurance and annuities. In order to determine an appropriate peer group, we have selected financial services firms representative of the diversity of our business mix. When selecting a peer group, the committee, with McLagan's advice and guidance, analyzes a potential peer's business focus (primary and secondary), whether we compete with that firm directly for executive talent, the scale and scope of the firm's business, and the comparability of financial results. In order to confirm that a potential peer is appropriate, the committee analyzes such financial metrics as assets, revenues, net income, market capitalization, and number of employees. It has been our intention to have Ameriprise Financial fall in the center of the range of these various measures.

Due to Ameriprise Financial's uniqueness, there is no single company that is exactly comparable to us in every respect. Therefore, we look at the public firms included below as a benchmark for executive pay and firm-wide performance. In order to fairly measure market pay for other positions in the organization, the committee examines a broader group of financial firms, including securities firms, banks, asset management firms and insurance companies.

Asset Management	Advice and Wealth Management	Insurance & Annuities
Affiliated Managers Group	Morgan Stanley	Hartford Financial Services Group
AllianceBernstein Holdings L.P.	Raymond James Financial	Lincoln National Corp
BlackRock, Inc.	Schwab (Charles) Corp	MetLife
Eaton Vance		Principal Financial Group Inc.
Franklin Resources		Prudential Financial
Invesco Ltd.		
Janus Capital Group		
Legg Mason		

Since last year, two of our peers were taken private (Nationwide Financial Services and Nuveen Investments) and two firms were acquired (Bear Stearns Companies and Merrill Lynch). The committee added Lehman Brothers Inc. in the beginning of 2008 but will not include it going forward as a result of its bankruptcy protection filing. The committee also added Invesco Ltd. to the peer group in 2008.

Because no single company included in the peer group is exactly comparable to Ameriprise Financial, the committee uses the peer group solely to validate the range of competitive pay for the business segments we compete in for executive talent. With McLagan's help, the committee will regularly review the composition of the peer group and may make changes in response to such factors as changes in the mix of a peer company's business segments or major changes in the capital structure or business makeup of a peer company. The committee may also consider broad industry trends and data (in addition to this peer group) when making compensation decisions.

Performance assessment. At the beginning of each year the Board approves performance measures and objectives for the Company. Our chief executive officer approves the performance measures and objectives for each named executive officer. The committee completes the final annual performance assessment for our chief executive officer and reviews with the chief executive officer his assessment of each named executive officer during January of the following year. The committee considers many different factors in assessing the performance of each named executive officer, as we describe below. The committee does not use a rigid set of rules for determining the relative importance of these factors. The committee may emphasize or weight performance factors differently for each named executive officer.

Table of Contents

No one factor, by itself, is material to the committee's assessment of a named executive officer's performance, or to the amount of a named executive officer's total incentive award for 2008. The committee considers a number of factors, weighs the views of our chief executive officer as to the performance of each named executive officer other than himself, and refers to competitive market data with the aid of McLagan before approving total incentive awards.

Factors used by the committee in assessing the performance of our chief executive officer. The committee uses a detailed written assessment in evaluating the performance of our chief executive officer. This report is provided to each committee member and each other independent director before the committee determines our chief executive officer's total incentive award for 2008.

Among other factors, this assessment covers: key financial and business accomplishments for 2008; shareholder measures, such as total revenue, earnings per share, adjusted return on equity; pre-tax income; total shareholder return; performance relative to peers; and balance sheet strength.

The assessment also includes our progress in: improving key business metrics; implementing strategic initiatives; investing in technology and new business initiatives; and improving the strength of our control and operating environments, including legal and regulatory compliance.

The committee also considers the assessment's highlights of our chief executive officer's leadership achievements in areas such as: workforce engagement; talent management and retention; and our engagement in our community, including employee charitable giving, Company matching gifts and employee volunteer activities.

We've provided below the most significant performance factors included in the chief executive officer's 2008 performance assessment. None of these performance factors is, by itself, material to the determination of the chief executive officer's compensation. None of these factors is a performance goal or target related to the compensation of our chief executive officer.

Shareholder measures

Financial results were adversely impacted during the first quarter of 2008 by a significant decline in the equity markets.

Financial results improved somewhat in the second quarter and compared favorably with the second quarter of 2007, but were dramatically affected in the third and fourth quarters, primarily by the 29% decline in the equity markets during the second half of the year and the negative effects of dislocation in the credit markets.

Our return on equity stood at 11% in the second quarter but had decreased to 0% by the fourth quarter.

Total net revenues for 2008 were 19% below 2007.

For 2008, the Company reported a net loss of \$38 million, compared to net income of \$814 million in 2007.

Net loss per share was \$0.17, down from net income per share of \$3.39 in 2007.

Our balance sheet remains strong because of prudent risk management, with an excess capital position of approximately \$700 million, while many of our competitors had to raise capital. Unlike many of our competitors, we maintained ample liquidity, with approximately \$6.2 billion in cash and cash equivalents at year-end 2008.

We increased the quarterly cash dividend from 15 cents to 17 cents per share.

Table of Contents

Key business measures

The total number of our high value clients increased slightly, excluding the market impact on their assets. Average assets per high value client acquired also increased slightly over 2007 because of our continued focus on high value clients and our local marketing support for advisors.

We rapidly responded to the extraordinary degree of market volatility by creating the Market Volatility Resource center, launching new national ads promoting the strength of Ameriprise Financial and RiverSource Life Insurance to reassure clients and policyholders, and by hosting the first ever nationwide Ameriprise Town Hall broadcast for clients and prospects.

Brand awareness reached a high of 60% in May and November and ended the year at 58%, despite the significant reduction in our advertising spending.

Our retention rate for our franchisee advisors is very strong at 92%.

The number of total advisors, including those joining us through our acquisitions, ended 2008 at 12,486, up 6% over 2007.

We continued to increase the effectiveness of our supervision, oversight, and risk management of advisors in the field.

Financial planning engagement with existing clients increased significantly and planning and advice fees also grew compared with 2007.

Leadership results

We again achieved very high employee and advisor satisfaction results, well above benchmarks for our industry.

We maintained a high retention rate among our workforce, which we continue to develop and promote.

Talent management and succession plans are in place for each key executive position.

Our workforce engagement extended beyond the workplace and into the community. In 2008 we experienced record participation and contributions in our employee gift giving program, which the Company matches, and made significant contributions to the community from our corporate grants program. In addition, our employees volunteered more than 26,500 hours of time to the community.

Operating environment

During 2008, we continued our efforts to strengthen key controls and relationships with regulators while enhancing our culture of compliance.

Our Service Delivery and Clearing Operations responded to significant market disruption and unprecedented operational and system challenges caused by the Reserve Fund money market mutual fund issues. Service Delivery successfully managed call volume increases of 30% and 35% in the third and fourth quarters, while Clearing Operations successfully handled a 150% increase in margin call volumes during the fourth quarter.

We put in metrics and reporting to enable compliance effectiveness to be factored into the performance assessments of leaders and business units.

We continued our excellence in service delivery, winning multiple DALBAR service awards for annuities, insurance, managed products/brokerage and mutual funds.

Table of Contents

Our all cash acquisitions of H&R Block Financial Advisors and Brecek & Young Advisors contributed to the growth of our advisor channels. Our all-cash acquisition of J.&W. Seligman & Co. contributed to the growth of our asset management business.

In 2008, we exceeded our \$175 million reengineering goal, and we have accelerated our efforts to reduce our general and administrative expenses by 10% in 2009, excluding the impact of our 2008 acquisitions.

Despite the market and other challenges facing us and the financial services industry as a whole, we executed a multi-million dollar technology enhancement agenda that focused on our strategic growth priorities.

Factors used by the committee in assessing the performance of the other named executive officers. Just as the committee assesses the performance of our chief executive officer, our chief executive officer assesses the performance of each other named executive officer. The chief executive officer will evaluate the performance of each named executive officer leading a business unit on many of the same factors we described for the chief executive officer. Such factors include, among others: contribution to the achievement of Company financial performance, such as pre-tax income and revenue; improvement in business metrics such as client growth and retention; advisor productivity; asset and product flows; asset management results; improvements in operating environments, including legal and regulatory compliance; and the development of new products and solutions for our clients.

For named executive officers leading a staff function, their achievement of specific goals in support of the business units is taken into account, in addition to Company financial performance. Such goals include, among others: balance sheet management and enterprise risk management results; legal, regulatory, and security initiatives; improvements in technology and service delivery; improvements in the safety and soundness of the unit's operating environment; and enhanced public disclosure and reporting.

All other named executive officers are also rated on leadership performance, using the same factors we described for our chief executive officer.

None of these factors is, by itself, material to the determination of a named executive officer's compensation.

Our chief executive officer discusses his evaluation of the performance of each named executive officer with the committee in executive session. The committee agenda allows ample time for the committee to question and discuss each named executive officer's performance with our chief executive officer.

Base salary adjustments. Base salaries represent a small proportion of the total compensation opportunity for a named executive officer. It is an element of compensation that does not vary with performance. The committee sets the base salaries for our named executive officers considering a number of factors, including: competitive market data; the position's complexity and level of responsibility; the position's importance in relation to other executive positions; and the assessment of the executive's performance.

None of over 300 senior leaders, including the named executive officers, received a base salary adjustment at the end of 2008. The committee froze base salaries going into 2009 in light of the current market environment and our continued emphasis on expense control.

Measures used in the Long-Term Performance Plan. The Long-Term Performance Plan is no longer a part of our executive compensation program and no new grants were made under the plan in 2008. The final award under this plan was granted in January 2007 and will be paid out in February 2010. The Long-Term Performance Plan provided executive officers with a cash incentive opportunity tied to our financial performance over a three-year period. Under this plan, the executive officer received a grant at the beginning of the performance period that is expressed as a target award value. The cash amount received at the end of the three-year performance period can vary from no payout if performance is below threshold up to 350% of the target award value for performance that is at maximum levels.

Table of Contents

The performance measures and targets for the 2006-2008 and 2007-2009 Long-Term Performance Plan Awards are shown below:

Weighting of Performance Measures	Performance needed for threshold payout	Performance needed for maximum payout
40% on adjusted earnings per share growth	4% per year	19% per year
30% on adjusted revenue growth	2% per year	14% per year
30% on average adjusted return on equity	7%	19%

Once the payout has been determined based on the Company's results for these performance measures, there is a total shareholder return modified under the Long-term Performance Plan that can adjust the payout by up to +/-25%. The size of the modifier depends on the Company's relative percentile ranking in total shareholder return relative to the S&P Financial over the three-year performance period of the award. The modifier is equal to one percentage point up or down for each percentile that the Company is above or below the median of the S&P Financials, up to a maximum modifier of 25%.

Review of financial results. The committee relies on the Board's Audit Committee to review and confirm the financial results used to calculate the incentive awards and in the assessment of 2008 performance. This review includes the identification of any material, unusual or unplanned items that should be taken into account or adjusted. The committee conducted its final review of performance and approved the incentive awards at its meeting on January 27, 2009. The committee consulted the other independent directors in executive session before the committee approved our chief executive officer's compensation.

The Audit Committee also confirms results for the 2006-2008 Long-Term Performance Plan. The Audit Committee recommended to the committee adjustments for significant and extraordinary items for the purpose of calculating the payout for these awards. The committee approved the calculated payout for these awards on that basis.

SPECIAL TAX AND ACCOUNTING CONSIDERATIONS

Section 162(m) of the Internal Revenue Code: tax deductibility of compensation over \$1 million. Section 162(m) of the Internal Revenue Code can potentially disallow a federal income tax deduction to the Company for compensation over \$1 million paid to the chief executive officer and the three most highly compensated named executive officers other than our chief executive officer. These officers, called covered employees, must have been serving as of the last day of Ameriprise Financial's fiscal year. The Internal Revenue Service has issued technical guidance stating that a Company's chief financial officer is not necessarily a covered employee under Section 162(m). One exception to Section 162(m)'s disallowance of a federal income tax deduction for compensation over \$1 million applies to "performance-based compensation" paid pursuant to shareholder-approved plans.

For the cash incentive awards made to named executive officers, we use a separate pool. This pool operates in conjunction with the fund created to pay the total incentive awards of our executive officers, including our named executive officers. The separate pool is designed to make those cash awards deductible for federal income tax purposes. This pool does *not* increase the amount of compensation that a named executive officer receives.

The committee established the 162(m) incentive pool in the first quarter of 2008, and set a maximum percentage of the pool that each named executive officer could receive. The performance goal for this pool was not achieved and no payouts were made from this pool to named executive officers for 2008. **As noted on page 31, our named executive officers did not receive cash incentive awards for 2008.**

Among the compensation elements that we have discussed so far, the following can generally qualify as performance-based compensation for Section 162(m) purposes, in addition to the cash incentive award: stock options; Long-Term Performance Plan awards (for the 2006-2008 and 2007-2009 awards); and performance-vested restricted stock awards

Table of Contents

for our chief executive officer. The committee established a 162(m) performance plan pool and exercises negative discretion to arrive at the final amount of the Long-Term Performance Plan Awards. Base salaries, time-vested restricted stock (stock that will vest with the passage of time and continued employment) and any other compensation that is not considered performance-based will not be deductible to the extent the total of such compensation in any year exceeds \$1 million.

Although much of the compensation opportunity in our executive compensation program is performance-based and generally deductible for federal income tax purposes, the committee retains the flexibility to award compensation to our named executive officers that is not deductible for federal income tax purposes.

Certain other tax considerations. Section 274(a) of the Internal Revenue Code disallows a deduction for certain expenses relating to the use of the corporate aircraft by certain individuals, including our executive officers, except to the amount allowed by Section 274(e) of the Internal Revenue Code and IRS Notice 2005-45. The calculation of the expenses that can be deducted by the Company for the personal use of our aircraft is complex and depends on a number of factors. These factors include the number of passengers and the length of the trip. We estimate that the amount of extra federal income tax paid by us due to the disallowance of deductions under Section 274(e) for personal flights taken by our executive officers on our aircraft during 2008 is approximately \$166,000.

FAS 123(R): accounting rules for valuing equity awards. Accounting rules govern how to value stock and option awards as of the date of grant, and when those awards are to be recognized as compensation expense. Under Financial Accounting Standards Board Statement of Financial Accounting Standards No. 123 (revised 2004), "Share-Based Payment," or "FAS 123(R)," we calculate the full grant date value of awards using a variety of assumptions. This calculation is performed for accounting purposes, as an executive officer may never realize any value from the award. This may happen when the value of a share of stock on which the executive holds an option falls below the exercise price of the option and remains below the exercise price, rendering the option worthless to the executive. In the case of such options, we recognize accounting expense even though the executive officer may never realize any value from the options.

FAS 123(R) also dictates that companies recognize the compensation cost of a stock or option award proportionately over the period that an employee is required to render service in exchange for a share-based payment.

In the Summary Compensation Table on page 48, the dollar amounts shown in the "Stock Awards" and "Option Awards" columns for 2008 represent the compensation expense the Company recognized in 2008 for awards made in and before 2008. These numbers do not represent the value received by the executive officer during 2008. Also, these numbers do not reflect the compensation expense or value of equity awards made effective as of February 2, 2009, for 2008 performance. If you would like to see the full grant date fair value of stock and option awards made in 2008, please see the Grants of Plan-Based Awards Table on page 50. If you would like to see the value realized during 2008 by our named executive officers from the exercise of stock options and the vesting of restricted stock, please see the Option Exercises and Vested Stock Table on page 53.

Table of Contents

HOW AND WHEN WE GRANT STOCK OPTIONS AND RESTRICTED STOCK

Our grant practices and procedures. The committee has adopted a Long-Term Incentive Awards Policy that details the policies and procedures we use to grant stock options and restricted stock. The policy covers, among other topics: who has the authority make grants; when grants may be made and when they become effective; required documentation; and our policy for making grants when the committee or our chief executive officer is aware of material nonpublic information about us or our securities. The last topic is discussed in more detail later in this section.

We have posted a copy of our Long-Term Incentive Awards Policy on our website on the Corporate Governance page of the "Company Information" section at ir.ameriprise.com. That site also includes an expected schedule of award grant dates for 2009 and will be updated for future years' grant date schedules. If you would like a copy of the policy and the expected schedule of 2009 grant dates, please write to our corporate secretary at the address given on page one of this proxy statement under "General Information." The corporate secretary will send you a copy at no expense to you.

The committee adopted the policy in order to document in one place the practices and procedures to be followed in making grants of stock options and restricted stock. The committee also wanted to provide the greatest possible transparency and candor to our shareholders concerning our grant practices, particularly with respect to the timing of those grants and our policy for making grants when the committee or our chief executive officer is aware of material nonpublic information about us or our securities.

Timing of grants of stock options and restricted stock. The committee makes annual grants at its January meeting to executive officers and eligible employees. This meeting is typically held during the last week of January, after we have publicly released our fourth quarter and full year earnings results for the prior year. Depending upon Board scheduling needs, however, this meeting may be held during the first week of February. The annual grants will be priced and become effective at the close of business on the meeting date. If the meeting is held, however, before we have publicly released our earnings results the grants will not be priced and become effective until the close of business two business days after earnings are publicly released.

The committee may also make grants to newly-hired or promoted executive officers at other times throughout the year. These grants will always be made at a regular or special committee meeting, and never by means of a unanimous written consent. These grants will be priced and become effective at the close of business on the date of the committee meeting if it is held on the first trading day of a month. If the meeting is held after the first trading date of a month, the grants will be priced and become effective at the close of business on the first trading day of the following month.

Our chief executive officer has the authority, acting pursuant to authority delegated by the Board of Directors and the committee, to grant stock options and restricted stock to eligible participants. The committee sets an annual limit on the number of options and restricted shares that can be granted by our chief executive officer. For 2008, this annual limit was equal to 300,000 shares. He cannot make grants to himself or any other executive officer. The chief executive officer authorizes these grants in writing on a monthly basis as needed for newly-hired or promoted employees, or as special retention awards. The effective date for grants to newly-hired or promoted employees must always be after the employee's start date or promotion date.

If our chief executive officer authorizes a grant on the first trading day of a month, the grant will be priced and become effective at the close of business on that date. If the chief executive officer makes a grant after the first trading day of a month, the grant will be priced and become effective at the close of business on the first trading day of the following month.

We provide the committee with periodic reports on the grants made by our chief executive officer.

Table of Contents

How we deal with the issue of making grants of stock options or restricted stock when the committee or our chief executive officer is aware of material nonpublic information about us or our securities. The committee has given careful consideration to preventing the manipulation of the grant dates of stock options and restricted stock awards. Such manipulation at other public companies has resulted in legal and regulatory actions against those companies and some of their officers, as well as adverse publicity. We have sought to establish procedures and controls that will prevent any suggestion of impropriety in connection with our granting practices.

We do not time the public release of either positive or negative material nonpublic information for the purpose of affecting the value of executive compensation. Similarly, we do not adjust the timing of equity awards to take advantage of either positive or negative material nonpublic information that we have recently released or are about to release. Nevertheless, we may be legally required to disclose material information about us or our securities at a time when the disclosure could affect the value of equity-based compensation that has just been or is about to be granted.

After careful consideration, the committee concluded that the most effective way to prevent the manipulation of grant dates is to establish a fixed schedule of grant dates in advance. *The committee also concluded that the schedule should be followed regardless of whether the committee or our chief executive officer is aware of either positive or negative material nonpublic information on the date that the grant is approved.*

The committee considers this policy to be appropriate based on these factors, among others:

The date of the committee's meeting at which it approves annual equity awards is set at the Board's annual organization meeting in April of the preceding year. For example, the date of the committee's January 27, 2009, meeting at which the 2009 annual equity grants were approved was established on April 23, 2008, when the Board of Directors approved the 2009 Board and committee meeting schedule. As a result, there was no possibility of knowing on the date of the 2008 annual meeting whether the committee would be aware of either positive or negative material nonpublic information on the date of the 2009 annual grants.

Delaying the grant of equity awards because the committee or our chief executive officer may be aware of material nonpublic information could signal to our employees and others that a material event or transaction is pending.

Making grants on a regular schedule of fixed dates treats similarly situated grant recipients equally by providing for the same exercise prices for stock options and share values for restricted stock awards.

Determining whether information is material is often a subjective judgment based on facts and circumstances that may change quickly. As a result, it would often be difficult for the committee or our chief executive officer to decide whether equity grants should be delayed based on their awareness of information that may or may not turn out to be material.

Having a fixed schedule of grant dates avoids significant administrative and recordkeeping problems for our equity compensation program. In addition, this policy promotes effective auditing and oversight of that program.

Because our stock options have a minimum one-year vesting period and each grant vests in thirds over three or four years, there is no certainty that material nonpublic information of which the committee or our chief executive officer is aware on the date a grant is approved will affect the value of an option when it is exercised. The same is true for restricted stock awards, which vest in thirds over three years. The committee may revoke or amend the policy, and we will promptly post any amended policy on our Web site.

How stock option and restricted stock grants are priced. The methodology for setting the option exercise price is the same regardless of whether the stock option is approved by the committee or by the chief executive officer pursuant to delegated authority. The exercise price is the closing market price of a share of our common stock on the effective date of the grant.

Table of Contents

The determination of the number of shares for restricted stock grants is calculated based on the closing market price of a share of our common stock on the effective date of the grant. The approved dollar value of the award is divided by the closing market price on the date of grant in order to arrive at the number of restricted shares that the employee will receive. Prior to that date, the number of shares was based on the average of the high and low prices of a share of our common stock on the effective date of the grant.

The determination of the number of options awarded is calculated based on the closing market price of a share of our common stock on the effective date of the grant and a Black-Scholes Factor that is consistent with FAS 123(R) for determining grant date fair market value of a stock option. The approved dollar value of the award is divided by the product of the closing market price on the date of grant times the Black-Scholes Factor in order to arrive at the number of options that the employee will receive.

With respect to phantom stock units or deferred stock units issued to executive officers or other employees who participate in the deferred compensation plan or the supplemental retirement plan, the manner of calculating the value of the units and the date on which they will be credited to the participant's account are controlled by the terms of the governing plan document.

STOCK OWNERSHIP AND RETENTION GUIDELINES

The committee adopted stock ownership and retention guidelines for our senior leaders to more closely align their interests with the long-term interests of our shareholders. We believe this commitment to stock ownership has played, and will continue to play, a significant role in driving our success and creating long-term value for our shareholders. Under the guidelines, executive officers are required to beneficially own shares of our common stock equal in market value to a specified multiple of their salary. Once ownership guidelines are satisfied, the number of shares associated with the guideline is locked in and considered satisfied regardless of movement in our stock price. The shares that count towards this ownership guideline include: shares owned directly; shares or phantom stock units held in qualified or nonqualified plans; and unvested restricted stock awards. Outstanding stock options are not counted as shares owned for the purposes of this ownership guideline.

To ensure achievement of the ownership goals, executive officers who have not yet attained the required level of ownership must retain 75% of any restricted stock upon vesting or any stock acquired upon exercise of stock options (net of shares withheld for taxes or exercise costs) until the ownership guideline is attained. Once ownership guidelines are satisfied, the executive officer must retain 50% of restricted stock upon vesting or any stock acquired upon exercise of stock options for a one-year holding period.

The stock ownership guideline for our chief executive officer is five times his salary, and he has met this goal. For each of the other named executive officers, the stock ownership guideline is three times his salary. As of December 31, 2008, all named executive officers have met their stock ownership goals under the policy.

Table of Contents

POST-EMPLOYMENT COMPENSATION AND BENEFITS

In this section, we describe the post-employment compensation and benefits that we provide to our named executive officers. We also explain the reasons for the structure and approach that we have taken. We have provided detailed information on the formula and calculation of these benefits, and the potential payments named executive officers would receive in various scenarios in the section "*Potential Payments Upon Termination or Change-in-Control for Named Executive Officers*", beginning on page 58. In order to enhance its current ongoing oversight of these matters, the committee has instructed its independent compensation consultant in writing to prepare an annual review and analysis of our post-employment compensation and benefits. This report will compare our approach with market trends and current competitive practices. The committee expects to receive the first report no later than the first quarter of 2010.

The objectives of the post-termination compensation and benefits that we provide are to:

- Assist in recruiting talented executives in a competitive market;
- Ensure equitable benefits among our executives;
- Provide security for any compensation or benefits that have been already earned;
- Permit executives to focus on our business;
- Eliminate any potential personal bias of an executive against a transaction that is in the best interest of our shareholders;
- Avoid the costs associated with separately negotiating executive severance benefits; and
- Provide us with the flexibility needed to react to a continually changing business environment.

Plan approach. We have not and do not enter into individual employment agreements with named executive officers. Instead, the rights of our executives with respect to specific events, including death, disability, severance or retirement, or a change-in-control, are covered by compensation and benefit plans. Under this approach, post-employment compensation and benefits are established separately from the other compensation elements of our executives.

The use of a "plan approach" instead of individual employment agreements serves several objectives. First, the plan approach provides us with the flexibility to change the terms of severance benefits from time to time. An employment agreement would require that the executive consent to any changes. Second, the plan approach is more transparent, both internally and externally. Internal transparency eliminates the need to negotiate separation benefits on a case-by-case basis. It also assures an executive that his or her severance benefits are comparable to those of other executives with similar levels of responsibility and tenure. Finally, the plan approach is easier for us to administer, as it requires less time and expense.

Detrimental conduct. To help protect our competitive position, the named executive officers have signed detrimental conduct agreements. Detrimental conduct includes: working for certain competitors; soliciting our customers or employees; and disclosing confidential information for a period of up to one year after termination of employment. The detrimental conduct agreements include a provision that requires the named executive officers to forfeit or repay the proceeds from some or all of their long-term incentive awards received up to two years prior to the end of their employment if they engage in conduct that is detrimental to us. In addition, the severance and post-employment benefits we describe below require the named executive officer to sign an agreement that includes a general release and other restrictive covenants, in addition to the detrimental conduct agreement.

Severance. Generally, our named executive officers may become eligible for severance benefits due to an involuntary termination not for cause. This may include, among other reasons, a reduction in force, position elimination and an office

Table of Contents

closing. Participants may be ineligible to receive severance benefits for certain reasons, including voluntary resignation, failure to report for work, failure to return from leave and excessive absenteeism. Additionally, severance is not available solely upon a change-in-control but only if an executive's employment is terminated within two years of a change-in-control.

The length of severance benefits depends on an executive's position. We use a formula that multiplies his or her current annual base salary plus the highest annual cash incentive award over the last three years by the number of weeks assigned to that position. During the severance period, executives continue to be eligible for medical, dental and life benefits on the same basis as those benefits are provided to other employees. Participation in all other benefits, except for vesting in the retirement programs, does not continue during the severance period. Once the severance period has ended, executives are no longer eligible for medical, dental and life benefits provided to active participants. Like other participants who meet eligibility rules, certain executives may be afforded continued coverage under our retiree medical program. We believe that the severance benefits we offer promote several objectives. The severance benefits assist us in recruiting talented executives. Executives may be recruited from other companies where they have job security, tenure, and career opportunities. In accepting a position with us, an executive is often giving up his or her current job stability for the challenges and potential risks of a new position. Severance benefits mitigate the harm that the executive would suffer if he or she were terminated by us for reasons beyond his or her control. Furthermore, we believe that we need to offer some level of severance benefits to be competitive in attracting and retaining talented executives. Severance benefits also allow executives to focus on our business without undue distraction regarding their job security. Also like other participants, executives forfeit any non-vested equity awards at the end of the severance period. Finally, severance benefits act as an additional incentive for the executive to comply with post-termination covenants.

We have based our severance benefits on an executive's position to encourage the long-term retention of executives. As we have already noted, the severance benefits are structured under a plan, instead of employment agreements, so that we are able to amend such benefits at any time in response to changing market conditions.

Death and disability. We accelerate the vesting of outstanding restricted stock awards, long-term cash incentive awards, nonqualified deferred compensation benefits, and retirement benefits upon death and disability because we believe that it would be unfair for our executives to forfeit such amounts. Under normal circumstances, death and disability are events that are completely outside of the control of our executives. A reduction of compensation connected with either event would be an unfair penalty. This approach provides executives with the compensation and benefits that they have earned.

Retirement. Our retirement plans and arrangements for named executive officers serve two important objectives. First, they encourage long-term service. Second, they allow executives to realize the full value of compensation and benefits awarded to them as they near their retirement date.

We believe it runs contrary to the retention and reward rationale of long-term incentive awards to compel an executive to choose between retirement and the loss of all unvested awards. In order to apply a fair and objective standard for retirement eligible executives, the percentage of unvested long-term incentive awards that an executive retains upon retirement depends on his or her age and length of service at the time of retirement. Beginning for awards in 2007, any equity awards granted in the year of retirement are forfeited, but all other equity awards will continue to vest and remain outstanding for up to five years following retirement. The Company-match in the deferred compensation plan vests and we prorate the payments for any performance based long-term cash incentive awards. This approach furthers our objectives of providing executives with the compensation and benefits they have earned, as well as encouraging the long-term retention of our executives.

Change-in-control. We believe that the possibility of a change-in-control creates uncertainty for named executive officers because such transactions frequently result in changes in senior management. We provide change-in-control protections to the named executive officers to alleviate concerns regarding such a transaction, allowing them to focus their attention on our business. In addition, these protections are also an incentive for executives to remain with us during the

Table of Contents

threat or negotiation of a change-in-control transaction. This preserves the value of the Company and the potential benefit to be received by our shareholders in the transaction. Finally, given the historical acquisition activity in the financial services sector, we believe it important to establish competitive change-in-control provisions that will allow us to successfully recruit and retain talented executives.

The types of change-in-control provisions currently in place include: the immediate vesting of all outstanding stock options and restricted stock; the pro rata payment of outstanding cash incentive awards; the payment of existing balances under our deferred compensation plan; and the funding of a trust for the future payment of benefits under our supplemental retirement plan.

We believe that the acceleration of vesting for outstanding stock options and restricted stock is appropriate because, depending on the structure of a change-in-control transaction, continuing such awards may unnecessarily complicate a potentially beneficial transaction. It may not be possible to replace such awards with comparable awards of the acquiring Company's stock. We also believe that it would not be fair to executives to lose the benefit of these outstanding awards. The acceleration of such awards may allow the executive to exercise the awards and possibly participate in the change-in-control transaction for the shares received. In addition, the acceleration of vesting aligns the interests of executives in a potential change-in-control transaction with those of our shareholders, by motivating them to work towards the completion of the transaction. We believe that the acceleration of stock awards upon a change-in-control and eligibility for severance benefits in the event of a termination of employment following a change-in-control achieve these goals.

Making a pro rata payment on outstanding cash incentive awards is justified following the occurrence of a change-in-control transaction because the performance goals of such awards may no longer be meaningful or measurable following a change-in-control. We believe that it would not be fair to executives to lose the entire benefit of these outstanding awards, which may have already vested in part. The pro rata payment of these awards rewards the executive for his or her performance prior to the change-in-control transaction.

Benefits under our deferred compensation and supplemental retirement plans have been previously earned by the executive. Although similar to benefits under qualified retirement programs, these benefits are subject to the claims of our creditors, and a change-in-control transaction may significantly increase this risk. Because of the possible change in the security of their earned benefits upon a change-in-control, we pay executives their existing balances under our deferred compensation plan and fund a trust for future benefit payments under the supplemental retirement plan. In addition, the payment or funding of such benefits eliminates the need to address the treatment of these benefits as part of a negotiation of a change-in-control transaction, which reduces the potential delays and costs of the transaction.

In the event of a change-in-control, a named executive officer is entitled to be grossed-up (reimbursed) for any Section 280(G) excise taxes imposed on the change-in-control benefits by federal income tax laws. We believe that the mitigation of the cost of the Section 280(G) excise tax for our executives is necessary to preserve the benefits to which he or she is entitled. This approach protects the value of compensation already awarded to the executive, and eliminates any potential personal bias against a change-in-control transaction.

Nonetheless, we are aware that such tax gross-up payments could be significant. Therefore, at the discretion of the Compensation and Benefits Committee of the Board of Directors, the Company has retained the ability to limit the value of certain change-in-control benefits that an executive may receive to avoid potential excise taxes and the need for gross-up payments. The committee is also authorized to designate any individual or group of individuals as not being entitled to receive gross-up payments, but rather have the amount of their parachute payments reduced.

Termination following change-in-control. In the event of the termination of an executive's employment within two years following a change-in-control, the executive is eligible for the severance benefits we have described. Consistent with the reasons described for the severance benefits, an executive is entitled to severance benefits if he or she is terminated without cause following a change-in-control.

Table of Contents

CONCLUSION

The Compensation and Benefits Committee has confirmed to management that:

Our executive compensation program will continue to evolve and change.

Some of the compensation elements or plans described in the Compensation Discussion and Analysis may be redesigned or be eliminated.

Other compensation elements or plans may be added.

The committee expects its consultant to continue to offer new approaches or insights to consider in shaping our executive compensation program for the future.

Our executive officers will continue to be rewarded based in significant part on the achievement of Company, business, and individual performance measures.

The committee will continue to focus on aligning the long-term interests of shareholders and management.

Beginning with our 2010 annual meeting of shareholders, our Board of Directors will give our shareholders an annual advisory, non-binding vote on our executive compensation philosophy, objectives and policies as explained in the Compensation Discussion and Analysis. The Board will finalize the exact wording and terms and conditions of the advisory proposal later this year. Of course, if new federal legislation requires us to provide an annual advisory vote on executive compensation-related matters beginning at our 2010 annual meeting or afterwards, we will comply with that law.

Table of Contents**EXECUTIVE COMPENSATION TABLES****Executive Compensation Actions**

The following bullets are not required by the Securities and Exchange Commission, but have been provided to assist you in understanding the Summary Compensation Table and the compensation actions related to our named executive officers for 2008 performance.

There were no salary increases for 2009.

There were no cash incentive awards for 2008 performance.

The amounts for "Stock Awards" and "Option Awards" in the Summary Compensation Table below do not represent the value of equity incentive awards made for 2008 performance; rather, they are the accounting expense recognized in 2008 based on original grant date values of outstanding awards made in 2008 and prior years.

The "Non-Equity Incentive Plan Compensation" column includes payments under the now discontinued Long-Term Performance Plan. The amounts shown for 2008 relate to the awards that covered the three-year performance period from 2006 to 2008 (not just 2008 performance). The zero in that column shows that no cash incentive award was made for 2008 performance.

Summary Compensation Table

The following table contains compensation information for our chief executive officer, chief financial officer, and three other executive officers who were the most highly compensated for the year ended December 31, 2008.

Name & Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)(2)	Option Awards (\$)(3)	Change in Pension Value and Non-Equity Non-Qualified Incentive Deferred Compensation		All Other Compensation (\$)(6)	Total (\$)
						Plan Compensation (\$)(4)	Earnings (\$)(5)		
James M. Cracchiolo Chairman and Chief Executive Officer	2008	\$ 850,000	\$ 0	\$ 2,323,172	\$ 9,149,500	\$ 0	\$ 832,531	\$ 543,432	\$ 15,084,635
						1,386,000			
	2007	850,000	0	2,265,118	6,764,010	9,491,500	464,144	1,282,423	24,186,374
	2006	850,000	0	1,597,350	5,159,581	6,300,000	675,277	562,622	18,307,530
						3,162,700			
Walter S. Berman Executive Vice	2008	450,000	0	0	1,724,996	0	300,548	84,635	2,797,779
						237,600			

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President and Chief Financial Officer	2007	450,000	0	319,961	959,998	2,025,000	245,674	299,059	4,901,492
	2006	450,000	0	896,291	3,162,030	1,500,000 601,800 484,750	240,962	264,550	6,998,583
Glen Salow Executive Vice President, Service Delivery and Technology	2008	475,000	0	471,531	2,469,439	0 396,000	171,848	88,169	4,071,987
	2007	475,000	0	458,754	2,384,203	2,212,500 1,293,870	103,514	101,348	7,029,188
	2006	475,000	0	417,305	2,340,993	1,400,000 1,191,100	79,683	114,265	6,018,346
William F. Truscott President, U.S. Asset Management, Annuities, and Chief Investment Officer	2008	450,000	0	612,763	2,062,105	0 297,000	166,801	121,309	3,709,978
	2007	450,000	0	382,355	1,579,872	3,200,000 646,935	172,633	418,458	6,850,253
	2006	450,000	0	278,339	1,415,390	4,000,000 554,700	184,058	239,828	7,122,315
Joseph E. Sweeney(1) President, Financial Planning, Products & Services	2008	375,000	0	250,583	911,758	0 343,550	95,913	79,045	2,055,849

As detailed in the comments above and in the following footnotes, the "Total" compensation numbers in the Summary Compensation Table do *not* represent the compensation paid to the named executive officers for 2008 performance. The reasons are explained in the footnotes and throughout the Compensation Discussion and Analysis. We urge you to consider these points carefully when reviewing the Summary Compensation Table.

Table of Contents

- (1) Because Mr. Sweeney is being included as a named executive officer for the first time, the Securities and Exchange Commission does not require disclosure of his compensation prior to 2008.
- (2) **Our named executive officers did not receive any restricted stock awards for 2008 performance. The amounts in this column represent the FAS 123(R) compensation expense recognized for 2008 and prior periods on outstanding restricted stock awards for each of the named executive officers. The compensation expense is spread over the vesting period on outstanding restricted stock awards made during 2008 and in prior years. The compensation expense for Mr. Berman is not spread over the vesting period but is recognized all in one year due to his eligibility for retirement. The grant date fair value of restricted stock awards granted during 2008 is reported in the Grants of Plan-Based Awards Table on page 50.**
- (3) **The 2008 number in this column is not the grant date fair value of the stock options granted to the named executive officers for 2008 performance. The amounts in this column represent the FAS 123(R) compensation expense recognized for 2008 and prior periods on outstanding stock option awards for each of the named executive officers. The compensation expense is spread over the vesting period on outstanding stock option awards made during 2008 and in prior years. The compensation expense for Mr. Berman is not spread over the vesting period but is recognized all in one year due to his eligibility for retirement. The grant date fair value of stock option awards granted during 2008 is reported in the Grants of Plan-Based Awards Table on page 50. The company uses the Black-Scholes option pricing model to estimate its compensation cost for stock option awards. The assumptions used in the Black-Scholes model are updated at least annually and have been disclosed for the historical awards in prior proxy statements.**
- (4) This column represents the non-equity incentive plan compensation earned by the named executive officers. For each year, there are two amounts listed. The top number is the cash incentive award that was earned for that year's performance. As noted earlier, none of the named executive officers received a cash incentive award for 2008 performance. The bottom number is the amount paid to the named executive officer for awards earned under the Long-Term Performance Plan. The amount shown for 2008 is for the awards under the Long Term Performance Plan covering the three-year performance period from 2006 to 2008. The payout level earned under the Long Term Performance Plan for the 2006-2008 award was two thirds lower than last year's payout on the 2005-2007 award. This was driven largely by the impact that 2008 performance had in the payout calculation, which offset the results that were achieved for 2006 and 2007. For more information about the Long-Term Performance Plan, please see the Compensation Discussion and Analysis section of this proxy statement.
- (5) These amounts represent the changes in pension value for calendar year 2008 under the company's retirement plans as described in the Pension Benefits Table of this proxy statement. In prior years, these amounts reflected the changes in pension value as of September 30, which was the measurement date for financial reporting. Effective in 2008, Financial Accounting Standards require our reporting as of December 31 of the fiscal year.

In prior years, this table also included above-market earnings for interest credited on amounts previously deferred under the deferred compensation plan that was in place prior to our spin-off from American Express.

That plan was changed on April 1, 2007, to discontinue the crediting of above-market earnings. As a result, there are no amounts included for 2008.

(6)

The amounts disclosed for All Other Compensation include: (i) employer contributions under the 401(k) plan; (ii) the annual executive perquisites allowance, which is \$35,000 for Mr. Cracchiolo and \$25,000 for each other named executive officer, except Mr. Truscott who does not receive this allowance. Amounts shown in the table reflect that the annual executive perquisites allowance was paid monthly for the first three months of 2008 and then switched to an annual payment in April 2008; (iii) reimbursement of any financial planning fees paid to an Ameriprise financial advisor under the company's workplace financial planning program for all employees; (iv) the named executive officers did not receive a 2008 cash incentive award and as a result, did not receive a company matching contribution on annual stock deferrals for 2008; (v) dividends paid on unvested restricted stock awards, at the same rate paid to other shareholders of our common stock; (vi) incremental cost of using a company leased apartment instead of hotel for business travel to Minneapolis; (vii) the incremental cost, and in some cases tax gross-ups, associated with certain personal use of the aircraft and company-provided vehicle and driver for Mr. Cracchiolo, as required by the company's security program (defined below); (viii) tax gross-ups associated with spousal travel expenses when required for company events; (ix) waiver of fees otherwise charged on investments made in certain RiverSource hedge funds; (x) club membership fees; (xi) incremental cost of parking; (xii) company reimbursement of spousal travel for certain company events; (xiii) gifts provided in conjunction with company events. As a part of the CEO security program, approved by the Compensation and Benefits Committee, the company provided Mr. Cracchiolo with the following: security system installation and monitoring for his personal residences; use of a car and driver for business and commuting purposes; use of our corporate aircraft by Mr. Cracchiolo and others traveling with Mr. Cracchiolo for all business and personal travel. For 2008, in accordance with the recommendations of the independent security consulting firm and approved by the Compensation and Benefits Committee, the company paid for the cost of security enhancements for his personal residences in the amount of \$253,169.

For purposes of calculating the incremental cost for use of the car and driver for Mr. Cracchiolo, a per mile rate was determined using vehicle maintenance, fuel, and toll expenses and applying the calculated rate to all miles associated with commuting or personal use. The company used the following methodology for determining the incremental cost for personal usage of the corporate aircraft: (a) when used solely for personal travel, an hourly flight rate (that considers fuel, maintenance and miscellaneous flight costs) plus any direct expense associated with in-flight catering is applied; (b) when others accompany executives during regular business travel, the incremental cost reflects those direct expenses associated with in-flight catering only. For purposes of calculating the incremental cost of the personal use of corporate aircraft during 2008, the following per flight hourly costs were used: \$4,578.39 or \$4,258.58, depending upon the aircraft used.

The following table shows the breakout of the major categories of All Other Compensation applicable to all named executive officers:

Name	Annual Cash Perquisites						
	Matching Contributions on 401(k) Deferrals	Matching Contributions on Stock Deferrals	Allowance and Reimbursement of Financial Planning Fees	Dividends on Restricted Stock	Personal Use of Corporate Aircraft	Gross Ups Related to Certain Perquisites	
James M. Cracchiolo	\$ 12,650	\$ 0	\$ 43,750	\$ 77,704	\$ 75,825	\$ 23,061	
	12,650	0	31,250	15,490	600	3,585	

Walter S. Berman						
Glen Salow	12,650	0	31,250	14,738	100	1,026
William F. Truscott	12,650	0	75,000	21,056	0	0
Joseph E. Sweeney	12,650	0	45,250	7,793	400	11,493

Table of Contents

As required by the rules of the Securities and Exchange Commission, this table shows grants made in January 2008 for 2007 performance. We will disclose the grant date fair value of the stock options awarded to our named executive officers in January 2009 for 2008 performance in our 2010 annual meeting proxy statement, as required by the rules of the Securities and Exchange Commission. No named executive officer was granted restricted stock awards in January 2009 for 2008 performance. Please see the Compensation Discussion and Analysis at the top of page 31 for more information. The named executive officers shown in our 2010 annual meeting proxy statement may not be identical to those shown in this table.

Grants Of Plan-Based Awards

	Grant Date	All Other Stock Awards (# of shares of Stock or Units)(1)	All Other Option Awards (# of securities Underlying Options)(2)	Exercise or Base Price of Option Awards (\$/share)(3)	Grant Date Fair Value of Stock and Option Awards(4)
James M. Cracchiolo	1/29/2008		656,535	\$ 52.86	\$ 9,191,500
Walter S. Berman	1/29/2008		123,214	52.86	1,725,000
Glen Salow	1/29/2008		136,607	52.86	1,912,500
William F. Truscott	1/29/2008	13,715			725,000
	1/29/2008		155,357	52.86	2,175,000
Joseph Sweeney	1/29/2008	4,138			218,750
	1/29/2008		46,875	52.86	656,250

(1) This represents the number of restricted stock awards. These awards are scheduled to vest in three equal tranches over a three-year period.

(2) This represents the number of stock options awarded. These awards are scheduled to vest in three equal tranches over a three-year period.

(3) The exercise price is equal to the closing market price of Ameriprise stock on the grant date.

(4) These amounts are the grant date fair value of the stock options and restricted stock awards as represented by the total FAS 123R compensation expense that will be recognized for these awards. The company uses the Black-Scholes option pricing model to estimate its compensation cost for stock option awards. The assumptions used in the Black-Scholes model for grants made on January 29, 2008 were: (i) an expected life of 5.3 years for each option; (ii) dividend yield of 1.0%; (iii) expected stock price volatility of 27.0%; and (iv) a risk-free rate of return of 3.0%.

Table of Contents

Outstanding Equity Awards At Fiscal Year End 2008

The following table contains information regarding outstanding equity awards held by the named executive officer as of December 31, 2008.

	Option Awards(3)					Stock Awards(4)				
	Option Grant Date(1)	Number of Securities Underlying Unexercised Options (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Exercise Price (\$/Share)	Option Expiration Date	Restricted Stock Grant Date(1)	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock that Have Not Vested (\$)	Equity Incentive Awards: Number of Unearned Shares, or other Rights That Have Not Vested (#)	Equity Incentive Awards: Market or Payout Value of Unearned Shares, or other Rights That Have Not Vested (\$)(6)
James M. Cracchiolo	9/30/2005	32,089(2)		\$ 27.2100	2/27/2010	10/3/2005			49,951(5)	\$ 1,166,855
	9/30/2005	144,402(2)		\$ 20.8187	1/26/2013	10/25/2005			20,620(5)	\$ 481,683
	9/30/2005	216,603(2)		\$ 31.3125	1/25/2014	11/14/2005	3,401	\$ 79,447		
	9/30/2005	174,486	58,162	\$ 32.5871	1/23/2015	1/26/2006			16,036(5)	\$ 374,601
	10/3/2005	658,638	219,548	\$ 35.0350	10/2/2015	1/30/2007			23,724(5)	\$ 554,193
	1/26/2006	282,632	282,635	\$ 43.6550	1/27/2016					
	1/30/2007	152,666	305,333	\$ 58.7300	1/30/2017					
	1/29/2008		656,535	\$ 52.8600	1/29/2018					
Walter S. Berman	10/3/2005	207,612	69,205	\$ 35.0350	10/2/2015	10/3/2005	5,352	\$ 125,023		
	1/26/2006	35,544	35,547	\$ 43.6550	1/27/2016	11/14/2005	5,927	\$ 138,455		
	1/30/2007	23,374	46,750	\$ 58.7300	1/30/2017	1/26/2006	2,750	\$ 64,240		
	1/29/2008		123,214	\$ 52.8600	1/29/2018	1/30/2007	3,632	\$ 84,844		
Glen Salow	9/30/2005	17,649(2)		\$ 31.6879	3/26/2010	10/3/2005	5,352	\$ 125,023		
	9/30/2005	129,962(2)		\$ 20.8187	1/26/2013	11/14/2005	3,940	\$ 92,038		
	9/30/2005	194,943(2)		\$ 31.3125	1/25/2014	1/26/2006	4,583	\$ 107,059		
	9/30/2005	156,435	52,146	\$ 32.5871	1/23/2015	1/30/2007	5,222	\$ 121,986		
	10/3/2005	207,612	69,205	\$ 35.0350	10/2/2015					
	1/26/2006	59,242	59,242	\$ 43.6550	1/27/2016					
	1/30/2007	33,601	67,202	\$ 58.7300	1/30/2017					
	1/29/2008		136,607	\$ 52.8600	1/29/2018					
William F.	9/30/2005	75,811(2)		\$ 31.3125	1/25/2014	10/3/2005	5,352	\$ 125,023		

Truscott

9/30/2005	57,759	19,256	\$ 32.5871	1/23/2015	11/14/2005	2,833	\$ 66,179
10/3/2005	207,612	69,205	\$ 35.0350	10/2/2015	1/26/2006	3,437	\$ 80,288
1/26/2006	44,430	44,433	\$ 43.6550	1/27/2016	1/30/2007	3,632	\$ 84,844
1/30/2007	23,374	46,750	\$ 58.7300	1/30/2017	1/29/2008	13,715	\$ 320,382
1/29/2008		155,357	\$ 52.8600	1/29/2018			

Joseph E.

Sweeney	9/30/2005	16,847(2)		\$ 20.8187	1/26/2013	10/3/2005	2,500	\$ 58,400
	9/30/2005	36,101(2)		\$ 31.3125	1/25/2014	1/26/2006	1,662	\$ 38,824
	9/30/2005	36,099	12,035	\$ 32.5871	1/23/2015	1/30/2007	2,043	\$ 47,724
	10/3/2005	96,885	32,297	\$ 35.0350	10/2/2015	1/29/2008	4,138	\$ 96,664
	1/26/2006	21,474	21,477	\$ 43.6550	1/27/2016			
	1/30/2007	13,148	26,296	\$ 58.7300	1/30/2017			
	1/29/2008		46,875	\$ 52.8600	1/29/2018			

- (1) For better understanding of this table, we have included additional columns showing the grant dates of stock options and restricted stock.
- (2) These stock options are fully vested. The vesting schedule for these stock options was disclosed in the tables from prior proxy statements.
- (3) Stock options vest according to the following:

Option Grant Date	Vesting Schedule	Remaining Vesting Dates
9/30/2005	25% vests each year for four years from date of grant	1/24/2009
10/3/2005	25% vests each year for four years from date of grant	10/3/2009
1/26/2006	25% vests each year for four years from date of grant	1/26/2009 and 1/26/2010
1/30/2007	33.33% vests each year for three years from date of grant	1/30/2009 and 1/30/2010
1/29/2008	33.33% vests each year for three years from date of grant	1/29/2009, 1/29/2010, and 1/29/2011

Table of Contents

(4)

Restricted stock vests according to the following:

Restricted Stock Grant Date	Vesting Schedule	Remaining Vesting Dates
10/3/2005	25% vests each year for four years from date of grant	10/3/2009
11/14/2005	100% vests five years from date of grant	11/14/2010
1/26/2006	25% vests each year for four years from date of grant	1/26/2009 and 1/26/2010
1/30/2007	33.33% vests each year for three years from date of grant	1/30/2009 and 1/30/2010
1/29/2008	33.33% vests each year for three years from date of grant	1/29/2009, 1/29/2010, and 1/29/2011

(5)

Restricted stock vests according to the following:

Restricted Stock Grant Date	Vesting Schedule	Remaining Vesting Dates
10/3/2005	Vests in increments of 25% annually if a performance threshold is achieved over the vesting periods	1/31/2009 and 1/31/2010
10/25/2005	Vests in increments of 25% annually if a performance threshold is achieved over the vesting periods	1/31/2009 and 1/31/2010
1/26/2006	Vests in increments of 25% annually if a performance threshold is achieved over the vesting periods	1/26/2009 and 1/26/2010
1/30/2007	Vests in increments of 25% annually if a performance threshold is achieved over the vesting periods	1/30/2009 and 1/30/2010

(6)

The market value of restricted stock is based on a market closing price on the NYSE of \$23.36 on December 31, 2008.

52

Table of Contents**Option Exercises And Stock Vested**

The following table contains all stock option exercises and vesting events of restricted stock awards for all named executive officers during fiscal year 2008.

	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)(5)
James M. Cracchiolo	0	0	8,017(1) 11,862(2) 10,309(3) 24,975(3)	397,723(i) 633,075(ii) 570,191(iii) 1,381,367(iii)
Walter S. Berman	0	0	1,374(1) 1,816(2) 5,352(4)	68,164(i) 96,920(ii) 176,348(iv)
Glen Salow	0	0	2,290(1) 2,610(2) 5,352(4)	113,607(i) 139,296(ii) 176,348(iv)
William F. Truscott	0	0	1,718(1) 1,816(2) 5,352(4)	85,230(i) 96,920(ii) 176,348(iv)
Joseph E. Sweeney	0	0	830(1) 1,021(2) 2,497(4)	41,176(i) 54,491(ii) 82,276(iv)

(1)

On 1/26/2008, the following restricted stock awards vested:

For Mr. Cracchiolo: a total of 8,017 shares vested, 2,955 shares of these shares were withheld to cover taxes, and a net of 5,062 shares were delivered.

For Mr. Berman: a total of 1,374 shares vested, 544 shares of these shares were withheld to cover taxes, and a net of 830 shares were delivered.

For Mr. Salow: a total of 2,290 shares vested, 909 shares of these shares were withheld to cover taxes, and a net of 1,381 shares were delivered.

For Mr. Truscott: a total of 1,718 shares vested, 633 shares of these shares were withheld to cover taxes, and a net of 1,085 shares were delivered.

For Mr. Sweeney: a total of 830 shares vested, 330 shares of these shares were withheld to cover taxes, and a net of 500 shares were delivered.

(2)

On 1/30/08, the following restricted stock awards vested:

For Mr. Cracchiolo: a total of 11,862 shares vested, 4,439 shares of these shares were withheld to cover taxes, and a net of 7,423 shares were delivered.

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For Mr. Berman: a total of 1,816 shares vested, 614 shares of these shares were withheld to cover taxes, and a net of 1,202 shares were delivered.

Table of Contents

For Mr. Salow: a total of 2,610 shares vested, 948 shares of these shares were withheld to cover taxes, and a net of 1,662 shares were delivered.

For Mr. Truscott: a total of 1,816 shares vested, 580 shares of these shares were withheld to cover taxes, and a net of 1,236 shares were delivered.

For Mr. Sweeney: a total of 1,021 shares vested, 362 shares of these shares were withheld to cover taxes, and a net of 659 shares were delivered.

(3)

On 1/31/2008, the following restricted stock awards vested:

For Mr. Cracchiolo: a total of 10,309 shares vested, 4,779 shares of these shares were withheld to cover taxes, and a net of 5,530 shares were delivered.

For Mr. Cracchiolo: a total of 24,975 shares vested, 11,576 shares of these shares were withheld to cover taxes, and a net of 13,399 shares were delivered.

(4)

On 10/03/08, the following restricted stock awards vested:

For Mr. Berman: a total of 5,352 shares vested, 2,345 shares of these shares were withheld to cover taxes, and a net of 3,007 shares were delivered.

For Mr. Salow: a total of 5,352 shares vested, 2,480 shares of these shares were withheld to cover taxes, and a net of 2,872 shares were delivered.

For Mr. Truscott: a total of 5,352 shares vested, 2,244 shares of these shares were withheld to cover taxes, and a net of 3,108 shares were delivered.

For Mr. Sweeney: a total of 2,497 shares vested, 1,087 shares of these shares were withheld to cover taxes, and a net of 1,410 shares were delivered.

(5)

The value realized on vesting for restricted stock awards was based on the market closing price of an Ameriprise share on the date of vesting.

(i)

For 1/26/2008, the FMV was \$49.61 per share.

(ii)

For 1/30/2008, the FMV was \$53.37 per share.

(iii)

For 1/31/2008, the FMV was \$55.31 per share.

(iv)

For 10/3/2008, the FMV was \$32.95 per share.

Table of Contents**Nonqualified Deferred Compensation For 2008**

This table provides information about our voluntary Deferred Compensation Plan. A named executive officer may only participate in the plan if he elects to defer receipt of compensation that would otherwise be payable to him in a cash incentive award. All named executive officers, except Mr. Salow, elected to participate in the plan for 2008. **However, as noted earlier, none of the named executive officers received a cash incentive award for 2008 performance. As a result, no deferrals or company contributions were credited to the Deferred Compensation Plan for named executive officers for 2008.**

	Executive Contributions	Company Contributions	Aggregate Earnings in Last Fiscal Year(1)	Aggregate Withdrawals / Distributions in Last Fiscal Year(2)	Aggregate Balance as of December 31, 2008
James M. Cracchiolo	\$ 0	\$ 0	\$ (3,493,357)	\$ 0	\$ 4,374,793
Walter S. Berman	0	0	(629,119)	16,198	1,160,413
Glen Salow	0	0	0	0	0
William F. Truscott	0	0	(1,044,010)	0	1,110,058
Joseph Sweeney	0	0	(258,987)	0	409,785

- (1) These amounts include market-rate returns and dividends for the period January through December 2008. There were no above-market or preferential earnings credited on amounts previously deferred under the deferred compensation plan. For Mr. Berman, the amount includes the market-rate return credited to his 401(k)-related supplemental benefits earned while employed by American Express.
- (2) Amounts include 401(k)-related supplemental benefits earned by Mr. Berman while employed by the American Express Company. At spin-off from American Express, the liability for this benefit transferred to Ameriprise Financial under our supplemental retirement plan. Mr. Berman retired from American Express in 1998 and began receiving annual payments. Although Mr. Berman was re-hired in 2001, his payments continued, with the final payment made in 2008.

Table of Contents**Pension Benefit Table**

The following table presents information about the participation of our named executive officers in our retirement programs. Assumptions used for purposes of valuation are included in the footnotes.

	Plan	Number of Years Credited Service	Present Value of Accumulated Benefits(1)(2)	Payments Made During Fiscal 2008(2)
James M. Cracchiolo	Retirement Plan	26	\$ 258,394	
	Supplemental Retirement Plan	26	2,266,214	
	Total	26	2,524,608	
Walter S. Berman	Retirement Plan	40	196,383	
	Supplemental Retirement Plan	40	767,443	\$ 204,676
	Special Supplemental Retirement Plan		0	112,955
	Total	40	963,826	317,631
Glen Salow	Retirement Plan	16	117,438	
	Supplemental Retirement Plan	16	585,739	
	Total	16	703,177	
William F. Truscott	Retirement Plan	7	56,734	
	Supplemental Retirement Plan	7	659,347	
	Total	7	716,081	
Joseph E. Sweeney	Retirement Plan	25	177,060	
	Supplemental Retirement Plan	25	246,276	
	Total	25	423,336	

(1)

The Ameriprise Financial Retirement Plan is a defined benefit pension plan, commonly referred to as a cash balance plan, which covers all eligible employees of the company. Each payroll period, the company credits the account of each participating employee with an amount equal to a percentage of such employee's pension eligible pay for that period. The percentage varies with the employee's age and years of service. The table below shows the percentages we use to determine the amount of the credits under the retirement plan:

Sum of Age Plus Years of Service	Applicable Percentage
Less than 35	2.50%
35-44	3.25
45-59	4.25
60-74	5.75
75-89	8.00
90 or more	10.00

The retirement plan credits participants with interest on their balances. The retirement plan sets the fixed interest rate each year based on the average of the daily five-year U.S. Treasury Note yields for the previous October 1 through November 30. The minimum interest rate is 5%. The maximum rate is the lower of 10% or a specific rate set by the U.S. government under the tax laws. For 2008, the interest rate was 5%.

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When an employee retires or terminates employment after completing three years of service, the retirement plan will pay out the cash balance amounts. Vesting changed from five years to three years on October 1, 2008 in accordance with the Pension Protection Act. The retirement plan will make these payments in the form and at the time the

Table of Contents

employee elects, including payment in a single lump sum or as an annuity. An annuity obligates the retirement plan to make payments in monthly installments over time, in amounts based on plan assumptions as to life expectancy and the value of making payments in the future. Employees may choose similar methods of payment for benefits they earned before July 1, 1995.

The Ameriprise supplemental retirement plan is a non-qualified pension plan that allows participants to receive retirement plan contributions on pension earnings that exceed applicable limits under the Internal Revenue Code of 1986, as amended. The supplemental retirement plan balances vest after completing three years of service, reaching age 65, or upon disability or death. Vesting changed from five years to three years on October 1, 2008.

The retirement plan account balances for Messrs. Cracchiolo, Berman, Salow, Truscott and Sweeney as of December 31, 2008 were \$306,476, \$196,383, \$136,161, \$69,172, and \$217,160 respectively. The supplemental retirement plan account balances for Messrs. Cracchiolo, Berman, Salow, Truscott, and Sweeney as of December 31, 2008 were \$2,687,909, \$767,443, \$679,125, \$803,902, and \$302,052 respectively. The December 31, 2008 values shown in the table above for both the retirement plan and the supplemental retirement plan assume a discount rate of 6.25%, an interest crediting rate of 5.00% and a retirement age of 65.

Effective in 2008, Financial Accounting Standards require our reporting as of December 31 of the fiscal year. Prior years have reported balances as of September 30, which was the measurement date for financial reporting.

(2)

Amounts include special retirement benefits earned by Mr. Berman while employed with American Express. At spin-off from American Express, the liability for this benefit transferred to Ameriprise Financial, Inc. Mr. Berman retired from American Express in 1998 and began receiving annual payments under the terms of this agreement. Although Mr. Berman was re-hired in 2001, his payments continued with the final payment made in 2008.

Table of Contents

Potential Payments upon Termination or Change of Control for Named Executive Officers

The tables below describe the potential termination payments for the named executive officers under various separation of employment scenarios as if they occurred on December 31, 2008. Descriptions of these plans and policies are contained in the Compensation Discussion and Analysis and other sections of this proxy statement. As noted earlier, the company does not have employment agreements with any of the named executive officers. Rather, the rights of our executives with respect to specific events, including death, disability, severance or retirement, or a change in control of the company, are covered by certain compensation and benefit plans of the company.

We are providing two sets of tables for each named executive officer to show you what he would receive if he no longer worked for the company. The first table shows the vested plan amounts that the named executive officer would receive if he left the company for any reason. Any other employee participating in these plans would also receive any vested amounts in these plans if he or she no longer worked for the company. The second table shows what the named executive officer would receive under various hypothetical situations resulting in a termination of his employment. The second table does not include amounts disclosed in the first table.

Both tables assume that the named executive officer's employment terminated on December 31, 2008. Because the numbers disclosed are calculated as of that date and are subject to other estimates and assumptions, the actual amounts the named executive officer may receive may differ materially from those shown in the tables. The calculations for the payouts are based on plan provisions outlined in the common set of footnotes to the tables.

In addition to the amounts disclosed in these tables, the named executive officer would also receive any restricted stock that vested on or before his termination date. He would also be able to exercise any vested stock options. For more information, please see the Outstanding Equity Awards At Fiscal Year-End table on page 51.

Table of Contents

James M. Cracchiolo. The following tables describe the potential termination payments for Mr. Cracchiolo for the various termination of employment scenarios, assuming separation of employment on December 31, 2008. These amounts are in addition to the payout of vested stock options and restricted stock awards listed on page 53.

**Vested Plan Balances Payable Upon Termination of
Employment for Any Reason(1)**

Retirement Plan	\$ 306,476
401(k) Plan	\$ 913,669
Supplemental Retirement Plan	\$2,897,632
Deferred Compensation Plan	\$3,843,334
Total	\$7,961,111

Other Amounts Payable Upon Termination of Employment

	Voluntary Termination	For Cause Termination	Involuntary Not for Cause Termination	Involuntary Termination following a Change in Control	Termination Due to Disability	Termination Due to Death
Severance benefit(2)	\$ 0	\$ 0	\$ 31,024,500	\$ 31,024,500	\$ 0	\$ 0
Payment of annual cash incentive award(3)	\$ 0	\$ 0	\$ 0	\$ 7,895,750	\$ 0	\$ 0
Accelerated vesting of long-term performance plan Awards(4)	\$ 0	\$ 0	\$ 0	\$ 1,894,900	\$ 1,656,568	\$ 1,656,568
Accelerated vesting of stock options(5)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accelerated vesting of restricted stock awards(5)	\$ 0	\$ 0	\$ 0	\$ 2,656,780	\$ 2,656,780	\$ 2,656,780
Continued contributions to supplemental retirement plan(6)	\$ 0	\$ 0	\$ 0	\$ 2,533,410	\$ 0	\$ 0
Accelerated vesting of deferred compensation plan match(7)	\$ 0	\$ 0	\$ 0	\$ 531,459	\$ 531,459	\$ 531,459
Continued participation in health and welfare benefits(8)	\$ 0	\$ 0	\$ 24,196	\$ 24,196	\$ 0	\$ 0
Payout of life insurance benefits(9)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,050,000
Present value of disability benefits(10)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,848,838	\$ 0
Payment of 280G excise tax and gross-up(11)	\$ 0	\$ 0	\$ 0	\$ 13,849,629	\$ 0	\$ 0
Total	\$ 0	\$ 0	\$ 31,048,696	\$ 60,410,624	\$ 6,693,645	\$ 8,894,807

Table of Contents

Walter S. Berman. The following tables describe the potential termination payments for Mr. Berman for the various termination of employment scenarios, assuming separation of employment on December 31, 2008. These amounts are in addition to the payout of vested stock options and restricted stock awards listed on page 53.

**Vested Plan Balances Payable Upon Termination of
Employment for Any Reason(1)**

Retirement Plan	\$ 196,383
401(k) Plan	\$ 147,945
Supplemental Retirement Plan	\$ 817,074
Deferred Compensation Plan	\$ 1,160,413
Total	\$ 2,321,815

Other Amounts Payable Upon Termination of Employment

	Voluntary Termination/ Retirement	For Cause Termination	Involuntary Not for Cause Termination	Involuntary Termination following a Change in Control	Termination Due to Disability	Termination Due to Death
Severance benefit(2)	\$ 0	\$ 0	\$ 4,950,000	\$ 7,425,000	\$ 0	\$ 0
Payment of annual cash incentive award(3)	\$ 0	\$ 0	\$ 0	\$ 1,762,500	\$ 0	\$ 0
Accelerated vesting of long-term performance plan Awards(4)	\$ 316,800	\$ 0	\$ 0	\$ 316,800	\$ 278,905	\$ 278,905
Accelerated vesting of stock options(5)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accelerated vesting of restricted stock awards(5)	\$ 327,717	\$ 0	\$ 0	\$ 412,561	\$ 412,561	\$ 412,561
Continued contributions to supplemental retirement plan(6)	\$ 0	\$ 0	\$ 0	\$ 793,950	\$ 0	\$ 0
Accelerated vesting of deferred compensation plan match(7)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Continued participation in health and welfare benefits(8)	\$ 0	\$ 0	\$ 16,131	\$ 24,196	\$ 0	\$ 0
Payout of life insurance benefits(9)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 450,000
Present value of disability benefits(10)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Payment of 280G excise tax and gross-up(11)	\$ 0	\$ 0	\$ 0	\$ 3,434,871	\$ 0	\$ 0
Total	\$ 644,517	\$ 0	\$ 4,966,131	\$ 14,169,878	\$ 691,466	\$ 1,141,466

Table of Contents

Glen Salow. The following tables describe the potential termination payments for Mr. Salow for the various termination of employment scenarios, assuming separation of employment on December 31, 2008. These amounts are in addition to the payout of vested stock options and restricted stock awards listed on page 53.

**Vested Plan Balances Payable Upon Termination of
Employment or Any Reason(1)**

Retirement Plan	\$ 136,161
401(k) Plan	\$ 214,356
Supplemental Retirement Plan	\$ 795,859
Deferred Compensation Plan	\$ 0
Total	\$1,146,376

Other Amounts Payable Upon Termination of Employment

	Voluntary Termination	For Cause Termination	Involuntary Not for Cause Termination	Involuntary or Good Reason Termination following a Change in Control	Termination Due to Disability	Termination Due to Death
Severance benefit(2)	\$ 0	\$ 0	\$ 5,375,000	\$ 8,062,500	\$ 0	\$ 0
Payment of annual cash incentive award(3)	\$ 0	\$ 0	\$ 0	\$ 1,806,250	\$ 0	\$ 0
Accelerated vesting of long-term performance plan Awards(4)	\$ 0	\$ 0	\$ 0	\$ 512,600	\$ 455,116	\$ 455,116
Accelerated vesting of stock options(5)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accelerated vesting of restricted stock awards(5)	\$ 0	\$ 0	\$ 0	\$ 446,106	\$ 446,106	\$ 446,106
Continued contributions to supplemental retirement plan(6)	\$ 0	\$ 0	\$ 0	\$ 515,043	\$ 0	\$ 0
Accelerated vesting of deferred compensation plan match(7)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Continued participation in health and welfare benefits(8)	\$ 0	\$ 0	\$ 16,131	\$ 24,196	\$ 0	\$ 0
Payout of life insurance benefits(9)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,425,000
Present value of disability benefits(10)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,728,250	\$ 0
Payment of 280G excise tax and gross-up(11)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 0	\$ 0	\$ 5,391,131	\$ 11,366,695	\$ 2,629,472	\$ 2,326,222

Table of Contents

William F. Truscott. The following tables describe the potential termination payments for Mr. Truscott for the various termination of employment scenarios, assuming separation of employment on December 31, 2008. These amounts are in addition to the payout of vested stock options and restricted stock awards listed on page 53.

**Vested Plan Balances Payable Upon Termination of
Employment for Any Reason(1)**

Retirement Plan	\$ 69,172
401(k) Plan	\$ 166,897
Supplemental Retirement Plan	\$ 873,420
Deferred Compensation Plan	\$ 901,883
Total	\$2,011,372

Other Amounts Payable Upon Termination of Employment

	Voluntary Termination	For Cause Termination	Involuntary Not for Cause Termination	Involuntary or Good Reason Termination following a Change in Control	Termination Due to Disability	Termination Due to Death
Severance benefit(2)	\$ 0	\$ 0	\$ 7,300,000	\$ 10,950,000	\$ 0	\$ 0
Payment of annual cash incentive award(3)	\$ 0	\$ 0	\$ 0	\$ 3,600,000	\$ 0	\$ 0
Accelerated vesting of long-term performance plan Awards(4)	\$ 0	\$ 0	\$ 0	\$ 379,200	\$ 338,021	\$ 338,021
Accelerated vesting of stock options(5)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accelerated vesting of restricted stock awards(5)	\$ 0	\$ 0	\$ 0	\$ 676,716	\$ 676,716	\$ 676,716
Continued contributions to supplemental retirement plan(6)	\$ 0	\$ 0	\$ 0	\$ 571,575	\$ 0	\$ 0
Accelerated vesting of deferred compensation plan match(7)	\$ 0	\$ 0	\$ 0	\$ 208,175	\$ 208,175	\$ 208,175
Continued participation in health and welfare benefits(8)	\$ 0	\$ 0	\$ 31,696	\$ 47,544	\$ 0	\$ 0
Payout of life insurance benefits(9)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,800,000
Present value of disability benefits(10)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,973,639	\$ 0
Payment of 280G excise tax and gross-up(11)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 0	\$ 0	\$ 7,331,696	\$ 16,433,210	\$ 3,196,551	\$ 3,022,912

Table of Contents

Joseph E. Sweeney. The following tables describe the potential termination payments for Mr. Sweeney for the various termination of employment scenarios, assuming separation of employment on December 31, 2008. These amounts are in addition to the payout of vested stock options and restricted stock awards listed on page 53.

**Vested Plan Balances Payable Upon Termination of
Employment for Any Reason(1)**

Retirement Plan	\$ 217,160
401(k) Plan	\$ 518,731
Supplemental Retirement Plan	\$ 317,253
Deferred Compensation Plan	\$ 356,193
Total	\$1,409,337

Other Amounts Payable Upon Termination of Employment

	Voluntary Termination / Retirement	For Cause Termination	Involuntary Not for Cause Termination	Involuntary or Good Reason Termination following a Change in Control	Termination Due to Disability	Termination Due to Death
Severance benefit(2)	\$ 0	\$ 0	\$ 3,100,000	\$ 4,650,000	\$ 0	\$ 0
Payment of annual cash incentive award(3)	\$ 0	\$ 0	\$ 0	\$ 1,007,500	\$ 0	\$ 0
Accelerated vesting of long-term performance plan Awards(4)	\$ 0	\$ 0	\$ 0	\$ 188,600	\$ 166,737	\$ 166,737
Accelerated vesting of stock options(5)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Accelerated vesting of restricted stock awards(5)	\$ 0	\$ 0	\$ 0	\$ 241,612	\$ 241,612	\$ 241,612
Continued contributions to supplemental retirement plan(6)	\$ 0	\$ 0	\$ 0	\$ 388,575	\$ 0	\$ 0
Accelerated vesting of deferred compensation plan match(7)	\$ 0	\$ 0	\$ 0	\$ 53,591	\$ 53,591	\$ 53,591
Continued participation in health and welfare benefits(8)	\$ 0	\$ 0	\$ 26,715	\$ 40,072	\$ 0	\$ 0
Payout of life insurance benefits(9)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 375,000
Present value of disability benefits(10)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,873,094	\$ 0
Payment of 280G excise tax and gross-up(11)	\$ 0	\$ 0	\$ 0	\$ 1,844,289	\$ 0	\$ 0
Total	\$ 0	\$ 0	\$ 3,126,715	\$ 8,414,239	\$ 2,335,034	\$ 836,940

Table of Contents

- (1) In the event of termination of employment for any reason, the executive is eligible to receive these vested amounts under the company's retirement, 401(k), supplemental retirement and deferred compensation plans.
- (2) Severance for involuntary termination not for cause is equal to two times the sum of base salary plus the greater of the highest annual bonus received over the previous three years or target bonus, except for Mr. Cracchiolo who would receive three times the sum. Severance for involuntary termination not for cause within two years of a change in control is equal to three times the sum of base salary plus the greater of the highest annual bonus received over the previous three years or target bonus.
- (3) If an executive leaves due to retirement, death or disability, the amount paid to the executive for their annual cash incentive award is discretionary. The hypothetical amount shown in the table is based on the actual cash incentive award earned for 2008 performance. In the event of involuntary termination not for cause within two years of a change of control, the executive will receive the average of the prior two years' annual cash incentive awards. The hypothetical amount shown the table is based on the average of the actual cash incentive awards earned for 2006 and 2007.
- (4) In the event of involuntary termination not for cause within two years of a change in control, the vesting on the long-term performance plan will fully accelerate and the payment made based on performance results as of the date of termination. In the event of death or disability, the long term performance plan awards will be prorated and paid out based on performance results as of the date of termination. In the event of retirement (applicable to Mr. Berman as of December 31, 2008), the long term performance plan awards remain outstanding and are paid out at the normal time based on the final payout value. The hypothetical amount shown the table is based on the performance results as of December 31, 2008.
- (5) In the event of a change in control, death or disability, vesting accelerates for all outstanding stock options and restricted stock awards. In the event of retirement, vesting accelerates on all or a portion of outstanding restricted stock awards (applicable to Mr. Berman as of December 31, 2008). The amounts shown represent the value of this accelerated vesting for outstanding stock options and restricted stock awards using the closing share price on December 31, 2008 of \$23.36.
- (6) In the event of involuntary termination not for cause within two years of a change of control, the executive will receive the value of company contributions that would have been made on his behalf to the company's retirement, 401(k), and supplemental retirement plans during the severance period.
- (7) In the event of a change of control, death or disability, vesting fully accelerates on the company match portion of the deferred compensation plan. For participants who are retirement eligible (applicable to Mr. Berman as of December 31 2008), the company match is fully vested.
- (8) In the event of involuntary termination not for cause, the executive is provided continued participation in the medical, dental and life insurance benefits during the severance period.
- (9) Reflects the life insurance benefit payable for both company-provided and employee-purchased coverage. All employees including the named executive officers are provided a company-funded coverage of one times base salary.
- (10) In the event of disability, the executive would be eligible to receive disability income as long as they remained disabled until reaching age 65. The amount shown indicates the present value of potential future disability payments that would be received between December 31, 2008 and the executive reaching age 65, using a 6.25% discount rate.
- (11) Estimated gross-up payment to put the executive in the same after-tax position as if no excise taxes under the Internal Revenue Code Section 280G had been imposed.

Table of Contents

CERTAIN TRANSACTIONS

Related Person Transaction Review Policy

Our Audit Committee has adopted a written policy which provides procedures for the review, approval or ratification of certain transactions required to be reported under applicable rules of the Securities and Exchange Commission. Any amendments to the policy require Audit Committee approval.

Reportable transactions include those in which we are a participant and in which a related person has a direct or indirect interest. Related persons include: our directors, director nominees, and executive officers; any person known by us to be the beneficial owner of more than five percent of our voting securities; and certain family members of, or certain other persons sharing the household of, any of our directors, director nominees or executive officers or holders of more than five percent of our voting securities.

Standards to be applied to the review of related person transactions which include, but are not limited to, the following:

Materiality of such transaction

Benefits of such transaction to us

Structure of such transaction

The extent of the related person's interest, benefit or influence in such transaction

Whether the terms of such transaction are on an arm's length basis with terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances or otherwise can be determined as fair to us

Whether means are available to manage any actual or apparent conflict of interest that may arise under such transaction following the time it is approved or entered into

The Audit Committee of our Board of Directors, as well as the Audit Committee's Chairman acting alone under delegated authority, have the responsibility to review, approve, disapprove or ratify related person transactions. Any Audit Committee member who is a related person under a transaction that is the subject of review is recused from voting upon any approval, disapproval or ratification of that transaction. Conditions operative to the transaction or to the relationship with the related person may be included in an approval or ratification.

Transactions With Other Companies

In the usual course of our business, we have transactions with many other firms. Some of the directors or officers of these firms may also serve as directors or officers for us or our subsidiaries. We carry out our transactions with these firms on customary terms. The directors and officers who serve us, our subsidiaries or the other firms involved may not have knowledge of these transactions.

We own \$21.5 million par amount 6.75% debt securities due September 15, 2011 issued by ConAgra Foods, Inc. (ConAgra). Director Robert F. Sharpe, Jr. is an executive officer of ConAgra. We acquired these securities in the usual course of our investment activities, several years prior to the time Mr. Sharpe joined our Board.

We provide investment management services to employee benefit plans sponsored by SUPERVALU, INC. (SuperValu) and have done so for a number of years prior to the time when director Jeffrey Noddle, who is an executive officer of SuperValu, joined our Board. We charged SuperValu approximately \$389,000 for these services in 2008.

Table of Contents

Transactions Between the Company and Our Directors and Officers

Our executive officers and directors may from time to time take out loans from certain of our subsidiaries on the same terms that these subsidiaries offer to the general public. By way of example, our broker-dealer subsidiary Ameriprise Financial Services, Inc. may extend margin loans (except margin loans to acquire the Company's stock) to our directors and executive officers under their brokerage accounts. All indebtedness from these transactions is in the ordinary course of our business and is on the same terms, including interest rates, in effect for comparable transactions with other people. Such indebtedness involves normal risks of collection and does not have features or terms that are unfavorable to our subsidiaries.

Our executive officers and directors may also have transactions with us or our subsidiaries involving other goods and services, such as insurance and investment services. These transactions are also in the usual course of our business and we provide them on terms that we offer to our employees (with respect to executive officers) or to the public (with respect to our outside directors) generally.

Transactions with Significant Shareholders

In the usual course of our business, we obtain investment advisory or sub-advisory services from Davis Selected Advisers, L.P. and its affiliates (Davis). Davis charged us approximately \$5.3 million for 2008 investment advisory or sub-advisory services in 2008.

In the usual course of our business, we obtain, largely through our Seligman business, investment advisory or sub-advisory services from Wellington Management Company, LLP (Wellington). Wellington charged us approximately \$2.4 million for such investment advisory or sub-advisory services in 2008.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers, and persons who own more than ten percent of a registered class of our equity securities to file with us, the Securities and Exchange Commission, and the New York Stock Exchange initial reports of ownership and reports of changes in ownership of any of the Company's equity securities. With respect to 2008, to the best of our knowledge, all required reports were filed on a timely basis, except as described in the following sentence. Due to an inadvertent oversight by the attorney-in-fact responsible for filing Section 16 reports, one late report for one transaction was filed for Mr. Stewart. In making this statement, we have relied in part on the written representations of our current non-management directors and our current executive officers, and on copies of the reports provided to us.

**REQUIREMENTS, INCLUDING DEADLINES, FOR SUBMISSION
OF PROXY PROPOSALS, NOMINATION OF DIRECTORS
AND OTHER BUSINESS OF SHAREHOLDERS**

Under SEC rules, if a shareholder wants us to include a proposal in our proxy statement and form of proxy for the 2010 Annual Meeting of Shareholders, our corporate secretary must receive the proposal at our principal executive offices by November 11, 2009.

Under our by-laws, and as SEC rules permit, shareholders must follow certain procedures to nominate a person for election as a director at an annual or special meeting, or to introduce an item of business at an annual meeting. Under these procedures, shareholders must submit the proposed nominee or item of business by delivering a notice to the corporate secretary of the Company at our principal executive offices. We must receive notice as follows:

Normally we must receive notice of a shareholder's intention to introduce a nomination or proposed item of business for an annual meeting not less than 90 days or more than 120 days before the first anniversary of the prior year's meeting.

Table of Contents

Assuming that our 2009 Annual Meeting is held on schedule, we must receive notice pertaining to the 2010 Annual Meeting no earlier than December 23, 2009, and no later than January 22, 2010.

However, if we hold the annual meeting on a date that is not within 30 days before or 70 days after such anniversary date, we must receive the notice no more than 120 days before the annual meeting date and no later than the later of the 90th day prior to the annual meeting date or ten days after our first public announcement of the annual meeting date.

If we hold a special meeting to elect directors, we must receive a shareholder's notice of intention to introduce a nomination no earlier than the 120th day prior to the special meeting date and no later than the later of the 90th day prior to the special meeting date or ten days after our first public announcement of the special meeting date and the nominees proposed by the Board.

Our amended and restated by-laws require a nominee to deliver signed forms of a questionnaire, representation, and agreement that our corporate secretary will provide upon request. A notice of a proposed item of business must include a description of and the reasons for bringing the proposed business to the annual meeting, any material interest of the shareholder in the business and certain other information about the shareholder.

The Board and our management have not received notice of, and are not aware of, any business to come before the meeting other than the items we refer to in this proxy statement. If any other matter comes before the meeting, the named proxies will use their best judgment in voting the proxies.

* * * *

We have made available on the Internet our 2008 Annual Report to Shareholders in connection with this proxy solicitation. **If you would like a copy of our 2008 Form 10-K, excluding certain exhibits, please contact Thomas R. Moore, Corporate Secretary, Ameriprise Financial, Inc., 1098 Ameriprise Financial Center, Minneapolis, Minnesota 55474. We will provide a copy without charge.**

Please vote by telephone or the Internet or sign, date and return your proxy or voting instruction form in the prepaid envelope you received, if you requested paper copies of our proxy materials. We encourage you to attend the April 22, 2009, meeting. We will not require tickets for admission to the meeting. However, to assure that attendance is limited to shareholders, if you are not a registered shareholder please bring with you some proof of Ameriprise common stock ownership, such as a current brokerage statement, and a form of identification bearing a photograph. No cameras, cellular telephones or pagers will be allowed to be used in the meeting room.

By order of the Board of Directors,

THOMAS R. MOORE
Vice President, Corporate Secretary and Chief Governance Officer

**AMERIPRISE FINANCIAL, INC.
CATEGORICAL STANDARDS OF DIRECTOR INDEPENDENCE
AS AMENDED BY THE BOARD OF DIRECTORS ON
JANUARY 30, 2007**

INTRODUCTION

The Board of Directors has adopted the categorical standards set forth below to assist it in determining whether or not certain relationships between its directors and the Corporation or its subsidiaries (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Corporation) are "material relationships" for purposes of Section 303A.02(a) of the New York Stock Exchange Listed Company Manual.

Relationships not described in these categorical standards will be evaluated on an individual basis as provided for in Section 303A.02(a). A director who has a relationship with the Corporation or its subsidiaries that is not described in these categorical standards nevertheless may be determined to be independent by the Board of Directors. In such a case, the Board's basis for the determination of independence will be specifically explained in the proxy statement for the annual meeting of shareholders at which any director is standing for election to the Board of Directors.

The term "immediate family members" as used in these categorical standards is defined in the general commentary to Section 303A.02(b) to include a director's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares the director's home.

APPLICATION OF CATEGORICAL STANDARDS

None of the relationships described below shall be deemed to be a "material relationship" between a director and the Corporation and thus a director having such a relationship may be deemed to be "independent" for purposes of Section 303A.02, unless the relationship causes the director not to be independent as a result of any of the provisions of Section 303A.02(b). The provisions of Section 303A.02(b) establish mandatory independence standards involving the employment, affiliations, and compensation of a director or an immediate family member. Also, a director who is an executive officer or an employee, or whose immediate family member is an executive officer, of a company that makes payments to, or receives from, the Corporation or its subsidiaries in an amount which, in any single fiscal year, exceeds the greater of \$1 million or 2% of such other company's consolidated gross revenues, is not "independent" until three years after falling below such threshold (the "Payments Test").

In applying these categorical standards, the Corporation's Board of Directors will take into account any "look-back" or transition period specified for purposes of Section 303A of the New York Stock Exchange Listed Company Manual.

(1) ***Relationships arising in the ordinary course of business.*** Lending, deposit, banking, investment, or other financial service relationships (such as those involving financial planning, annuities, insurance, mutual funds, fiduciary, brokerage, investment management, custody, capital markets, treasury management, or similar products and services) or other relationships involving the provision of investments, products or services either by or to the Corporation or its subsidiaries and involving a director, his or her immediate family members, or a company or charitable organization of which the director or an immediate family member is a partner, shareholder, officer, employee or director will not be considered "material relationships" if the following conditions and the Payments Test are satisfied:

- (a) the investments, products and services are being provided in the ordinary course of business and on substantially the same terms and conditions, including price, as would be available to similarly situated parties;

Table of Contents

(b) the relationship does not involve the provision of consulting, legal, or accounting services to the Corporation or its subsidiaries by the director or immediate family member personally when the Corporation or a subsidiary is the primary client of the director or immediate family member, or by a firm of which the director or immediate family member is a partner, managing member, principal, or an executive officer with significant policy-making authority over the firm; and

(c) any extension of credit: (i) was made in the ordinary course of business, was made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with similarly situated parties; (ii) is performing; and (iii) complies with any additional requirements imposed on the extension of credit by applicable laws and regulations.

(2) ***Relationships with companies of which a director is a shareholder or partnerships of which a director is a partner.*** Any relationship not described in Section (1), above, between the Corporation or one of its subsidiaries and a company (including a limited liability company) or partnership to which a director is connected solely as a shareholder or partner will not be considered a "material relationship," provided the director is not a principal shareholder of the company or a principal partner of the partnership. For purposes of this categorical standard, a person is a principal shareholder of a company if he or she directly or indirectly, or acting in concert with one or more persons, owns, controls, or has the power to vote more than 10 percent of any class of voting securities of the company. A person is a principal partner of a partnership if he or she directly or indirectly, or acting in concert with one or more persons, owns, controls, or has the power to vote a 25 percent or more general partnership interest, or more than a 10 percent overall partnership interest and has the single largest interest in the partnership. Shares or partnership interests owned or controlled by a director's immediate family member who shares the director's home are considered to be held by the director.

(3) ***Contributions made or pledged to charitable organizations.*** Contributions made to any charitable organization pursuant to a matching gift program maintained by the Corporation or by its subsidiaries or by any foundation sponsored by or associated with the Corporation or its subsidiaries are not considered to be a "material relationship" and shall not be included in calculating the materiality threshold set forth in (a), below. Other contributions made or pledged by the Corporation, its subsidiaries, or by any foundation sponsored by or associated with the Corporation or its subsidiaries to a charitable organization of which a director or an immediate family member is an executive officer, director, or trustee will not be considered a "material relationship" if the following conditions are satisfied:

(a) within the preceding three years, the aggregate amount of such contributions during any single fiscal year of the charitable organization did not exceed the greater of \$1 million or 2 percent of the charitable organization's consolidated gross revenues for that fiscal year; and

(b) the charitable organization is not a family foundation created by the director or immediate family member.

(4) ***Certain familial relationships.*** A relationship involving a director's relative will not be considered a "material relationship" solely by virtue of the familial relationship if the relative is not an immediate family member of the director.

(5) ***Certain social and other relationships.*** Any relationship that is based solely on common membership in or affiliation with a social, civic, alumni, religious, charitable, educational, or other similar institution, organization or club will not be considered a "material relationship."

AMERIPRISE FINANCIAL, INC.
**** IMPORTANT NOTICE ****
Regarding the Availability of Proxy Materials

You are receiving this communication because you hold shares in the above company, and the materials you should review before you cast your vote are now available.

This communication presents only an overview of the more complete proxy materials that are available to you on the Internet. We encourage you to access and review all of the important information contained in the proxy materials before voting.

AMERIPRISE FINANCIAL, INC.
CORPORATE SECRETARY'S OFFICE
1098 AMERIPRISE FINANCIAL CENTER
MINNEAPOLIS, MN 55474

Shareholder Meeting to be held on 04/22/09

Proxy Materials Available

- Notice and Proxy Statement
- Meeting Annual Report, including Form 10-K for the fiscal year ended December 31, 2008

PROXY MATERIALS - VIEW OR RECEIVE

You can choose to view the materials online or receive a paper or email copy. There is NO charge for requesting a copy. Requests, instructions and other inquiries will NOT be forwarded to your investment advisor.

To facilitate timely delivery please make the request as instructed below on or before 04/08/09.

HOW TO VIEW MATERIALS VIA THE INTERNET

Edgar Filing: Wells Timberland REIT, Inc. - Form S-11/A

Have the 12 Digit Control Number available and visit: www.proxyvote.com

HOW TO REQUEST A COPY OF MATERIALS

- 1) BY INTERNET - www.proxyvote.com
- 2) BY TELEPHONE - 1-800-579-1639
- 3) BY E-MAIL* - sendmaterial@proxyvote.com

*If requesting materials by email, please send a blank email with the 12 Digit Control Number (located on the following page) in the subject line.

See the Reverse Side for Meeting Information and Instructions on How to Vote

Meeting Information

Meeting Type: Annual
Meeting Date: 04/22/09
Meeting Time: 11:00 a.m., Central time
For holders as of: 02/25/09

Meeting Location:

Ameriprise Financial, Inc. Headquarters
707 Second Avenue South
Minneapolis, Minnesota 55474

How To Vote

Vote In Person

Many shareholder meetings have attendance requirements including, but not limited to, the possession of an attendance ticket issued by the entity holding the meeting. Please check the meeting materials for any special requirements for meeting attendance. At the meeting, you will need to request a ballot to vote these shares.

Vote By Internet

To vote *now* by internet, go to **WWW.PROXYVOTE.COM**.

Edgar Filing: Wells Timberland REIT, Inc. - Form S-11/A

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your notice in hand when you access the web site and follow the instructions.

Voting Items

The Board of Directors recommends a vote FOR the following nominees and Item 2.

Item 1. Election of Directors.

Nominees:

1a. Warren D. Knowlton

1b. Jeffrey Noddle

1c. Robert F. Sharpe, Jr.

Item 2. Proposal to ratify the Audit Committee's selection of Ernst & Young LLP as independent registered public accountants for 2009.

CORPORATE SECRETARY'S OFFICE

1098 AMERIPRISE FINANCIAL CENTER

MINNEAPOLIS, MN 55474

Vote Online, by Telephone or Mail 24 Hours a Day, 7 Days a Week

VOTE BY INTERNET - www.proxyvote.com

Edgar Filing: Wells Timberland REIT, Inc. - Form S-11/A

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the meeting date. Participants in the 401(k) Plan have an earlier voting deadline, described below. Have your proxy card in hand when you access the website and follow the instructions to obtain your records and to create an electronic voting instruction form.

ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receive all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote online and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

VOTE BY PHONE - 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the meeting date. Participants in the 401(k) Plan have an earlier voting deadline, described below. Have your proxy card in hand when you call and then follow the instructions.

VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

If you vote your proxy online or by telephone you do NOT need to mail back your proxy card.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

AMERI1

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

AMERIPRISE FINANCIAL, INC.

The Board of Directors recommends a vote FOR the following nominees and Item 2.

Item 1. Election of Directors.

Nominees:	For	Against	Abstain
1a. Warren D. Knowlton	o	o	o

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1b. Jeffrey Noddle

1c. Robert F. Sharpe, Jr.

		For	Against	Abstain
Item 2.	Proposal to ratify the Audit Committee's selection of Ernst & Young LLP as independent registered public accountants for 2009.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Notice to participants in the AMERIPRISE FINANCIAL 401(k) PLAN

If you participate in the Ameriprise 401(k) plan, your proxy card includes shares that the plan has credited to this account.

To allow sufficient time for the Ameriprise 401(k) plan trustee to vote, the trustee must receive your voting instructions by 10:00 a.m. Eastern Time on April 20, 2009. If the trustee does not receive your instructions by that date, the trustee will vote the shares in the same proportion of votes that the trustee receives from other plan participants who did vote.

For address changes and/or comments, please check this box and write them on the back where indicated.

Please indicate if you plan to attend this meeting.

Yes No

NOTE: Please sign as name appears printed above. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee or guardian, please give full title.

Signature [PLEASE SIGN WITHIN BOX]	Date	Signature (Joint Owners)	Date
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Important Notice Regarding the Availability of Proxy Materials for the 2009 Annual Meeting:

The Meeting Notice and Proxy Statement and Annual Report to Shareholders are available at www.proxyvote.com.

AMERI2

PROXY

AMERIPRISE FINANCIAL, INC.

Proxy Solicited on Behalf of the Board of Directors

for the Annual Meeting of Shareholders on

Wednesday, April 22, 2009

The undersigned hereby appoints Walter S. Berman, John C. Junek and Thomas R. Moore, or any one of them, proxies or proxy, with full power of substitution, to vote all common shares of Ameriprise Financial, Inc. which the undersigned is entitled to vote at the Annual Meeting of Shareholders to be held at Ameriprise Financial, Inc. headquarters at 707 Second Avenue South, Minneapolis, Minnesota 55474, on Wednesday, April 22, 2009, at 11:00 a.m., Central Time, and at any adjournment(s) of the meeting, as indicated on the reverse side of this proxy card, with respect to the proposals set forth in the proxy statement, and in their discretion, upon any matter that may properly come before the meeting or any adjournment(s) of the meeting. The undersigned hereby revokes any proxies submitted previously.

To ensure timely receipt of your vote and to help reduce costs, you are encouraged to submit your voting instructions online or by telephone. Follow the instructions on the reverse side of this card. If you vote online or by telephone, you do NOT need to mail back your proxy card.

If you choose to submit your voting instructions by mail, mark, sign and date this proxy card on the reverse side and return it promptly in the business reply envelope provided. **If you do not mark voting boxes on the reverse side, the shares will be voted as the Board of Directors recommends.**

Address Changes/Comments:

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(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

(continued and to be dated and signed on other side)
