

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

GARY L. FRANZEN, AS TRUSTEE OF THE) GARY L. FRANZEN DECLARATION OF) TRUST, individually and on behalf of all) persons similarly situated,,)) Plaintiff,)) v.)) IDS FUTURES CORPORATION and REFCO) COMMODITY MANAGEMENT, INC.)) Defendants.)	Case No. 06-CV-3012 Judge Wayne Andersen Jury Trial Demanded
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NOTICE OF PROPOSED SETTLEMENT AND FINAL APPROVAL HEARING

TO: All Limited Partners in IDS Managed Futures, L.P. and IDS Managed Futures II, L.P. (“Limited Partners”)

PLEASE READ THIS NOTICE CAREFULLY

This notice is being sent to you by order of the Court because you are identified as a limited partner in either IDS Managed Futures, L.P. or IDS Managed Futures II, L.P. (collectively the “IDS Funds”) who will be affected by the settlement of this litigation (the “Lawsuit”), which has been proposed regarding the claims against Defendant IDS Futures Corporation (“IDS Futures”). Please read this notice carefully because your rights may be affected by these proceedings, and this notice has important information about the proposed settlement of the Lawsuit as it pertains to IDS Futures.

DESCRIPTION OF THE LITIGATION

This Lawsuit seeks recovery against Defendant IDS Futures for, among other things, breach of fiduciary duty in connection with the management of the IDS Funds. Plaintiff alleges, and IDS Futures denies, that investors suffered injury by reason of IDS Futures having entrusted

assets to Refco Capital Management Inc. ("RCM"), which are no longer available to the IDS Funds because RCM is now in bankruptcy.

Defendant IDS Futures denies it has done anything wrong; it denies any breach of fiduciary duty and denies any liability or wrongdoing.

The Lawsuit was filed on June 1, 2006, and is pending in Federal Court in Chicago, Illinois; no trial date has been set.

THE PURPOSE OF THIS NOTICE

This notice is being sent pursuant to Order of the Court because of a proposed settlement of this case with Defendant IDS Futures. The case against Refco Commodity Management, Inc. ("RCMI") has been stayed due to RCMI's filing of bankruptcy and is not being settled now.

Plaintiff and his Counsel believe that the claims asserted in the Lawsuit have merit. Defendant IDS Futures, on the other hand, believes that the claims in the Lawsuit do not have merit and that there are a number of valid defenses to those claims, some of which are set forth in IDS Futures' pending motion to dismiss, which the Court has not ruled on and is currently being held in abeyance.

Recently, Ameriprise Financial Services, Inc. ("Ameriprise"), an affiliate of Defendant IDS Futures, made an offer to the Limited Partners to purchase their interests in the IDS Funds at a price which includes substantially all of the monies entrusted with RCM as of October 13, 2005 that are now held as part of the RCM bankruptcy estate (the "Ameriprise Offer"). A preliminary copy of the Ameriprise Offer was mailed to each Limited Partner on or about November 30, 2006. The final Ameriprise Offer ("Final Ameriprise Offer"), which is not materially different from the preliminary version previously mailed to each Limited Partner and which now includes the scheduled purchase price, is included with this notice. A redlined

version of the differences between the preliminary Ameriprise Offer and the Final Ameriprise Offer is available on the internet at <http://www.collinslaw.com/Refcosettlement.html>.

To resolve this dispute, the parties have decided to settle the case instead of litigating it to conclusion, a process that could take years and might result in an adverse ruling. In reaching their decision, Plaintiff and his Counsel have taken into account the Final Ameriprise Offer, the expense and length of continued proceedings necessary to prosecute the Lawsuit against IDS Futures, including potential appeals, the existence of unresolved questions of law and fact, the defenses available to and asserted by IDS Futures, and the uncertainties of complex federal litigation of this nature. Plaintiff's Counsel and Defendant IDS Futures have now reached a proposed settlement (the "Settlement Agreement"). Plaintiff and his Counsel believe that the settlement set forth in the Settlement Agreement, as described below, is fair, reasonable, adequate, and in the best interests of Plaintiff and the other Limited Partners, and preferable to continued time-consuming litigation with uncertain results.

This notice is not an expression of opinion by the Court as to the merits of any claim, legal position or defense asserted by the parties. This notice does not imply that there has been any violation of law. Rather, this notice is sent pursuant to Federal Rule of Civil Procedure 23.1 for the purpose of informing you of the proposed settlement of this Lawsuit. The Lawsuit will be dismissed as to IDS Futures upon the Court's final approval.

THE TERMS OF THE PROPOSED SETTLEMENT

The following description of the proposed settlement is only a summary. For its complete terms, refer to the text of the Settlement Agreement, on file with the Court and also available on the internet at <http://www.collinslaw.com/Refcosettlement.html>.

Pursuant to the Final Ameriprise Offer, Ameriprise will offer each limited partner and former limited partner the opportunity to sell and assign their remaining partnership interest to Ameriprise, on the terms and conditions set forth in the Final Ameriprise Offer, for the total net asset value of the partnership interests as of December 31, 2006, including the net value of assets held by the Refco debtors. The Final Ameriprise Offer will be facilitated through the dissolution proceeding pending in the Chancery Court of the State of Delaware in and for New Castle County. The process and procedure for payment of the Final Ameriprise Offer is set forth in detail in the Amended and Supplemental Applications for Dissolution of IDS Managed Futures I and II and Instruction Pursuant to §§ 17-802 and 17-803 of the Delaware Revised Uniform Limited Partnership Act (“Supplemental Applications”) filed with the Chancery Court on or about January 26, 2007. A copy of the applicable Supplemental Application was mailed to each Limited Partner on or about January 26, 2007. A cover letter and Package Enclosures form have been mailed with this notice and are incorporated by reference into this notice.

This Lawsuit will be settled in conjunction with the dissolution process set forth in the Amended Applications. Persons accepting the Final Ameriprise Offer will release and discharge IDS Futures and certain related entities and persons from all claims, whether known or unknown, relating to the IDS Funds, and the Lawsuit will be dismissed with prejudice as to Defendant IDS Futures for persons accepting the Final Ameriprise Offer. The proposed settlement of this Lawsuit also provides for the payment of Plaintiff’s attorneys’ fees and litigation costs and expenses. The payment of Plaintiff’s attorneys fees in settlement of this Lawsuit will not affect the purchase price pursuant to the Final Ameriprise Offer.

As to the tax consequences, if any, of the settlement, please see your own tax advisor for further information. Neither Plaintiff's Counsel, the Court nor Defendant IDS Futures or its Counsel can provide tax or investment advice.

The proposed settlement was reached after contested litigation and motion practice, and was a result of arms-length negotiations.

ATTORNEYS' FEES AND EXPENSES

Plaintiff's Counsel have undertaken this Lawsuit on a contingent fee basis. They have not been paid for their work in this case. Also, they advanced all costs of litigation and to date have not been reimbursed for their costs. The Settlement provides for payment to Plaintiff's Counsel of \$399,543.00 in attorneys' fees, costs and litigation expenses. You will not be asked to pay fees or expenses. All fees and expenses will be paid by IDS Futures.

SETTLEMENT HEARING

A Settlement Hearing will be held before the Court at 9:00 a.m. on March 8, 2007, at the United States District Court, Northern District of Illinois, 219 South Dearborn Street, Chicago, Illinois 60604 in order to determine:

1. Whether the proposed settlement on the terms and conditions set forth in the Settlement Agreement is fair, reasonable, adequate, and in the best interests of the limited partners of the IDS Funds, and should be approved by the Court; and
2. Whether the Order of Final Judgment dismissing the case as to IDS Futures, in the form specified in the Settlement Agreement, should be entered.

Any Limited Partner who wishes to object to the settlement must comply with the objection procedure set forth below. In addition, any Limited Partner who complies with such procedures may, but is not required to, appear at the Settlement Hearing and state his/her/its

position with regard to the settlement. Persons may not object unless they comply with the requirements in this notice. The Court may adjourn the Settlement Hearing without further notice other than by announcement at the Settlement Hearing.

All objections must be: (a) in writing; (b) filed with the Clerk for the United States District Court for the Northern District of Illinois before the Objection Deadline, which is 5:00 p.m., Eastern Time, on March 1, 2007; (c) received by Defendant IDS Futures' Counsel and by Plaintiff's Counsel before the Objection Deadline; and (d) state the Limited Partner's name, address and telephone number. In addition, all objections shall describe the objection and its basis and identify all witnesses, documents, and other evidence in support, as well as the substance of the testimony to be given by any witness in support of the objection.

Anyone who does not submit an objection in the manner specified herein shall waive the right to make any such objections and be foreclosed from subsequently making any objection to the fairness, adequacy, or reasonableness of the proposed settlement or the entry of the Order Granting Final Approval of Settlement Agreement and Final Judgment.

The addresses of Plaintiff's Counsel and the Defendant IDS Futures' Counsel, for purposes of any objection, are as follows:

Plaintiff's Counsel:

David Fish
The Collins Law Firm, P.C.
1770 North Park Street, Suite 200
Naperville, Illinois 60563

Charles R. Watkins
Futterman Howard Watkins Wylie & Ashley,
Chtd.
122 South Michigan Avenue
Suite 1850
Chicago, Illinois 60603

Defendant IDS Futures' Counsel:

Peter W. Carter
Kristina W. Carlson
Dorsey & Whitney LLP
50 South Sixth Street
Suite 1500
Minneapolis, Minnesota 55402-1498

The address of the Clerk of the United States District Court for the Northern District of Illinois is:

Clerk of the United States District Court for the
Northern District of Illinois
219 South Dearborn Street
Chicago, Illinois 60604

EXAMINATION OF PAPERS AND INQUIRIES

For a more detailed statement of the matters involved in this litigation, reference is made to the pleadings, to the Settlement Agreement and to other papers filed in this Lawsuit, which may be inspected at the Office of the Clerk of the United States District Court, Northern District of Illinois, during business hours of each business day. Certain pleadings are also available on the internet at <http://www.collinslaw.com/Refcosettlement.html>.

PLEASE DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.

DATED: January 25, 2007

BY ORDER OF THE COURT