

## *In re Wells Fargo & Company Securities Litigation*

**COURT:** United States District Court for the Southern District of New York  
**CASE NUMBER:** 1:20-CV-04494 (GHW)  
**CLASS PERIOD:** 02/02/2018 - 03/12/2020  
**CASE LEADERS:** Jeroen van Kwawegen, Jonathan D. Uslaner  
**CASE TEAM:** Lauren M. Cruz, Will Horowitz

This is a securities fraud class action filed on behalf of all purchasers of Wells Fargo & Company (“Wells Fargo” or the “Company”) securities between February 2, 2018 and March 12, 2020, inclusive (the “Class Period”). The case alleges claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 against Wells Fargo and certain of its executive officers and directors (collectively, “Defendants”).

On August 29, 2020, the Honorable Gregory H. Woods appointed Handelsbanken Fonder AB and the Louisiana Sheriffs’ Pension & Relief Fund as co-Lead Plaintiff and BLB&G as co-Lead Counsel for the Class.

### **Background**

In 2018, Wells Fargo’s regulators hit the Bank with unprecedented consent orders designed to halt the Bank’s decades-long, fraudulent banking practices and rectify the severely deficient corporate oversight that allowed those fraudulent practices to develop and endure (the “2018 Consent Orders”). During the Class Period, Wells Fargo falsely told and misleadingly omitted from investors material information regarding its compliance with the 2018 Consent Orders, claiming that it had regulator approved “plans” and that it was “in compliance” with the 2018 Consent Orders.

In reality, Wells Fargo’s compliance and oversight overhaul could not even get off the ground. Wells Fargo had yet even to submit to regulators an acceptable plan or schedule and was nowhere near meeting the regulators’ requirements that were a predicate to lifting the severe measures that had been imposed on the Bank.

A series of revelations, including damning congressional hearings and reports, finally revealed to the market that the Bank had blatantly disregarded the basic requirements set forth in the 2018 Consent Orders and made numerous misrepresentations to the public about its compliance with those orders. The truth also forced the ousting of the Bank’s CEO, Defendant Timothy J. Sloan (“Sloan”), and a number of its Directors. And, it further forced the Bank and its new Board of Directors to claw back \$15 million of Sloan’s compensation, and led the Chairwoman of the U.S. House of Representatives Committee on Financial Services (the “House Financial Services Committee”) to send a formal letter to the Department of Justice (“DOJ”) recommending criminal action against Sloan for his inaccurate and misleading public statements. The truth also cost investors dearly: Wells Fargo shareholders lost over \$54 billion in market capitalization as the Bank’s stock price plummeted as the market learned about Defendants’ fraud.

Lead Plaintiffs filed their amended complaint on November 9, 2020. Defendants filed their motion to dismiss on January 22, 2021, and Lead Plaintiffs opposed that motion. On September 30, 2021, Judge Woods largely denied Defendants’ motion and upheld the complaint. The case is proceeding in discovery.

## Case Documents

- September 30, 2021 - Order on Motion To Dismiss
- November 9, 2020 - Consolidated Amended Class Action Complaint for Violations of the Federal Securities Laws