

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, Michael D. Blatchley
CASE TEAM: Lauren M. Cruz

This is a securities fraud class action that was brought 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 alleged 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”).

Lead Plaintiffs Have Settled the Action for \$1 Billion

Lead Plaintiffs Handelsbanken Fonder AB; Public Employees’ Retirement System of Mississippi; State of Rhode Island, Office of the General Treasurer; and Louisiana Sheriffs’ Pension & Relief Fund, on behalf of themselves and the Settlement Class, have settled the Action for **\$1,000,000,000** in cash (the “Settlement”). The Settlement resolves all claims in the Action.

On September 8, 2023, the Court held a hearing to consider final approval of the Settlement and other matters. At the hearing, the Court approved the Settlement and Plan of Allocation and Lead Counsel’s motion for attorney’s fees and litigation expenses. The same day, the Court entered a Judgment Approving Class Action Settlement, an Order Approving Plan of Allocation of Net Settlement Fund, and an Order Awarding Attorneys’ Fees and Litigation Expenses.

The Settlement Class consists of:

all persons or entities who purchased or otherwise acquired the common stock of Wells Fargo during the Class Period (i.e., from February 2, 2018 through March 12, 2020, inclusive), and were damaged thereby.

Certain persons and entities are excluded from the Settlement Class by definition (see paragraph 17 of the Notice) or by request.

The Notice can be found in the **Case Documents** list on the right of this page. You may also visit the case website, WellsFargoSecuritiesClassAction.com, for more information about the Settlement.

Background and History of the Litigation

In 2018, Wells Fargo’s regulators imposed unprecedented consent orders on Wells Fargo designed to halt the Company’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”). Lead Plaintiffs allege that, 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.

Lead Plaintiffs allege that, in reality, Wells Fargo’s compliance and oversight overhaul could not even get off the ground, and that 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.

Lead Plaintiffs further allege that 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. Lead Plaintiffs allege that the truth also forced the ousting of the Bank's CEO, Defendant Timothy J. Sloan ("Sloan"), and a number of its Directors, and 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. Following these disclosures, the price of Wells Fargo's common stock dropped significantly.

On August 29, 2020, the Court appointed Handelsbanken Fonder AB; Public Employees' Retirement System of Mississippi; State of Rhode Island, Office of the General Treasurer; and Louisiana Sheriffs' Pension & Relief Fund as Lead Plaintiffs, and BLB&G as co-Lead Counsel.

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.

Following the Court's Order resolving Defendants' motion to dismiss, the Parties conducted extensive discovery which included, among other things, the production of more than 3.9 million pages of documents by Defendants, third-party witnesses, and Lead Plaintiffs.

On May 8, 2023, the Parties entered into the Stipulation and Agreement of Settlement, which sets forth the terms and conditions of the Settlement.

On May 16, 2023, the Court preliminarily approved the Settlement, authorized notice of the Settlement to be disseminated to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement for September 8, 2023. On July 26, 2023, the Action was reassigned to the Honorable Jennifer L. Rochon.

On September 8, 2023, the Court held a hearing to consider final approval of the Settlement and other matters. At the hearing, the Court approved the Settlement and Plan of Allocation and Lead Counsel's motion for attorney's fees and litigation expenses. The same day, the Court entered a Judgment Approving Class Action Settlement, an Order Approving Plan of Allocation of Net Settlement Fund, and an Order Awarding Attorneys' Fees and Litigation Expenses.

The claims administration concluded in July 2024. On July 29, 2024, Lead Counsel filed a Motion for Approval of Distribution Plan seeking the Court's permission to distribute the net settlement fund to Court-approved eligible claimants. On August 28, 2024, the Court approved the initial distribution of the net settlement fund which occurred in October 2024. Subsequent distributions will occur on a rolling basis, provided that net settlement funds are available.

Case Documents

- Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Fairness Hearing; and (III) Motion for Attorneys' Fees and Litigation Expenses ("Notice")
- August 28, 2024 - Order Approving Distribution Plan
- July 29, 2024 - Motion for Approval of Distribution Plan
- September 8, 2023 - Judgment Approving Class Action Settlement
- September 8, 2023 - Order Approving Plan of Allocation of Net Settlement Fund
- September 8, 2023 - Order Awarding Attorneys' Fees and Litigation Expenses
- September 1, 2023 - Reply Memorandum of Law in Further Support of (I) Lead Plaintiffs' Motion For Final Approval of Settlement and Plan of Allocation, and (II) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- September 1, 2023 - Supplemental Joint Declaration of John C. Browne and Laura H. Posner in Further Support of (I) Lead Plaintiffs' Motion For Final Approval of Settlement and Plan of Allocation, and (II) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- August 4, 2023 - Lead Plaintiffs' Notice of Motion and Motion for Final Approval of Settlement and Plan of Allocation
- August 4, 2023 - Memorandum of Law in Support of Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation
- August 4, 2023 - Lead Counsel's Notice of Motion and Motion for Attorneys' Fees and Litigation Expenses
- August 4, 2023 - Memorandum of Law in Support of Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- August 4, 2023 - Declaration of John C. Browne and Laura H. Posner in Support of (I) Lead Plaintiffs' Motion for Final Approval of Settlement and Plan of Allocation, and (II) Lead Counsel's Motion for Attorneys' Fees and Litigation Expenses
- May 16, 2023 - Order Preliminarily Approving Settlement and Authorizing Dissemination of Notice of Settlement
- May 15, 2023 - Memorandum of Law in Support of Lead Plaintiffs' Unopposed Motion for Preliminary Approval of Settlement and Approval of Notice to the Settlement Class
- May 8, 2023 - Stipulation and Agreement of Settlement
- September 30, 2021 - Order on Motion to Dismiss
- November 9, 2020 - Consolidated Amended Class Action Complaint for Violations of the Federal Securities Laws