



New Tolerance Campaign, et.al.  
10645 N. Oracle Road, Suite 121-113  
Oro Valley, AZ 85737

April 28, 2022

Mr. Stephen J. Squeri, Chairman of the Board & CEO  
American Express Company  
200 Vesey Street  
New York, NY 10285

**Re: Asset waste and compliance violations**

Dear Mr. Squeri,

We write for shareholders and customers of the American Express Company (the “Company”) in advance of your annual shareholder meeting on May 3.

In its 2021 annual report, American Express management highlighted existential risk factors that would have a negative impact on the Company. “Our brand and reputation are key assets of our Company,” the report stated, “and our business may be materially affected by how we are perceived in the marketplace.”<sup>1</sup> Such public perceptions could pose threats to future profitability and shareholder value.

The report continued: “Our ability to attract and retain consumer and small business Card Members and corporate clients is highly dependent upon the external perceptions of our level of service, trustworthiness, business practices, privacy and data protection, management, workplace culture, merchant acceptance, financial condition, response to political and social issues or catastrophic events.”<sup>2</sup>

The Company further acknowledges personnel challenges, declaring “[o]ur success is dependent on maintaining a culture of integrity and respect.” Continuing: “We rely upon our key personnel not only for business success, but also to lead with integrity and promote a culture of respect.”<sup>3</sup> Accordingly, workplace antidiscrimination mandates are an essential and mission-critical regulatory compliance risk. Among its fiduciary obligations, the Board has a duty of oversight and must have a

---

<sup>1</sup> American Express 2021 Annual Report:  
<https://www.sec.gov/Archives/edgar/data/4962/000000496221000013/axp-20201231.htm>

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*

reasonable board-level system of compliance monitoring and reporting relating to these mandates. See *Marchand v. Barnhill*, 212 A.3d 805, 824 (Del. 2019); *In re Clovis Oncology, Inc. Derivative Litig.*, No. CV 2017-0222-JRS, 2019 WL 4850188, at \*12 (Del. Ch. Oct. 1, 2019).

The purpose of this letter is to alert the Board to credible allegations by Company employees suggesting that management may be engaging in an intentional and willful pattern and practice of violating workplace mandates, including Title VII of the Civil Rights Act of 1964; New York State civil rights statutes Exec. §290, et seq.; and Title VIII of the New York City Human Rights Law.

Information we have obtained from current and former Company employees show a pattern of Company policies that foster discrimination, create a hostile work environment, and drive away creative, loyal, and talented employees; alienate the Company's customers; and violate the law, all for the purpose of advancing a very narrow political and social agenda. Accordingly, management has placed the Company's assets, including its brand, reputation, and good will, at risk.

We note the following by way of background:

- The Company has tied 15 percent of executive bonuses to a “colleague” metric of “diversity,” which incentivizes managers to hire and terminate employees based on their race and sex.<sup>4</sup>
- The Company metric for performance bonuses tied “talent retention and diversity” to increasing “minority and women representation at management levels.”<sup>5</sup>
- The Company “encouraged colleagues in major office locations to self-identify across gender, ethnicity, sexual orientation, and disability depending on their location.”<sup>6</sup>
- The Company has asked employees to respond to “microaggressions” and to support “Black Lives Matter.”<sup>7</sup>
- The Company promoted a view that Asian-Americans are oppressed and highlighted donations to left-wing organizations who share the same belief system.<sup>8</sup>
- The Company provided employees with “parenting” recommendations, including topics such as “How to Diversify Your Child’s Bookshelf” and “10 Ways to Be an Anti-racist Parent”<sup>9</sup>

---

<sup>4</sup> American Express 2019 Annual Incentive Award Matrix

<sup>5</sup> American Express 2019 2019 Annual Incentive Awards

<sup>6</sup> American Express 2021 ESG Report, p.1

<sup>7</sup> American Express “Building Allyship” Document, p.38

<sup>8</sup> American Express Environmental, Social, Governance Report, p.50

<sup>9</sup> American Express ESG Anti-Racism Initiative, Appendix

- The Company uses Ibram X. Kendi’s definition of racism, rather than a traditional understanding of it. Mr. Kendi believes if someone is not “anti-racist” (i.e. accepts a wide range of political beliefs) they are racist. For Mr. Kendi, there’s no such thing as simply abstaining from racism. This is a false dichotomy which promotes political activism, not workplace cohesion or productivity.<sup>10</sup>
- At one training held by the Company, “AmEx execs invited Khalil Muhammad — great-grandson of Nation of Islam founder Elijah Muhammad — to lecture on ‘race in corporate America.’ He argued that the system of capitalism was founded on racism and that ‘racist logics and forms of domination’ have shaped Western society from the Industrial Revolution to the present.”<sup>11</sup>

This information and the documentary evidence supporting these claims are devastating indictments of the Company’s willful failure to provide a lawfully compliant and respectful workplace for all its employees. Instead, it seems the Company’s executives are engaging in systemic discrimination; unlawfully favoring some individuals and discriminating against others with respect to the terms and conditions or privileges of employment based on race or sex; and limiting, segregating, or classifying employees in a way which will deprive or tend to deprive these individuals of employment opportunities because of race, sex, and national origin. These Company policies present a credible threat of legal risk, negative impact on the Company’s stock value, and compliance issues that threaten the Company’s bottom line.

Therefore, to prevent the waste of the Company’s assets, to repair and safeguard the Company’s brand, goodwill, and reputation among its customers, to protect the Company’s shareholders, and in fulfillment of your fiduciary duties to the Company and its shareholders to ensure compliance with civil rights laws, we demand that the Board immediately take the following steps:

- The Company must immediately release all documentation pertaining to diversity curricula; race-based employment policies implemented or discussed for implementation by the Company’s human resources arm; and all salary, bonus, and stock options tied to said policies. Shareholders have a right to know whether the Board has taken proper steps to ensure adequate information and reporting systems exist in the Company that are reasonably designed to provide timely and accurate information to reach the Board so that it may reach informed judgments concerning both management’s compliance with law and its business performance. Incident to this, the Board must take effective measures protecting any and all whistleblowers who come forward from workplace and other retaliation.

---

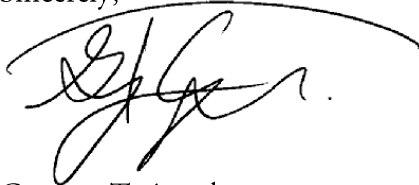
<sup>10</sup> American Express ESG Anti-Racism Initiative, Appendix

<sup>11</sup> New York Post, “Lie of credit — American Express tells its workers capitalism is racist” (August 11, 2021)

- Retain an independent third party to conduct a culture audit and, in conjunction therewith, retain another independent counsel to open an investigation identifying and then disciplining or terminating the executives, managers, and other employees who have violated federal and state laws protecting civil rights and guaranteeing a politically neutral workplace. We note that such potential violations present a significant risk to the Company, to its management, and to shareholder value.
- Informed by the above-mentioned culture audit and internal investigations, compel the Company's management to implement genuinely effective and objective internal controls to prevent the Company from violating civil rights and ensure a welcoming workplace.

We thank you for your attention to this matter and look forward to your response.

Sincerely,



Gregory T. Angelo  
President, New Tolerance Campaign



Kenny Xu  
Executive Director, Color Us United



William Hild  
Executive Director, Consumers' Research