BLB&G Bernstein Litowitz Berger & Grossmann LLP

In re Wells Fargo & Company Securities Litigation

COURT: U.S. 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 CONTACTS: Jonathan D. Uslaner, 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") common stock from February 2, 2018 to March 12, 2020, inclusive (the "Class Period"), alleging claims pursuant to Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 against Wells Fargo and certain of its executive officers. 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 damming 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. Lead Plaintiffs' opposition is due March 8, 2021. Defendants' reply is due April 2, 2021.

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