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16 **UNITED STATES DISTRICT COURT**  
17 **NORTHERN DISTRICT OF CALIFORNIA**

18 PURPLE MOUNTAIN TRUST, Individually and )  
on Behalf of All Others Similarly Situated, )

19 )  
20 Plaintiff, )

21 vs. )

22 WELLS FARGO & COMPANY, TIMOTHY J. )  
SLOAN, JOHN R. SHREWSBERRY, STEPHEN )  
SANGER, and MARY MACK, )

23 )  
24 Defendants. )  
25 )  
26 )  
27 )  
28 )

Case No. 3:18-cv-03948-JD

**ANSWER OF WELLS FARGO &  
COMPANY TO PLAINTIFF'S  
CONSOLIDATED COMPLAINT FOR  
VIOLATION OF THE FEDERAL  
SECURITIES LAWS**

The Honorable James Donato

1 Defendant Wells Fargo & Company (“Wells Fargo” or “Defendant”), by its undersigned  
2 counsel, hereby answers Lead Plaintiff Construction Laborers Pension Trust for Southern California’s  
3 (“Lead Plaintiff” or “Plaintiff”) Consolidated Complaint for Violation of the Federal Securities Laws (the  
4 “Complaint”) in the above-captioned action. Wells Fargo provides this Answer based on a reasonable  
5 inquiry and its knowledge to date. Investigations into the matters that are the subject of this Complaint  
6 are ongoing. Accordingly, Wells Fargo reserves the right to amend, supplement, revise, clarify, or correct  
7 the responses set forth below after those investigations have concluded.

8 On January 10, 2020, this Court issued an Order re Motion to Dismiss (the “Order”)  
9 granting in part, and denying in part, Defendants’ Motion to Dismiss the Amended Complaint. This Court  
10 dismissed (i) all claims against John R. Shrewsberry, Stephen Sanger, and Mary Mack; and (ii) claims  
11 based on a majority of the misstatements alleged in the Complaint (collectively, the “Dismissed Claims”).  
12 Accordingly, substantial portions of the Complaint are inoperative and do not require a response.<sup>1</sup> Wells  
13 Fargo responds to the remaining allegations as follows:

14 1. In response to paragraph 1, Wells Fargo states that it is an explanatory statement by Lead  
15 Plaintiff to which no response is required. To the extent that any further response is required, Wells Fargo  
16 admits that Plaintiff Construction Laborers Pension Trust for Southern California has been appointed lead  
17 plaintiff in this action; and that Lead Plaintiff, through its counsel, has signed the Complaint, which makes  
18 allegations against Wells Fargo and certain of its officers and directors; but otherwise states that it is  
19 without knowledge or information sufficient to form a belief as to the truth of the remaining allegations,  
20 and therefore denies those allegations.

21 2. In response to paragraph 2, Wells Fargo admits that Lead Plaintiff purports to bring this  
22 federal securities action under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 on behalf  
23 of a putative class of investors who purchased or otherwise acquired Wells Fargo common stock between  
24  
25

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26 <sup>1</sup> For the avoidance of doubt, any allegation not expressly admitted herein by Wells Fargo is denied by  
27 Wells Fargo. Further, Wells Fargo is not required to respond to the headings, subheadings, appendices,  
28 or footnotes of the Complaint, but, to the extent that any response is required, unless otherwise expressly  
stated, Wells Fargo denies the allegations and characterization of allegations set forth in the headings, sub-  
headings, appendices, and footnotes of the Complaint.

1 November 3, 2016 and August 3, 2017, inclusive. Wells Fargo denies that a class action may be  
2 maintained by Lead Plaintiff and states that the Court has dismissed Plaintiff's Section 20(a) claim.

3 3. In response to paragraph 3, Wells Fargo denies the allegations, except admits that Wells  
4 Fargo initiated a review of its Collateral Protection Insurance ("CPI") program and related third-party  
5 vendor practices in July 2016. Wells Fargo's review determined that certain external vendor processes  
6 and internal controls were inadequate. As a result, customers may have been charged premiums for CPI  
7 even if they were paying for their own vehicle insurance, as required, and in some cases the CPI premiums  
8 may have contributed to a default that led to their vehicle's repossession. In addition, Wells Fargo  
9 identified certain issues related to the unused portion of guaranteed automobile protection ("GAP") waiver  
10 or insurance agreements between the dealer and, by assignment, the lender.

11 4. In response to paragraph 4, Wells Fargo states that it characterizes a report from a third-  
12 party consultant, Oliver Wyman, and Wells Fargo respectfully refers the Court to that report for a complete  
13 and accurate description of its contents, and otherwise denies the allegations of paragraph 4, except admits  
14 that, in July 2016, Wells Fargo initiated a review of its CPI program and related third-party vendor  
15 practices; that the Company discontinued its CPI program in September 2016; and that the Company  
16 entered into consent orders with the OCC and CFPB addressing matters including but not limited to CPI  
17 placed on certain auto loans, which required Wells Fargo to pay \$1 billion in total civil money penalties.

18 5. In response to the first and second sentences of paragraph 5, Wells Fargo denies. In  
19 response to the third sentence of paragraph 5, Wells Fargo states that it is without knowledge or  
20 information sufficient to form a belief as to the truth of this sentence, and therefore denies the allegations  
21 in the third sentence.

22 6. In response to paragraph 6, Wells Fargo denies.

23 7. In response to the first, second, and third sentences of paragraph 7, Wells Fargo admits that  
24 its former CEO Timothy Sloan succeeded John Stumpf in the role of CEO. Wells Fargo further states that  
25 the first, second, and third sentences of paragraph 7 purport to characterize and quote Sloan's statements  
26 at a November 3, 2016 BancAnalysts Association of Boston Conference, and Wells Fargo respectfully  
27 refers the Court to the transcript of that conference for a complete and accurate description of its contents.  
28 Wells Fargo denies the remaining allegations in the first, second, and third sentences. The fourth and fifth

1 sentences of paragraph 7 pertain to the Dismissed Claims, to which no response is required. To the extent  
2 that any further response is required, Wells Fargo states that the fourth and fifth sentences of paragraph 7  
3 purport to characterize and quote Sloan's statements during the Wells Fargo 4Q16 and FY16 Earnings  
4 Call, and Wells Fargo respectfully refers the Court to the transcript of that call for a complete and accurate  
5 description of its contents. Wells Fargo denies the remaining allegations in the fourth and fifth sentences.

6 8. In response to the first sentence of paragraph 8, Wells Fargo denies. In response to the  
7 second sentence of paragraph 8, Wells Fargo states that this sentence purports to characterize and quote  
8 Sloan's testimony before the U.S. Senate Committee on Banking, Housing, and Urban Affairs on  
9 October 3, 2017, and Wells Fargo respectfully refers the Court to the hearing transcript for a complete and  
10 accurate description of its contents, and otherwise denies the allegations in this sentence. In response to  
11 the third, fourth, and fifth sentences of paragraph 8, Wells Fargo states that these sentences purport to  
12 characterize and quote Codel's statements, and Wells Fargo respectfully refers the Court to the transcript  
13 of those statements for a complete and accurate description of their contents, and otherwise denies the  
14 allegations in these sentences.

15 9. Paragraph 9 purports to characterize a July 27, 2017 article in the *New York Times*, and  
16 Wells Fargo respectfully refers the Court to that document for a complete and accurate description of its  
17 contents, and otherwise denies.

18 10. Paragraph 10 purports to characterize and quote from Wells Fargo's July 27, 2017 press  
19 release, and Wells Fargo respectfully refers the Court to that document for a complete and accurate  
20 description of its contents, and otherwise denies, except admits that Wells Fargo initiated a review of its  
21 CPI program and related third-party vendor practices in July 2016; Wells Fargo's review determined that  
22 certain external vendor processes and internal controls were inadequate; as a result, customers may have  
23 been charged premiums for CPI even if they were paying for their own vehicle insurance, as required, and  
24 in some cases the CPI premiums may have contributed to a default that led to their vehicle's repossession.

25 11. In response to paragraph 11, Wells Fargo denies, except admits that, on August 4, 2017,  
26 Wells Fargo issued its Form 10-Q for the second quarter of 2017. Wells Fargo stated in its Form 10-Q  
27 that the high end of the reasonably possible potential losses in excess of the Company's accrual for  
28 probable and estimable losses was approximately \$3.3 billion as of June 30, 2017, which was an increase

1 in the high end of the range from March 31, 2017 due to a variety of matters. Wells Fargo respectfully  
2 refers the Court to its Form 10-Q for the second quarter of 2017 for a complete and accurate description  
3 of its contents.

4 12. The first sentence of paragraph 12 purports to characterize and quote a statement made by  
5 Jennifer A. Temple, and Wells Fargo respectfully refers the Court to that statement for a complete and  
6 accurate description of its contents, and otherwise denies the allegations of the first sentence of  
7 paragraph 12. In response to the second sentence of paragraph 12, Wells Fargo admits that on July 27,  
8 2017, the CPI remediation was estimated to total \$80 million, and otherwise denies.

9 13. In response to the first sentence of paragraph 13, Wells Fargo states that it is without  
10 knowledge or information sufficient to form a belief as to the truth of this sentence, and therefore denies  
11 the allegations in this sentence. The second sentence of paragraph 13 purports to characterize and quote  
12 a Piper Jaffray report, and Wells Fargo respectfully refers the Court to that document for a complete and  
13 accurate description of its contents, and otherwise denies.

14 14. In response to paragraph 14, Wells Fargo admits that, on the NYSE, Wells Fargo common  
15 stock closed at \$54.71 per share on July 27, 2017, traded as low as \$53.18 per share on July 28, 2017,  
16 closed at \$53.30 on July 28, 2017, traded as low as \$51.91 per share on August 4, 2017, and closed at  
17 \$52.84 per share on August 4, 2017; that the trading volume on July 28, 2017 was more than 32.5 million  
18 shares; and that the trading volume on August 4, 2017 exceeded 44.6 million shares; and otherwise denies.

19 15. In response to paragraph 15, Wells Fargo admits that Sloan testified before the U.S. Senate  
20 Committee on Banking, Housing, and Urban Affairs on October 3, 2017, and otherwise denies.  
21 Paragraph 15 purports to characterize and quote statements made during the October 3, 2017 hearing, and  
22 Wells Fargo respectfully refers the Court to the hearing transcript for a complete and accurate description  
23 of its contents.

24 16. In response to the first and third sentences of paragraph 16, Wells Fargo states that these  
25 sentences contain legal conclusions to which no response is required. To the extent that any further  
26 response is required, Wells Fargo admits that this Court has jurisdiction over the subject matter of this  
27 action but denies that any violations of law occurred. In response to the second sentence of paragraph 16,  
28

1 Wells Fargo denies, except admits that the Complaint purports to assert claims under Sections 10(b) and  
2 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder.

3 17. In response to paragraph 17, Wells Fargo states that it contains legal conclusions to which  
4 no response is required. To the extent that any further response is required, Wells Fargo admits that venue  
5 is proper in this District but denies that any violations of law occurred.

6 18. In response to paragraph 18, Wells Fargo states that it contains legal conclusions to which  
7 no response is required. To the extent that any further response is required, Wells Fargo denies.

8 19. In response to paragraph 19, Wells Fargo denies that Lead Plaintiff has suffered damages,  
9 and otherwise states that it is without knowledge or information sufficient to form a belief as to the truth  
10 of this paragraph, and therefore denies the allegations in paragraph 19.

11 20. In response to paragraph 20, Wells Fargo admits that it is a Delaware corporation with its  
12 headquarters located in San Francisco, California; that it is a diversified, community-based financial  
13 services company which provides banking, insurance, investments, mortgage, and consumer and  
14 commercial finance, including in the United States; that, as of September 30, 2017, it ranked third in assets  
15 and second in the market value of its common stock among all U.S. banks; that Wells Fargo common  
16 stock is listed and trades on the New York Stock Exchange (“NYSE”) under the ticker symbol “WFC”;  
17 and that, as of July 26, 2017, the Company had over 4.9 billion shares issued and outstanding. Wells  
18 Fargo otherwise denies.

19 21. In response to paragraph 21, Wells Fargo admits that it previously was divided into three  
20 operating segments for management reporting purposes, and otherwise denies the allegations of paragraph  
21 21.

22 22. In response to the first sentence of paragraph 22, Wells Fargo denies that Sloan is President  
23 and CEO of Wells Fargo. Wells Fargo admits that Sloan was the CEO of Wells Fargo between October  
24 2016 and March 2019 and was a member of its Operating Committee, and otherwise denies. In response  
25 to the second sentence of paragraph 22, Wells Fargo states that it contains legal conclusions to which no  
26 response is required. To the extent that any further response is required, Wells Fargo denies. In response  
27 to the third sentence of paragraph 22, Wells Fargo states that it both contains legal conclusions and pertains  
28

1 to the Dismissed Claims, to which no response is required. To the extent that any further response is  
2 required, Wells Fargo denies.

3 23. Paragraph 23 includes allegations pertaining to the Dismissed Claims, to which no response  
4 is required. To the extent that any further response is required, in response to the first sentence of  
5 paragraph 23, Wells Fargo denies that Shrewsberry is a defendant in this action, admits that Shrewsberry  
6 is a Senior Vice President and Chief Financial Officer at the Company and is a member of the Company's  
7 Operating Committee, and otherwise denies. In response to the second and third sentences of  
8 paragraph 23, Wells Fargo states that they contain legal conclusions to which no response is required. To  
9 the extent that any further response is required, Wells Fargo denies the allegations in the second and third  
10 sentences.

11 24. Paragraph 24 includes allegations pertaining to the Dismissed Claims, to which no response  
12 is required. To the extent that any further response is required, in response to the first sentence of  
13 paragraph 24, Wells Fargo denies that Sanger is a defendant in this action, admits that Sanger was formerly  
14 the Chairman of Wells Fargo's Board of Directors, and otherwise denies. In response to the second and  
15 third sentences of paragraph 24, Wells Fargo admits that Sanger was one of four independent directors  
16 comprising the Oversight Committee which conducted an investigation of sales practices issues in Wells  
17 Fargo's Community Bank as announced on September 27, 2016, and that Sanger retired from the Board  
18 at the end of 2017. In response to the fourth and fifth sentences of paragraph 24, Wells Fargo states that  
19 they contain legal conclusions to which no response is required. To the extent that any further response  
20 is required, Wells Fargo denies the allegations in the fourth and fifth sentences of paragraph 24.

21 25. Paragraph 25 includes allegations pertaining to the Dismissed Claims, to which no response  
22 is required. To the extent that any further response is required, in response to the first sentence of  
23 paragraph 25, Wells Fargo denies that Mack is a defendant in this action, admits that Mack was a Senior  
24 Executive Vice President, Community Banking from July 2016 to December 2017, and otherwise denies.  
25 In response to the second sentence of paragraph 25, Wells Fargo admits that Mack is currently a Senior  
26 Executive Vice President, CEO of Consumer & Small Business Banking, and Interim CEO of Consumer  
27 Lending. In response to the third and fourth sentences of paragraph 25, Wells Fargo states that they  
28

1 contain legal conclusions to which no response is required. To the extent that any further response is  
2 required, Wells Fargo denies the allegations in the third and fourth sentences.

3 26. In response to paragraph 26, Wells Fargo states that it is an explanatory statement by  
4 Plaintiff to which no response is required.

5 27. In response to paragraph 27, Wells Fargo denies the allegations, except admits that Wells  
6 Fargo initiated a review of its CPI program and related third-party vendor practices in July 2016. Wells  
7 Fargo's review determined that certain external vendor processes and internal controls were inadequate.  
8 As a result, customers may have been charged premiums for CPI even if they were paying for their own  
9 vehicle insurance, as required, and in some cases the CPI premiums may have contributed to a default that  
10 led to their vehicle's repossession. In addition, the Company identified certain issues related to the unused  
11 portion of GAP waiver or insurance agreements between the dealer and, by assignment, the lender.

12 28. In response to paragraph 28, Wells Fargo denies the allegations, except admits that Wells  
13 Fargo initiated a review of its CPI program and related third-party vendor practices in July 2016 and  
14 engaged Oliver Wyman, a third-party consultant, to assist. Paragraph 28 purports to characterize a report  
15 from a third-party consultant, Oliver Wyman, and Wells Fargo respectfully refers the Court to that report  
16 for a complete and accurate description of its contents.

17 29. In response to paragraph 29, Wells Fargo admits that National General Lender Services,  
18 Inc. ("National General") operated as the CPI vendor for Wells Fargo's CPI program from 2015 until the  
19 termination of the CPI Program in September 2016; that certain customer information was sent to National  
20 General for purposes of the CPI program; that National General undertook certain steps to check  
21 customers' insurance coverage for purposes of the CPI program; and otherwise states that it is without  
22 knowledge or information sufficient to form a belief as to the truth of this paragraph, and therefore denies  
23 the allegations in this paragraph.

24 30. In response to paragraph 30, Wells Fargo denies, except admits that customers may have  
25 been charged premiums for CPI even if they were paying for their own vehicle insurance, as required, and  
26 in some cases the CPI premiums may have contributed to a default that led to their vehicle's repossession.



1           31. Paragraph 31 purports to characterize and quote a July 27, 2017 *New York Times* article,  
2 and Wells Fargo respectfully refers the Court to that document for a complete and accurate description of  
3 its contents, and otherwise denies.

4           32. In response to the first and seventh sentences of paragraph 32, Wells Fargo denies the  
5 allegations, except admits that Wells Fargo identified certain issues related to the unused portion of GAP  
6 waiver or insurance agreements between the dealer and, by assignment, the lender. In response to the  
7 second, third, and fourth sentences of paragraph 32, Wells Fargo states that it is without knowledge or  
8 information sufficient to form a belief as to the truth of these sentences, and therefore denies the allegations  
9 in these sentences. In response to the fifth sentence of paragraph 32, Wells Fargo states that it purports to  
10 describe various states' laws regarding unused insurance and respectfully refers the Court to the laws of  
11 those states for a complete and accurate description of their contents.

12           33. Paragraph 33 purports to characterize and quote the contents of an August 7, 2017 *New*  
13 *York Times* article, and Wells Fargo respectfully refers the Court to that document for a complete and  
14 accurate description of its contents, and otherwise denies.

15           34. In response to the first sentence of paragraph 34, Wells Fargo states that it is without  
16 knowledge or information sufficient to form a belief as to the truth of this sentence, and therefore denies  
17 the allegations in this sentence. In response to the second sentence of paragraph 34, Wells Fargo admits  
18 that, on April 20, 2018, Wells Fargo Bank, N.A. entered into consent orders with the OCC and CFPB  
19 addressing matters pertaining to CPI placed on certain auto loans, among others, and requiring that Wells  
20 Fargo pay \$1 billion in total civil money penalties, and otherwise denies. In response to the third sentence  
21 of paragraph 34, Wells Fargo denies. In response to the remaining sentences of paragraph 34, which  
22 purport to characterize and quote the consent order into which Wells Fargo Bank, N.A. entered on  
23 April 20, 2018 with the CFPB, Wells Fargo respectfully refers the Court to that document for a complete  
24 and accurate description of its contents, and otherwise states that it is without knowledge or information  
25 sufficient to form a belief as to the truth of this sentence, and therefore denies the allegations in this  
26 sentence.

27           35. In response to paragraph 35, which purports to characterize and quote the consent order  
28 into which Wells Fargo Bank, N.A. entered on April 20, 2018 with the OCC, Wells Fargo respectfully

1 refers the Court to that document for a complete and accurate description of its contents, and otherwise  
2 denies.

3 36. In response to paragraph 36, Wells Fargo denies.

4 37. In response to the first and second sentences of paragraph 37, Wells Fargo admits that, on  
5 September 8, 2016, it announced that it had reached agreements with the CFPB, the OCC, and the Office  
6 of the Los Angeles City Attorney, regarding sales practices in its Community Bank; and that the amount  
7 of the settlements totaled \$185 million, plus \$5 million in customer remediation; and otherwise denies. In  
8 response to the remaining sentences of paragraph 37, which purport to characterize and quote a CFPB  
9 press release, Wells Fargo respectfully refers the Court to that document for a complete and accurate  
10 description of its contents, and otherwise states that it is without knowledge or information sufficient to  
11 form a belief as to the truth of these sentences, and therefore denies the allegations therein.

12 38. In response to paragraph 38, Wells Fargo states that it is without knowledge or information  
13 sufficient to form a belief as to the truth of this paragraph, and therefore denies the allegations in this  
14 paragraph.

15 39. In response to the first sentence of paragraph 39, Wells Fargo states that it includes  
16 allegations pertaining to the Dismissed Claims, to which no response is required. To the extent that any  
17 further response is required, Wells Fargo states that, to the extent the first sentence of paragraph 39  
18 purports to characterize and quote Shrewsberry's statements during a November 17, 2016 Retail Banking  
19 Customer Activity Report Call, Wells Fargo respectfully refers the Court to that transcript for a complete  
20 and accurate description of its contents, and otherwise denies. In response to the remaining sentences of  
21 paragraph 39, Wells Fargo states that they purport to characterize and quote Wells Fargo's September 8,  
22 2016 press release, and Wells Fargo respectfully refers the Court to that document for a complete and  
23 accurate description of its contents, and otherwise denies.

24 40. In response to the first and second sentences of paragraph 40, Wells Fargo denies. In  
25 response to the third sentence of paragraph 40, Wells Fargo admits that, on September 13, 2016, Wells  
26 Fargo announced it would eliminate all product sales goals in retail banking, and otherwise denies. In  
27 response to the fourth sentence of paragraph 40, Wells Fargo states that it purports to characterize and  
28 quote an interview by John Stumpf, and Wells Fargo respectfully refers the Court to the transcript of that

1 interview for a complete and accurate description of its contents, and otherwise denies. In response to the  
2 fifth sentence of paragraph 40, Wells Fargo denies. In response to the sixth sentence of paragraph 40,  
3 Wells Fargo states that it purports to characterize and quote Stumpf's testimony before the U.S. Senate  
4 Committee on Banking, Housing, and Urban Affairs on September 20, 2016, and Wells Fargo respectfully  
5 refers the Court to the transcript of that testimony for a complete and accurate description of its contents,  
6 and otherwise denies.

7 41. In response to paragraph 41, Wells Fargo admits that it issued a press release on  
8 September 20, 2016 describing "a series of new actions to strengthen culture and rebuild trust of  
9 customers"; that, on September 27, 2016, the Company announced in a press release that the "Independent  
10 Directors of the Board of Directors of Wells Fargo had launched an independent investigation into the  
11 Company's retail banking sales practices and related matters"; and that, on October 12, 2016, Wells Fargo  
12 announced that Stumpf was retiring from the Company and its Board of Directors, effective immediately;  
13 respectfully refers the Court to the referenced press releases for a complete description of their contents;  
14 and otherwise denies.

15 42. In response to the first, second, and third sentences of paragraph 42, Wells Fargo states that  
16 these sentences pertain to the Dismissed Claims, to which no response is required. To the extent that any  
17 further response is required, Wells Fargo states that these sentences purport to characterize and quote  
18 statements made by Sloan, and Wells Fargo respectfully refers the Court to those statements for a complete  
19 and accurate description of their contents, and otherwise denies. In response to the fourth sentence of  
20 paragraph 42, Wells Fargo states that it purports to characterize and quote an October 19, 2016 article in  
21 the *Charlotte Observer*, and Wells Fargo respectfully refers the Court to that article for a complete and  
22 accurate description of its contents, and otherwise denies.

23 43. In response to paragraph 43, Wells Fargo denies.

24 44. In response to the first and second sentences of paragraph 44, Wells Fargo states that they  
25 contain legal conclusions to which no response is required. To the extent that any further response is  
26 required, Wells Fargo denies. In response to the remaining sentences of paragraph 44, Defendant states  
27 that (other than the first two bullet points) they consist of allegations pertaining to the Dismissed Claims,  
28 to which no response is required. To the extent that any further response is required as to the third, fourth,

1 fifth, and sixth bullet points, Wells Fargo states that they purport to characterize statements made by Sloan  
2 during the November 3, 2016 BancAnalysts Association of Boston Conference, the Wells Fargo 4Q16  
3 and FY16 Earnings Call, and a conference call with investors on April 10, 2017; a statement made by  
4 Mack during the Wells Fargo November 2016 Retail Banking Customer Activity Report Call; and  
5 statements made by Sanger in Wells Fargo's April 10, 2017 press release; Wells Fargo respectfully refers  
6 the Court to the transcripts of the referenced presentation and calls and Wells Fargo's April 10, 2017 press  
7 release for a complete and accurate description of their contents; and otherwise denies. With respect to  
8 the first two bullet points, Wells Fargo states that they purport to characterize and quote statements made  
9 by Sloan during the November 3, 2016 BancAnalysts Association of Boston Conference and by Wells  
10 Fargo in its Written Responses to Questions from the U.S. Senate Committee on Banking, Housing, and  
11 Urban Affairs; Wells Fargo respectfully refers the Court to the transcript of the referenced presentation  
12 and the Written Responses; and otherwise denies.

13 45. In response to paragraph 45, Wells Fargo states that it contains legal conclusions to which  
14 no response is required. To the extent that any further response is required, Wells Fargo denies, except  
15 admits that Wells Fargo common stock reached a high of more than \$59.00 per share during the putative  
16 Class Period.

17 46. In response to paragraph 46, Wells Fargo admits, except denies that Mack is a defendant  
18 in this action and denies that a class action may be maintained by Lead Plaintiff.

19 47. Paragraph 47 purports to characterize and quote Sloan's presentation at the BancAnalysts  
20 Association of Boston Conference, and Wells Fargo respectfully refers the Court to the transcript of that  
21 conference for a complete and accurate description of its contents, and otherwise denies.

22 48. Paragraph 48 includes allegations pertaining to the Dismissed Claims, to which no response  
23 is required. To the extent that any further response is required, Wells Fargo states that paragraph 48  
24 purports to characterize and quote Sloan's presentation at the BancAnalysts Association of Boston  
25 Conference, and Wells Fargo respectfully refers the Court to the transcript of that conference for a  
26 complete and accurate description of its contents, and otherwise denies.

27 49. Paragraph 49 includes allegations pertaining to the Dismissed Claims, to which no response  
28 is required. To the extent that any further response is required, Defendant states that paragraph 49 purports

1 to characterize and quote Sloan and Mack's presentations at the BancAnalysts Association of Boston  
2 Conference, and Wells Fargo respectfully refers the Court to the transcript of that conference for a  
3 complete and accurate description of its contents, and otherwise denies.

4 50. Paragraph 50 includes allegations pertaining to the Dismissed Claims, to which no response  
5 is required. To the extent that any further response is required, Wells Fargo states that paragraph 50  
6 purports to characterize and quote Sloan's presentation at the BancAnalysts Association of Boston  
7 Conference, and Wells Fargo respectfully refers the Court to the transcript of that conference for a  
8 complete and accurate description of its contents, and otherwise denies.

9 51. Paragraph 51 includes allegations pertaining to the Dismissed Claims, to which no response  
10 is required. To the extent that any further response is required, Wells Fargo states that paragraph 51  
11 purports to characterize and quote Mack's presentation at the BancAnalysts Association of Boston  
12 Conference, and Wells Fargo respectfully refers the Court to the transcript of that conference for a  
13 complete and accurate description of its contents, and otherwise denies.

14 52. In response to paragraph 52, Wells Fargo states that paragraph 52 includes allegations  
15 pertaining to the Dismissed Claims, to which no response is required. Wells Fargo further states that  
16 paragraph 52 contains legal conclusions to which no response is required. To the extent that any further  
17 response is required, in response to subparagraph (a), Wells Fargo admits that, as a result of the inadequacy  
18 of certain external vendor processes and internal controls, customers may have been charged premiums  
19 for CPI even when they were paying for their own vehicle insurance, and also that Wells Fargo identified  
20 certain issues related to the unused portion of GAP waiver or insurance agreements between the dealer  
21 and, by assignment, the lender, but otherwise denies. In response to subparagraph (b), Wells Fargo denies.  
22 In response to subparagraph (c), Wells Fargo admits that it initiated a review of its CPI program and  
23 related third-party vendor practices in July 2016, and engaged Oliver Wyman, a third-party consultant, to  
24 assist; and states that it purports to characterize a report from a third-party consultant, Oliver Wyman, and  
25 Wells Fargo respectfully refers the Court to that report for a complete and accurate description of its  
26 contents, but otherwise denies. In response to subparagraphs (d) and (f), Wells Fargo states that its  
27 communications with the OCC, CFPB, and other banking regulators may constitute confidential  
28 supervisory information that cannot be disclosed. To the extent that a further response is required, Wells

1 Fargo denies the allegations of subparagraphs (d) and (f). In response to subparagraph (e), Wells Fargo  
2 denies.

3 53. In response to the first and second sentences of paragraph 53, Wells Fargo states that they  
4 both include allegations pertaining to the Dismissed Claims and contain legal conclusions, to which no  
5 response is required. To the extent that any further response is required, Wells Fargo denies. In response  
6 to the third sentence, Wells Fargo states that it purports to characterize and quote an article in the *Charlotte*  
7 *Observer*, and Wells Fargo respectfully refers the Court to that document for a complete and accurate  
8 description of its contents, and otherwise denies. In response to the fourth sentence of paragraph 53, Wells  
9 Fargo states that it contains legal conclusions to which no response is required. To the extent that any  
10 further response is required, Wells Fargo denies.

11 54. Paragraph 54 purports to characterize and quote various research notes, and Wells Fargo  
12 respectfully refers the Court to those documents for a complete and accurate description of their contents,  
13 and otherwise denies.

14 55. In response to paragraph 55, Wells Fargo admits that a Retail Banking Customer Activity  
15 Report Call was held on November 17, 2016, and otherwise denies.

16 56. Paragraph 56 includes allegations pertaining to the Dismissed Claims, to which no response  
17 is required. To the extent that any further response is required, Wells Fargo admits that Shrewsberry and  
18 Mack presented on the November 17, 2016 Retail Banking Customer Activity Report Call and states that  
19 paragraph 56 purports to characterize and quote Shrewsberry's statements during that call, and  
20 respectfully refers the Court to the transcript of that call for a complete and accurate description of its  
21 contents, and otherwise denies.

22 57. In response to the first sentence of paragraph 57, Wells Fargo admits. In response to the  
23 remaining sentences of paragraph 57, Wells Fargo states that they purport to characterize and quote Wells  
24 Fargo's Written Responses to Questions from the U.S. Senate Committee on Banking, Housing, and  
25 Urban Affairs, and Wells Fargo respectfully refers the Court to that document for a complete and accurate  
26 description of its contents, and otherwise denies.

27 58. Paragraph 58 includes allegations pertaining to the Dismissed Claims, to which no response  
28 is required. To the extent that any further response is required, Wells Fargo states that paragraph 58

1 purports to characterize and quote Wells Fargo's Written Responses to Questions from U.S. Senate  
2 Committee on Banking, Housing, and Urban Affairs, and Wells Fargo respectfully refers the Court to that  
3 document for a complete and accurate description of its contents, and otherwise denies.

4 59. Paragraph 59 includes allegations pertaining to the Dismissed Claims, to which no response  
5 is required. To the extent that any further response is required, Wells Fargo states that paragraph 59  
6 purports to characterize and quote Wells Fargo's Written Responses to Questions from the U.S. Senate  
7 Committee on Banking, Housing, and Urban Affairs, and Wells Fargo respectfully refers the Court to that  
8 document for a complete and accurate description of its contents, and otherwise denies.

9 60. In response to paragraph 60, to the extent it refers to paragraphs 56, 58, and 59, Wells  
10 Fargo states that paragraph 60 includes allegations pertaining to the Dismissed Claims, to which no  
11 response is required. Wells Fargo further states that paragraph 60 contains legal conclusions to which no  
12 response is required. To the extent that any further response is required, in response to subparagraph (a),  
13 Wells Fargo admits that, as a result of the inadequacy of certain external vendor processes and internal  
14 controls, customers may have been charged premiums for CPI even when they were paying for their own  
15 vehicle insurance, and also that Wells Fargo identified certain issues related to the unused portion of GAP  
16 waiver or insurance agreements between the dealer and, by assignment, the lender, but otherwise denies.  
17 In response to subparagraph (b), Wells Fargo denies. In response to subparagraph (c), Wells Fargo admits  
18 that it initiated a review of its CPI program and related third-party vendor practices in July 2016, and  
19 engaged Oliver Wyman, a third-party consultant, to assist; and states that it purports to characterize a  
20 report from a third-party consultant, Oliver Wyman, and Wells Fargo respectfully refers the Court to that  
21 report for a complete and accurate description of its contents, but otherwise denies. In response to  
22 subparagraphs (d) and (f), Wells Fargo states that its communications with the OCC, CFPB, and other  
23 banking regulators may constitute confidential supervisory information that cannot be disclosed. To the  
24 extent that a further response is required, Wells Fargo denies the allegations of subparagraphs (d) and (f).  
25 In response to subparagraph (e), Wells Fargo denies.

26 61. Paragraph 61 includes allegations pertaining to the Dismissed Claims, to which no response  
27 is required. To the extent that paragraph 61 refers to the statement quoted in paragraph 57, which remains  
28 in the instant action, or to the extent a further response is required, Wells Fargo states that paragraph 61

1 contains legal conclusions to which no response is required, but to the extent a further response is required,  
2 denies.

3         62. Paragraph 62 includes allegations pertaining to the Dismissed Claims, to which no response  
4 is required. To the extent that any further response is required, Wells Fargo admits that Sloan presented  
5 at the Goldman Sachs U.S. Financial Services Conference on December 6, 2016 and states that  
6 paragraph 62 purports to characterize and quote Sloan's presentation at that conference, and respectfully  
7 refers the Court to the transcript of that conference for a complete and accurate description of its contents,  
8 and otherwise denies.

9         63. Paragraph 63 includes allegations pertaining to the Dismissed Claims, to which no response  
10 is required. To the extent that any further response is required, Wells Fargo states that paragraph 63  
11 purports to characterize and quote Sloan's presentation at the Goldman Sachs U.S. Financial Services  
12 Conference, and Wells Fargo respectfully refers the Court to the transcript of that conference for a  
13 complete and accurate description of its contents, and otherwise denies.

14         64. Paragraph 64 includes allegations pertaining to the Dismissed Claims, to which no response  
15 is required. To the extent that any further response is required, Wells Fargo states that paragraph 64  
16 purports to characterize and quote Sloan's presentation at the Goldman Sachs U.S. Financial Services  
17 Conference, and Wells Fargo respectfully refers the Court to the transcript of that conference for a  
18 complete and accurate description of its contents, and otherwise denies.

19         65. Paragraph 65 includes allegations pertaining to the Dismissed Claims, to which no response  
20 is required. To the extent that any further response is required, Wells Fargo admits that Shrewsberry and  
21 Mack spoke during Wells Fargo's November 2016 Retail Banking Customer Activity Report Call on  
22 December 16, 2016 and states that paragraph 65 purports to characterize and quote Shrewsberry and  
23 Mack's statements during that call, and respectfully refers the Court to the transcript of the call for a  
24 complete and accurate description of its contents, and otherwise denies.

25         66. Paragraph 66 includes allegations pertaining to the Dismissed Claims, to which no response  
26 is required. To the extent that any further response is required, Wells Fargo states that paragraph 66  
27 contains legal conclusions to which no response is required. To the extent that any further response is  
28 required, in response to subparagraph (a), Wells Fargo admits that, as a result of the inadequacy of certain



1 external vendor processes and internal controls, customers may have been charged premiums for CPI even  
2 when they were paying for their own vehicle insurance, and also that Wells Fargo identified certain issues  
3 related to the unused portion of GAP waiver or insurance agreements between the dealer and, by  
4 assignment, the lender, but otherwise denies. In response to subparagraph (b), Wells Fargo denies. In  
5 response to subparagraph (c), Wells Fargo admits that it initiated a review of its CPI program and related  
6 third-party vendor practices in July 2016, and engaged Oliver Wyman, a third-party consultant, to assist;  
7 and states that it purports to characterize a report from a third-party consultant, Oliver Wyman, and Wells  
8 Fargo respectfully refers the Court to that report for a complete and accurate description of its contents,  
9 but otherwise denies. In response to subparagraphs (d) and (f), Wells Fargo states that its communications  
10 with the OCC, CFPB, and other banking regulators may constitute confidential supervisory information  
11 that cannot be disclosed. To the extent that a further response is required, Wells Fargo denies the  
12 allegations of subparagraphs (d) and (f). In response to subparagraph (e), Wells Fargo denies.

13 67. Paragraph 67 includes allegations pertaining to the Dismissed Claims, to which no response  
14 is required. To the extent that any further response is required, Wells Fargo states that paragraph 67  
15 contains legal conclusions to which no response is required, but to the extent a further response is required,  
16 denies.

17 68. Paragraph 68 purports to characterize and quote various research notes, and Wells Fargo  
18 respectfully refers the Court to those documents for a complete and accurate description of their contents,  
19 and otherwise denies.

20 69. In response to paragraph 69, Wells Fargo admits that on January 10, 2017 it announced  
21 Dawn Martin Harp's retirement as head of Wells Fargo Dealer Services, effective April 1, 2017, and  
22 admits that Bill Katafias, former Executive Vice President of Wells Fargo Dealer Services, departed the  
23 Company on February 1, 2017, and otherwise denies.

24 70. Paragraph 70 includes allegations pertaining to the Dismissed Claims, to which no response  
25 is required. To the extent that any further response is required, Wells Fargo admits that it issued a press  
26 release on January 13, 2017 reporting its fourth quarter and fiscal year 2016 financial results for the period  
27 ended December 31, 2016. Wells Fargo further states that paragraph 70 purports to characterize and quote  
28

1 a Wells Fargo January 13, 2017 press release and respectfully refers the Court to that document for a  
2 complete and accurate description of its contents, and otherwise denies.

3 71. Paragraph 71 includes allegations pertaining to the Dismissed Claims, to which no response  
4 is required. To the extent that any further response is required, Wells Fargo admits that Sloan spoke to  
5 investors at the Wells Fargo 4Q16 and FY16 Earnings Call on January 13, 2017 and states that  
6 paragraph 71 purports to characterize and quote Sloan's comments during that call, and respectfully refers  
7 the Court to the transcript of the call for a complete and accurate description of its contents, and otherwise  
8 denies.

9 72. Paragraph 72 includes allegations pertaining to the Dismissed Claims, to which no response  
10 is required. To the extent that any further response is required, Wells Fargo admits that Sloan spoke to  
11 investors at the Wells Fargo 4Q16 and FY16 Earnings Call on January 13, 2017 and states that  
12 paragraph 72 purports to characterize and quote Sloan's comments during that call, and respectfully refers  
13 the Court to the transcript of the call for a complete and accurate description of its contents, and otherwise  
14 denies.

15 73. Paragraph 73 includes allegations pertaining to the Dismissed Claims, to which no response  
16 is required. To the extent that any further response is required, Wells Fargo states that paragraph 73  
17 contains legal conclusions to which no response is required. To the extent that any further response is  
18 required, in response to subparagraph (a), Wells Fargo admits that, as a result of the inadequacy of certain  
19 external vendor processes and internal controls, customers may have been charged premiums for CPI even  
20 when they were paying for their own vehicle insurance, and also that Wells Fargo identified certain issues  
21 related to the unused portion of GAP waiver or insurance agreements between the dealer and, by  
22 assignment, the lender, but otherwise denies. In response to subparagraph (b), Wells Fargo denies. In  
23 response to subparagraph (c), Wells Fargo admits that it initiated a review of its CPI program and related  
24 third-party vendor practices in July 2016, and engaged Oliver Wyman, a third-party consultant, to assist;  
25 and states that it purports to characterize a report from a third-party consultant, Oliver Wyman, and Wells  
26 Fargo respectfully refers the Court to that report for a complete and accurate description of its contents,  
27 but otherwise denies. In response to subparagraphs (d) and (f), Wells Fargo states that its communications  
28 with the OCC, CFPB, and other banking regulators may constitute confidential supervisory information

1 that cannot be disclosed. To the extent that a further response is required, Wells Fargo denies the  
2 allegations of subparagraphs (d) and (f). In response to subparagraph (e), Wells Fargo denies.

3 74. Paragraph 74 includes allegations pertaining to the Dismissed Claims, to which no response  
4 is required. To the extent that any further response is required, Wells Fargo states that it contains legal  
5 conclusions to which no response is required, but to the extent a further response is required, denies.

6 75. Paragraph 75 purports to characterize and quote various research notes, and Wells Fargo  
7 respectfully refers the Court to those documents for a complete and accurate description of their contents,  
8 and otherwise denies.

9 76. Paragraph 76 includes allegations pertaining to the Dismissed Claims, to which no response  
10 is required. To the extent that any further response is required, Wells Fargo admits that Shrewsberry and  
11 Mack presented on the Company's January 2017 Retail Banking Customer Activity Report Call on  
12 February 17, 2017 and states that paragraph 76 purports to characterize and quote Shrewsberry and Mack's  
13 comments during that call, and respectfully refers the Court to the transcript of the call for a complete and  
14 accurate description of its contents, and otherwise denies.

15 77. Paragraph 77 includes allegations pertaining to the Dismissed Claims, to which no response  
16 is required. To the extent that any further response is required, Wells Fargo states that it contains legal  
17 conclusions to which no response is required. To the extent that any further response is required, in  
18 response to subparagraph (a), Wells Fargo admits that, as a result of the inadequacy of certain external  
19 vendor processes and internal controls, customers may have been charged premiums for CPI even when  
20 they were paying for their own vehicle insurance, and also that Wells Fargo identified certain issues related  
21 to the unused portion of GAP waiver or insurance agreements between the dealer and, by assignment, the  
22 lender, but otherwise denies. In response to subparagraph (b), Wells Fargo denies. In response to  
23 subparagraph (c), Wells Fargo admits that it initiated a review of its CPI program and related third-party  
24 vendor practices in July 2016, and engaged Oliver Wyman, a third-party consultant, to assist; and states  
25 that it purports to characterize a report from a third-party consultant, Oliver Wyman, and Wells Fargo  
26 respectfully refers the Court to that report for a complete and accurate description of its contents, but  
27 otherwise denies. In response to subparagraphs (d) and (f), Wells Fargo states that its communications  
28 with the OCC, CFPB, and other banking regulators may constitute confidential supervisory information

1 that cannot be disclosed. To the extent that a further response is required, Wells Fargo denies the  
2 allegations of subparagraphs (d) and (f). In response to subparagraph (e), Wells Fargo denies.

3 78. Paragraph 78 includes allegations pertaining to the Dismissed Claims, to which no response  
4 is required. To the extent that any further response is required, Wells Fargo states that it contains legal  
5 conclusions to which no response is required, but to the extent a further response is required, denies.

6 79. Paragraph 79 purports to characterize and quote a February 17, 2017 Morningstar research  
7 note, and Wells Fargo respectfully refers the Court to that document for a complete and accurate  
8 description of its contents, and otherwise denies.

9 80. In response to paragraph 80, Wells Fargo admits that, on February 21, 2017, the Company  
10 announced the “for cause” terminations of “[f]our current or former senior managers,” including Claudia  
11 Russ Anderson, former Community Bank Chief Risk Officer, and Matthew Raphaelson, the Head of  
12 Community Bank Strategy and Initiatives; and that Wells Fargo terminated their employment based on  
13 the Board of Directors’ “ongoing independent investigation into the Company’s retail banking sales  
14 practices and related matters”; and otherwise denies.

15 81. Paragraph 81 includes allegations pertaining to the Dismissed Claims, to which no response  
16 is required. To the extent that any further response is required, in response to the first sentence of  
17 paragraph 81, Wells Fargo admits. In response to the second sentence of paragraph 81, Wells Fargo states  
18 that it purports to characterize and quote the Company’s 2016 Form 10-K and respectfully refers the Court  
19 to that document for a complete and accurate description of its contents, and otherwise denies.

20 82. In response to the first sentence of paragraph 82, Wells Fargo admits. In response to the  
21 second sentence of paragraph 82, Wells Fargo states that it purports to characterize and quote from the  
22 referenced slideshow and respectfully refers the Court to that document for a complete and accurate  
23 description of its contents, and otherwise denies.

24 83. Paragraph 83 includes allegations pertaining to the Dismissed Claims, to which no response  
25 is required. To the extent that any further response is required, in response to the first and second sentences  
26 of paragraph 83, Wells Fargo admits. In response to the remaining sentences in paragraph 83, Wells Fargo  
27 states that they purport to characterize and quote Wells Fargo’s 2017 Proxy Statement and respectfully  
28

1 refers the Court to that document for a complete and accurate description of its contents, and otherwise  
2 denies.

3 84. Paragraph 84 includes allegations pertaining to the Dismissed Claims, to which no response  
4 is required. To the extent that any further response is required, Wells Fargo states that paragraph 84  
5 purports to characterize and quote Wells Fargo's 2017 Proxy Statement and respectfully refers the Court  
6 to that document for a complete and accurate description of its contents, and otherwise denies.

7 85. Paragraph 85 includes allegations pertaining to the Dismissed Claims, to which no response  
8 is required. To the extent that any further response is required, Wells Fargo states that paragraph 85  
9 purports to characterize and quote Wells Fargo's 2017 Proxy Statement and respectfully refers the Court  
10 to that document for a complete and accurate description of its contents, and otherwise denies.

11 86. Paragraph 86 includes allegations pertaining to the Dismissed Claims, to which no response  
12 is required. To the extent that any further response is required, Wells Fargo states that it contains legal  
13 conclusions to which no response is required, but to the extent a further response is required, in response  
14 to subparagraph (a), Wells Fargo admits that, as a result of the inadequacy of certain external vendor  
15 processes and internal controls, customers may have been charged premiums for CPI even when they were  
16 paying for their own vehicle insurance, and also that Wells Fargo identified certain issues related to the  
17 unused portion of GAP waiver or insurance agreements between the dealer and, by assignment, the lender,  
18 but otherwise denies. In response to subparagraph (b), Wells Fargo denies. In response to subparagraph  
19 (c), Wells Fargo admits that it initiated a review of its CPI program and related third-party vendor practices  
20 in July 2016, and engaged Oliver Wyman, a third-party consultant, to assist; and states that it purports to  
21 characterize a report from a third-party consultant, Oliver Wyman, and Wells Fargo respectfully refers the  
22 Court to that report for a complete and accurate description of its contents, but otherwise denies. In  
23 response to subparagraphs (d) and (f), Wells Fargo states that its communications with the OCC, CFPB,  
24 and other banking regulators may constitute confidential supervisory information that cannot be disclosed.  
25 To the extent that a further response is required, Wells Fargo denies the allegations of subparagraphs (d)  
26 and (f). In response to subparagraph (e), Wells Fargo denies.

1 87. Paragraph 87 includes allegations pertaining to the Dismissed Claims, to which no response  
2 is required. To the extent that any further response is required, Wells Fargo states that it contains legal  
3 conclusions to which no response is required, but to the extent a further response is required, denies.

4 88. Paragraph 88 purports to characterize and quote various research notes, and Wells Fargo  
5 respectfully refers the Court to those documents for a complete and accurate description of their contents,  
6 and otherwise denies.

7 89. Paragraph 89 includes allegations pertaining to the Dismissed Claims, to which no response  
8 is required. To the extent that any further response is required, Wells Fargo admits that, on March 20,  
9 2017, Shrewsberry and Mack presented on the Company's February 2017 Retail Banking Customer  
10 Activity Report Call and states that paragraph 89 purports to characterize and quote Shrewsberry's  
11 comments during that call, and respectfully refers the Court to the transcript of that call for a complete  
12 and accurate description of its contents, and otherwise denies.

13 90. Paragraph 90 includes allegations pertaining to the Dismissed Claims, to which no response  
14 is required. To the extent that any further response is required, Wells Fargo states that paragraph 90  
15 purports to characterize and quote Shrewsberry's comments during the Company's February 2017 Retail  
16 Banking Customer Activity Report Call, and respectfully refers the Court to the transcript of that call for  
17 a complete and accurate description of its contents, and otherwise denies.

18 91. Paragraph 91 includes allegations pertaining to the Dismissed Claims, to which no response  
19 is required. To the extent that any further response is required, Wells Fargo states that paragraph 91  
20 purports to characterize and quote Shrewsberry's comments during the Company's February 2017 Retail  
21 Banking Customer Activity Report Call, and respectfully refers the Court to the transcript of that call for  
22 a complete and accurate description of its contents, and otherwise denies.

23 92. Paragraph 92 includes allegations pertaining to the Dismissed Claims, to which no response  
24 is required. To the extent that any further response is required, Wells Fargo states that it contains legal  
25 conclusions to which no response is required. To the extent that any further response is required, in  
26 response to subparagraph (a), Wells Fargo admits that, as a result of the inadequacy of certain external  
27 vendor processes and internal controls, customers may have been charged premiums for CPI even when  
28 they were paying for their own vehicle insurance, and also that Wells Fargo identified certain issues related

1 to the unused portion of GAP waiver or insurance agreements between the dealer and, by assignment, the  
2 lender, but otherwise denies. In response to subparagraph (b), Wells Fargo denies. In response to  
3 subparagraph (c), Wells Fargo admits that it initiated a review of its CPI program and related third-party  
4 vendor practices in July 2016, and engaged Oliver Wyman, a third-party consultant, to assist; and states  
5 that it purports to characterize a report from a third-party consultant, Oliver Wyman, and Wells Fargo  
6 respectfully refers the Court to that report for a complete and accurate description of its contents, but  
7 otherwise denies. In response to subparagraphs (d) and (f), Wells Fargo states that its communications  
8 with the OCC, CFPB, and other banking regulators may constitute confidential supervisory information  
9 that cannot be disclosed. To the extent that a further response is required, Wells Fargo denies the  
10 allegations of subparagraphs (d) and (f). In response to subparagraph (e), Wells Fargo denies.

11 93. Paragraph 93 includes allegations pertaining to the Dismissed Claims, to which no response  
12 is required. To the extent that any further response is required, Wells Fargo states that it contains legal  
13 conclusions to which no response is required, but to the extent a further response is required, denies.

14 94. Paragraph 94 includes allegations pertaining to the Dismissed Claims, to which no response  
15 is required. To the extent that any further response is required, Wells Fargo admits that, on April 10,  
16 2017, Wells Fargo issued a press release describing the findings of the Independent Directors' previously  
17 announced investigation of retail banking sales practices and related matters and provided a link to their  
18 110-page Sales Practices Investigation Report and states that paragraph 94 purports to characterize and  
19 quote the April 10, 2017 press release, and respectfully refers the Court to that document for a complete  
20 and accurate description of its contents, and otherwise denies.

21 95. Paragraph 95 includes allegations pertaining to the Dismissed Claims, to which no response  
22 is required. To the extent that any further response is required, Wells Fargo states that paragraph 95  
23 purports to characterize and quote the Sales Practices Investigation Report, and Wells Fargo respectfully  
24 refers the Court to that document for a complete and accurate description of its contents, and otherwise  
25 denies.

26 96. Paragraph 96 includes allegations pertaining to the Dismissed Claims, to which no response  
27 is required. To the extent that any further response is required, Wells Fargo states that paragraph 96  
28 purports to characterize and quote the Sales Practices Investigation Report, and Wells Fargo respectfully

1 refers the Court to that document for a complete and accurate description of its contents, and otherwise  
2 denies.

3 97. Paragraph 97 includes allegations pertaining to the Dismissed Claims, to which no response  
4 is required. To the extent that any further response is required, Wells Fargo states that paragraph 97  
5 purports to characterize and quote the April 10, 2017 Wells Fargo press release, and Wells Fargo  
6 respectfully refers the Court to that document for a complete and accurate description of its contents, and  
7 otherwise denies.

8 98. Paragraph 98 includes allegations pertaining to the Dismissed Claims, to which no response  
9 is required. To the extent that any further response is required, Wells Fargo states that paragraph 98  
10 purports to characterize and quote Sanger and Sloan's comments during an April 10, 2017 Wells Fargo  
11 conference call, and respectfully refers the Court to the transcript of that call for a complete and accurate  
12 description of its contents, and otherwise denies.

13 99. Paragraph 99 includes allegations pertaining to the Dismissed Claims, to which no response  
14 is required. To the extent that any further response is required, Wells Fargo states that paragraph 99  
15 purports to characterize and quote the April 10, 2017 Wells Fargo press release, and respectfully refers  
16 the Court to that document for a complete and accurate description of its contents, and otherwise denies.

17 100. Paragraph 100 includes allegations pertaining to the Dismissed Claims, to which no  
18 response is required. To the extent that any further response is required, in response to the first sentence,  
19 Wells Fargo admits. In response to the second sentence, Wells Fargo states that paragraph 100 purports  
20 to characterize and quote Wells Fargo's April 13, 2017 press release, and respectfully refers the Court to  
21 that document for a complete and accurate description of its contents, and otherwise denies.

22 101. Paragraph 101 includes allegations pertaining to the Dismissed Claims, to which no  
23 response is required. To the extent that any further response is required, Wells Fargo states that  
24 paragraph 101 purports to characterize and quote Sloan's statements during the Wells Fargo 1Q17  
25 Earnings Call on April 13, 2017, and respectfully refers the Court to the transcript of that call for a  
26 complete and accurate description of its contents, and otherwise denies.

27 102. Paragraph 102 includes allegations pertaining to the Dismissed Claims, to which no  
28 response is required. To the extent that any further response is required, Wells Fargo states that



1 paragraph 102 purports to characterize and quote Sloan's statements during the Wells Fargo 1Q17  
2 Earnings Call on April 13, 2017, and respectfully refers the Court to the transcript of that call for a  
3 complete and accurate description of its contents, and otherwise denies.

4 103. Paragraph 103 includes allegations pertaining to the Dismissed Claims, to which no  
5 response is required. To the extent that any further response is required, Wells Fargo states that  
6 paragraph 103 purports to characterize and quote Sloan's statements during the Wells Fargo 1Q17  
7 Earnings Call on April 13, 2017, and respectfully refers the Court to the transcript of that call for a  
8 complete and accurate description of its contents, and otherwise denies.

9 104. Paragraph 104 includes allegations pertaining to the Dismissed Claims, to which no  
10 response is required. To the extent that any further response is required, Wells Fargo states that it contains  
11 legal conclusions to which no response is required. To the extent that any further response is required, in  
12 response to subparagraph (a), Wells Fargo admits that, as a result of the inadequacy of certain external  
13 vendor processes and internal controls, customers may have been charged premiums for CPI even when  
14 they were paying for their own vehicle insurance, and also that Wells Fargo identified certain issues related  
15 to the unused portion of GAP waiver or insurance agreements between the dealer and, by assignment, the  
16 lender, but otherwise denies. In response to subparagraph (b), Wells Fargo denies. In response to  
17 subparagraph (c), Wells Fargo admits that it initiated a review of its CPI program and related third-party  
18 vendor practices in July 2016, and engaged Oliver Wyman, a third-party consultant, to assist; and states  
19 that it purports to characterize a report from a third-party consultant, Oliver Wyman, and Wells Fargo  
20 respectfully refers the Court to that report for a complete and accurate description of its contents, but  
21 otherwise denies. In response to subparagraphs (d) and (f), Wells Fargo states that its communications  
22 with the OCC, CFPB, and other banking regulators may constitute confidential supervisory information  
23 that cannot be disclosed. To the extent that a further response is required, Wells Fargo denies the  
24 allegations of subparagraphs (d) and (f). In response to subparagraph (e), Wells Fargo denies.

25 105. Paragraph 105 includes allegations pertaining to the Dismissed Claims, to which no  
26 response is required. To the extent that any further response is required, Wells Fargo states that it contains  
27 legal conclusions to which no response is required, but to the extent a further response is required, denies.

28

1           106. Paragraph 106 includes allegations pertaining to the Dismissed Claims, to which no  
2 response is required. To the extent that any further response is required, Paragraph 106 purports to  
3 characterize and quote an April 10, 2017 Sandler O'Neil + Partners report, and Wells Fargo respectfully  
4 refers the Court to that document for a complete and accurate description of its contents, and otherwise  
5 denies.

6           107. Paragraph 107 includes allegations pertaining to the Dismissed Claims, to which no  
7 response is required. To the extent that any further response is required, Paragraph 107 purports to  
8 characterize and quote an April 10, 2017 Sandler O'Neil + Partners report, and Wells Fargo respectfully  
9 refers the Court to that document for a complete and accurate description of its contents, and otherwise  
10 denies.

11           108. Paragraph 108 includes allegations pertaining to the Dismissed Claims, to which no  
12 response is required. To the extent that any further response is required, Paragraph 108 purports to  
13 characterize and quote an April 10, 2017 Evercore ISI report, and Wells Fargo respectfully refers the Court  
14 to that document for a complete and accurate description of its contents, and otherwise denies.

15           109. Paragraph 109 includes allegations pertaining to the Dismissed Claims, to which no  
16 response is required. To the extent that any further response is required, Paragraph 109 purports to  
17 characterize and quote an April 25, 2017 statement by Sloan, and Wells Fargo respectfully refers the Court  
18 to that statement for a complete and accurate description of its contents, and otherwise denies.

19           110. Paragraph 110 includes allegations pertaining to the Dismissed Claims, to which no  
20 response is required. To the extent that any further response is required, Wells Fargo states that it contains  
21 legal conclusions to which no response is required. To the extent that any further response is required, in  
22 response to subparagraph (a), Wells Fargo admits that, as a result of the inadequacy of certain external  
23 vendor processes and internal controls, customers may have been charged premiums for CPI even when  
24 they were paying for their own vehicle insurance, and also that Wells Fargo identified certain issues related  
25 to the unused portion of GAP waiver or insurance agreements between the dealer and, by assignment, the  
26 lender, but otherwise denies. In response to subparagraph (b), Wells Fargo denies. In response to  
27 subparagraph (c), Wells Fargo admits that it initiated a review of its CPI program and related third-party  
28 vendor practices in July 2016, and engaged Oliver Wyman, a third-party consultant, to assist; and states

1 that it purports to characterize a report from a third-party consultant, Oliver Wyman, and Wells Fargo  
2 respectfully refers the Court to that report for a complete and accurate description of its contents, but  
3 otherwise denies. In response to subparagraphs (d) and (f), Wells Fargo states that its communications  
4 with the OCC, CFPB, and other banking regulators may constitute confidential supervisory information  
5 that cannot be disclosed. To the extent that a further response is required, Wells Fargo denies the  
6 allegations of subparagraphs (d) and (f). In response to subparagraph (e), Wells Fargo denies.

7 111. Paragraph 111 includes allegations pertaining to the Dismissed Claims, to which no  
8 response is required. To the extent that any further response is required, Wells Fargo states that it contains  
9 legal conclusions to which no response is required. To the extent that any further response is required,  
10 Wells Fargo denies.

11 112. Paragraph 112 includes allegations pertaining to the Dismissed Claims, to which no  
12 response is required. To the extent that any further response is required, Paragraph 112 purports to  
13 characterize and quote a May 5, 2017 Wells Fargo filing, and Wells Fargo respectfully refers the Court to  
14 that document for a complete and accurate description of its contents, and otherwise denies.

15 113. Paragraph 113 includes allegations pertaining to the Dismissed Claims, to which no  
16 response is required. To the extent that any further response is required, Wells Fargo admits that it held  
17 an Investor Day on May 11, 2017 and otherwise denies.

18 114. Paragraph 114 includes allegations pertaining to the Dismissed Claims, to which no  
19 response is required. To the extent that any further response is required, Paragraph 114 purports to  
20 characterize and quote May 11, 2017 statements by Sloan, and Wells Fargo respectfully refers the Court  
21 to a transcript of those statements for a complete and accurate description of its contents, and otherwise  
22 denies.

23 115. Paragraph 115 includes allegations pertaining to the Dismissed Claims, to which no  
24 response is required. To the extent any further response is required, Paragraph 115 purports to characterize  
25 and quote a May 11, 2017 statement by Mack, and Wells Fargo respectfully refers the Court to a transcript  
26 of that statement for a complete and accurate description of its contents, and otherwise denies.

27 116. Paragraph 116 includes allegations pertaining to the Dismissed Claims, to which no  
28 response is required. To the extent that any further response is required, Paragraph 116 purports to

1 characterize and quote a May 11, 2017 statement by Sloan, and Wells Fargo respectfully refers the Court  
2 to a transcript of that statement for a complete and accurate description of its contents, and otherwise  
3 denies.

4 117. Paragraph 117 includes allegations pertaining to the Dismissed Claims, to which no  
5 response is required. To the extent that any further response is required, Wells Fargo states that it contains  
6 legal conclusions to which no response is required. To the extent that any further response is required, in  
7 response to subparagraph (a), Wells Fargo admits that, as a result of the inadequacy of certain external  
8 vendor processes and internal controls, customers may have been charged premiums for CPI even when  
9 they were paying for their own vehicle insurance, and also that Wells Fargo identified certain issues related  
10 to the unused portion of GAP waiver or insurance agreements between the dealer and, by assignment, the  
11 lender, but otherwise denies. In response to subparagraph (b), Wells Fargo denies. In response to  
12 subparagraph (c), Wells Fargo admits that it initiated a review of its CPI program and related third-party  
13 vendor practices in July 2016, and engaged Oliver Wyman, a third-party consultant, to assist; and states  
14 that it purports to characterize a report from a third-party consultant, Oliver Wyman, and Wells Fargo  
15 respectfully refers the Court to that report for a complete and accurate description of its contents, but  
16 otherwise denies. In response to subparagraphs (d) and (f), Wells Fargo states that its communications  
17 with the OCC, CFPB, and other banking regulators may constitute confidential supervisory information  
18 that cannot be disclosed. To the extent that a further response is required, Wells Fargo denies the  
19 allegations of subparagraphs (d) and (f). In response to subparagraph (e), Wells Fargo denies.

20 118. Paragraph 118 includes allegations pertaining to the Dismissed Claims, to which no  
21 response is required. To the extent that any further response is required, Wells Fargo states that it contains  
22 legal conclusions to which no response is required. To the extent that any further response is required,  
23 Wells Fargo denies.

24 119. Paragraph 119 includes allegations pertaining to the Dismissed Claims, to which no  
25 response is required. To the extent that any further response is required, Paragraph 119 purports to  
26 characterize and quote a May 7, 2017 Credit Suisse report, and Wells Fargo respectfully refers the Court  
27 to that document for a complete and accurate description of its contents, and otherwise denies.

28

1           120. Paragraph 120 includes allegations pertaining to the Dismissed Claims, to which no  
2 response is required. To the extent that any further response is required, Paragraph 119 purports to  
3 characterize and quote multiple notes and reports, and Wells Fargo respectfully refers the Court to those  
4 documents for a complete and accurate description of their contents, and otherwise denies.

5           121. Paragraph 121 includes allegations pertaining to the Dismissed Claims, to which no  
6 response is required. To the extent that any further response is required, paragraph 121 purports to  
7 characterize and quote a June 13, 2017 statement by Mack, and Wells Fargo respectfully refers the Court  
8 to a transcript of her statements for a complete and accurate description of its contents, and otherwise  
9 denies.

10           122. Paragraph 122 includes allegations pertaining to the Dismissed Claims, to which no  
11 response is required. To the extent that any further response is required, Wells Fargo states that it contains  
12 legal conclusions to which no response is required. To the extent that any further response is required, in  
13 response to subparagraph (a), Wells Fargo admits that, as a result of the inadequacy of certain external  
14 vendor processes and internal controls, customers may have been charged premiums for CPI even when  
15 they were paying for their own vehicle insurance, and also that Wells Fargo identified certain issues related  
16 to the unused portion of GAP waiver or insurance agreements between the dealer and, by assignment, the  
17 lender, but otherwise denies. In response to subparagraph (b), Wells Fargo denies. In response to  
18 subparagraph (c), Wells Fargo admits that it initiated a review of its CPI program and related third-party  
19 vendor practices in July 2016, and engaged Oliver Wyman, a third-party consultant, to assist; and states  
20 that it purports to characterize a report from a third-party consultant, Oliver Wyman, and Wells Fargo  
21 respectfully refers the Court to that report for a complete and accurate description of its contents, but  
22 otherwise denies. In response to subparagraphs (d) and (f), Wells Fargo states that its communications  
23 with the OCC, CFPB, and other banking regulators may constitute confidential supervisory information  
24 that cannot be disclosed. To the extent that a further response is required, Wells Fargo denies the  
25 allegations of subparagraphs (d) and (f). In response to subparagraph (e), Wells Fargo denies.

26           123. Paragraph 123 includes allegations pertaining to the Dismissed Claims, to which no  
27 response is required. To the extent that any further response is required, Wells Fargo states that it contains  
28

1 legal conclusions to which no response is required. To the extent that any further response is required,  
2 Wells Fargo denies.

3 124. Paragraph 124 includes allegations pertaining to the Dismissed Claims, to which no  
4 response is required. To the extent that any further response is required, Paragraph 124 purports to  
5 characterize and quote a July 14, 2017 Wells Fargo press release, and Wells Fargo respectfully refers the  
6 Court to that document for a complete and accurate description of its contents, and otherwise denies.

7 125. Paragraph 125 includes allegations pertaining to the Dismissed Claims, to which no  
8 response is required. To the extent that any further response is required, paragraph 125 purports to  
9 characterize and quote a transcript of a July 14, 2017 conference call, and Wells Fargo respectfully refers  
10 the Court to that document for a complete and accurate description of its contents, and otherwise denies.

11 126. Paragraph 126 includes allegations pertaining to the Dismissed Claims, to which no  
12 response is required. To the extent that any further response is required, paragraph 126 purports to  
13 characterize and quote a transcript of a July 14, 2017 conference call, and Wells Fargo respectfully refers  
14 the Court to that document for a complete and accurate description of its contents, and otherwise denies.

15 127. Paragraph 127 includes allegations pertaining to the Dismissed Claims, to which no  
16 response is required. To the extent that any further response is required, Wells Fargo states that it contains  
17 legal conclusions to which no response is required. To the extent that any further response is required, in  
18 response to subparagraph (a), Wells Fargo admits that, as a result of the inadequacy of certain external  
19 vendor processes and internal controls, customers may have been charged premiums for CPI even when  
20 they were paying for their own vehicle insurance, and also that Wells Fargo identified certain issues related  
21 to the unused portion of GAP waiver or insurance agreements between the dealer and, by assignment, the  
22 lender, but otherwise denies. In response to subparagraph (b), Wells Fargo denies. In response to  
23 subparagraph (c), Wells Fargo admits that it initiated a review of its CPI program and related third-party  
24 vendor practices in July 2016, and engaged Oliver Wyman, a third-party consultant, to assist; and states  
25 that it purports to characterize a report from a third-party consultant, Oliver Wyman, and Wells Fargo  
26 respectfully refers the Court to that report for a complete and accurate description of its contents, but  
27 otherwise denies. In response to subparagraphs (d) and (f), Wells Fargo states that its communications  
28 with the OCC, CFPB, and other banking regulators may constitute confidential supervisory information

1 that cannot be disclosed. To the extent that a further response is required, Wells Fargo denies the  
2 allegations of subparagraphs (d) and (f). In response to subparagraph (e), Wells Fargo denies.

3 128. Paragraph 128 includes allegations pertaining to the Dismissed Claims, to which no  
4 response is required. To the extent that any further response is required, Wells Fargo states that it contains  
5 legal conclusions to which no response is required. To the extent that any further response is required,  
6 Wells Fargo denies.

7 129. Paragraph 129 includes allegations pertaining to the Dismissed Claims, to which no  
8 response is required. To the extent that any further response is required, Wells Fargo states that paragraph  
9 129 contains legal conclusions to which no response is required. To the extent that any further response  
10 is required, Wells Fargo denies.

11 130. Paragraph 130 includes allegations pertaining to the Dismissed Claims, to which no  
12 response is required. To the extent that any further response is required, Paragraph 130 purports to  
13 characterize and quote Wells Fargo's 3Q 2016 Form 10-Q, and Wells Fargo respectfully refers the Court  
14 to that filing for a complete and accurate description of its contents, and otherwise denies.

15 131. Paragraph 131 includes allegations pertaining to the Dismissed Claims, to which no  
16 response is required. To the extent that any further response is required, Paragraph 131 purports to  
17 characterize and quote Wells Fargo's 3Q 2016 Form 10-Q, and Wells Fargo respectfully refers the Court  
18 to that filing for a complete and accurate description of its contents, and otherwise denies.

19 132. Paragraph 132 includes allegations pertaining to the Dismissed Claims, to which no  
20 response is required. To the extent that any further response is required, Paragraph 132 purports to  
21 characterize and quote Wells Fargo's 3Q 2016 Form 10-Q, and Wells Fargo respectfully refers the Court  
22 to that filing for a complete and accurate description of its contents, and otherwise denies.

23 133. Paragraph 133 includes allegations pertaining to the Dismissed Claims, to which no  
24 response is required. To the extent that any further response is required, Paragraph 133 purports to  
25 characterize and quote Wells Fargo's 3Q 2016 Form 10-Q, and Wells Fargo respectfully refers the Court  
26 to that filing for a complete and accurate description of its contents, and otherwise denies.

27 134. Paragraph 134 includes allegations pertaining to the Dismissed Claims, to which no  
28 response is required. To the extent that any further response is required, Wells Fargo states that it contains

1 legal conclusions to which no response is required. To the extent that any further response is required, in  
2 response to subparagraph (a), Wells Fargo admits that, as a result of the inadequacy of certain external  
3 vendor processes and internal controls, customers may have been charged premiums for CPI even when  
4 they were paying for their own vehicle insurance, and also that Wells Fargo identified certain issues related  
5 to the unused portion of GAP waiver or insurance agreements between the dealer and, by assignment, the  
6 lender, but otherwise denies. In response to subparagraph (b), Wells Fargo denies. In response to  
7 subparagraph (c), Wells Fargo admits that it initiated a review of its CPI program and related third-party  
8 vendor practices in July 2016, and engaged Oliver Wyman, a third-party consultant, to assist; and states  
9 that it purports to characterize a report from a third-party consultant, Oliver Wyman, and Wells Fargo  
10 respectfully refers the Court to that report for a complete and accurate description of its contents, but  
11 otherwise denies. In response to subparagraphs (d) and (f), Wells Fargo states that its communications  
12 with the OCC, CFPB, and other banking regulators may constitute confidential supervisory information  
13 that cannot be disclosed. To the extent that a further response is required, Wells Fargo denies the  
14 allegations of subparagraphs (d) and (f). In response to subparagraph (e), Wells Fargo denies.

15 135. Paragraph 135 includes allegations pertaining to the Dismissed Claims, to which no  
16 response is required. To the extent that any further response is required, Wells Fargo states that it contains  
17 legal conclusions to which no response is required. To the extent that any further response is required,  
18 Wells Fargo denies.

19 136. Paragraph 136 includes allegations pertaining to the Dismissed Claims, to which no  
20 response is required. To the extent that any further response is required, paragraph 136 purports to  
21 characterize and quote Wells Fargo's 2016 Form 10-K, and Wells Fargo respectfully refers the Court to  
22 that filing for a complete and accurate description of its contents, and otherwise denies.

23 137. Paragraph 137 includes allegations pertaining to the Dismissed Claims, to which no  
24 response is required. To the extent that any further response is required, paragraph 137 purports to  
25 characterize and quote Wells Fargo's 2016 Form 10-K, and Wells Fargo respectfully refers the Court to  
26 that filing for a complete and accurate description of its contents, and otherwise denies.

27 138. Paragraph 138 includes allegations pertaining to the Dismissed Claims, to which no  
28 response is required. To the extent that any further response is required, paragraph 138 purports to



1 characterize and quote Wells Fargo’s 2016 Form 10-K, and Wells Fargo respectfully refers the Court to  
2 that filing for a complete and accurate description of its contents, and otherwise denies.

3 139. Paragraph 139 includes allegations pertaining to the Dismissed Claims, to which no  
4 response is required. To the extent that any further response is required, paragraph 139 purports to  
5 characterize and quote Wells Fargo’s 2016 Form 10-K, and Wells Fargo respectfully refers the Court to  
6 that filing for a complete and accurate description of its contents, and otherwise denies.

7 140. Paragraph 140 includes allegations pertaining to the Dismissed Claims, to which no  
8 response is required. To the extent that any further response is required, paragraph 140 purports to  
9 characterize and quote Wells Fargo’s 2016 Form 10-K, and Wells Fargo respectfully refers the Court to  
10 that filing for a complete and accurate description of its contents, and otherwise denies.

11 141. Paragraph 141 includes allegations pertaining to the Dismissed Claims, to which no  
12 response is required. To the extent that any further response is required, paragraph 141 purports to  
13 characterize and quote Wells Fargo’s 2016 Form 10-K, and Wells Fargo respectfully refers the Court to  
14 that filing for a complete and accurate description of its contents, and otherwise denies.

15 142. Paragraph 142 includes allegations pertaining to the Dismissed Claims, to which no  
16 response is required. To the extent that any further response is required, paragraph 142 purports to  
17 characterize and quote Wells Fargo’s 2016 Form 10-K, and Wells Fargo respectfully refers the Court to  
18 that filing for a complete and accurate description of its contents, and otherwise denies.

19 143. Paragraph 143 includes allegations pertaining to the Dismissed Claims, to which no  
20 response is required. To the extent that any further response is required, paragraph 143 purports to  
21 characterize and quote Wells Fargo’s 2016 Form 10-K, and Wells Fargo respectfully refers the Court to  
22 that filing for a complete and accurate description of its contents, and otherwise denies.

23 144. Paragraph 144 includes allegations pertaining to the Dismissed Claims, to which no  
24 response is required. To the extent that any further response is required, paragraph 144 purports to  
25 characterize and quote Wells Fargo’s 2016 Form 10-K, and Wells Fargo respectfully refers the Court to  
26 that filing for a complete and accurate description of its contents, and otherwise denies.

27 145. Paragraph 145 includes allegations pertaining to the Dismissed Claims, to which no  
28 response is required. To the extent that any further response is required, paragraph 145 purports to

1 characterize Wells Fargo's 2016 Form 10-K, and Wells Fargo respectfully refers the Court to that filing  
2 for a complete and accurate description of its contents, and otherwise denies.

3 146. Paragraph 146 includes allegations pertaining to the Dismissed Claims, to which no  
4 response is required. To the extent that any further response is required, Wells Fargo states that it contains  
5 legal conclusions to which no response is required. To the extent that any further response is required, in  
6 response to subparagraph (a), Wells Fargo admits that, as a result of the inadequacy of certain external  
7 vendor processes and internal controls, customers may have been charged premiums for CPI even when  
8 they were paying for their own vehicle insurance, and also that Wells Fargo identified certain issues related  
9 to the unused portion of GAP waiver or insurance agreements between the dealer and, by assignment, the  
10 lender, but otherwise denies. In response to subparagraph (b), Wells Fargo denies. In response to  
11 subparagraph (c), Wells Fargo admits that it initiated a review of its CPI program and related third-party  
12 vendor practices in July 2016, and engaged Oliver Wyman, a third-party consultant, to assist; and states  
13 that it purports to characterize a report from a third-party consultant, Oliver Wyman, and Wells Fargo  
14 respectfully refers the Court to that report for a complete and accurate description of its contents, but  
15 otherwise denies. In response to subparagraphs (d) and (f), Wells Fargo states that its communications  
16 with the OCC, CFPB, and other banking regulators may constitute confidential supervisory information  
17 that cannot be disclosed. To the extent that a further response is required, Wells Fargo denies the  
18 allegations of subparagraphs (d) and (f). In response to subparagraph (e), Wells Fargo denies.

19 147. Paragraph 147 includes allegations pertaining to the Dismissed Claims, to which no  
20 response is required. To the extent that any further response is required, Wells Fargo states that it contains  
21 legal conclusions to which no response is required. To the extent that any further response is required,  
22 Wells Fargo denies.

23 148. Paragraph 148 includes allegations pertaining to the Dismissed Claims, to which no  
24 response is required. To the extent that any further response is required, paragraph 148 purports to  
25 characterize and quote Wells Fargo's 1Q 2017 Form 10-Q, and Wells Fargo respectfully refers the Court  
26 to that filing for a complete and accurate description of its contents, and otherwise denies.

27 149. Paragraph 149 includes allegations pertaining to the Dismissed Claims, to which no  
28 response is required. To the extent that any further response is required, paragraph 149 purports to

1 characterize and quote Wells Fargo's 1Q 2017 Form 10-Q, and Wells Fargo respectfully refers the Court  
2 to that filing for a complete and accurate description of its contents, and otherwise denies.

3 150. Paragraph 150 includes allegations pertaining to the Dismissed Claims, to which no  
4 response is required. To the extent that any further response is required, the first and second sentences of  
5 paragraph 150 purport to characterize Wells Fargo's 1Q 2017 Form 10-Q, and Wells Fargo respectfully  
6 refers the Court to that filing for a complete and accurate description of its contents, and otherwise denies.  
7 In response to the third sentence of paragraph 150, Wells Fargo denies. In response to the fourth sentence  
8 of paragraph 150, Wells Fargo admits that, on April 20, 2018, Wells Fargo Bank, N.A. entered into consent  
9 orders with the OCC and CFPB addressing matters pertaining to CPI, among others, placed on certain  
10 auto loans and requiring that Wells Fargo pay \$1 billion in total civil money penalties, and otherwise  
11 denies.

12 151. Paragraph 151 includes allegations pertaining to the Dismissed Claims, to which no  
13 response is required. To the extent that any further response is required, paragraph 151 purports to  
14 characterize and quote Wells Fargo's 1Q 2017 Form 10-Q, and Wells Fargo respectfully refers the Court  
15 to that filing for a complete and accurate description of its contents, and otherwise denies.

16 152. Paragraph 152 includes allegations pertaining to the Dismissed Claims, to which no  
17 response is required. To the extent that any further response is required, paragraph 152 purports to  
18 characterize and quote Wells Fargo's 1Q 2017 Form 10-Q, and Wells Fargo respectfully refers the Court  
19 to that filing for a complete and accurate description of its contents, and otherwise denies.

20 153. Paragraph 153 includes allegations pertaining to the Dismissed Claims, to which no  
21 response is required. To the extent that any further response is required, Wells Fargo states that it contains  
22 legal conclusions to which no response is required. To the extent that any further response is required, in  
23 response to subparagraph (a), Wells Fargo admits that, as a result of the inadequacy of certain external  
24 vendor processes and internal controls, customers may have been charged premiums for CPI even when  
25 they were paying for their own vehicle insurance, and also that Wells Fargo identified certain issues related  
26 to the unused portion of GAP waiver or insurance agreements between the dealer and, by assignment, the  
27 lender, but otherwise denies. In response to subparagraph (b), Wells Fargo denies. In response to  
28 subparagraph (c), Wells Fargo admits that it initiated a review of its CPI program and related third-party

1 vendor practices in July 2016, and engaged Oliver Wyman, a third-party consultant, to assist; and states  
2 that it purports to characterize a report from a third-party consultant, Oliver Wyman, and Wells Fargo  
3 respectfully refers the Court to that report for a complete and accurate description of its contents, but  
4 otherwise denies. In response to subparagraphs (d) and (f), Wells Fargo states that its communications  
5 with the OCC, CFPB, and other banking regulators may constitute confidential supervisory information  
6 that cannot be disclosed. To the extent that a further response is required, Wells Fargo denies the  
7 allegations of subparagraphs (d) and (f). In response to subparagraph (e), Wells Fargo denies.

8 154. Paragraph 154 includes allegations pertaining to the Dismissed Claims, to which no  
9 response is required. To the extent that any further response is required, Wells Fargo states that it contains  
10 legal conclusions to which no response is required. To the extent that any further response is required,  
11 Wells Fargo denies.

12 155. Paragraph 155 purports to characterize and quote a July 27, 2017 *New York Times* article,  
13 and Wells Fargo respectfully refers the Court to that document for a complete and accurate description of  
14 its contents, and otherwise denies.

15 156. In response to the first sentence of paragraph 156, Wells Fargo admits that it issued a press  
16 release on July 27, 2017 concerning the CPI program; Wells Fargo respectfully refers the Court to that  
17 document for a complete and accurate description of its contents, and otherwise denies. The second and  
18 third sentences of paragraph 156 characterize the July 27, 2017 press release, and Wells Fargo respectfully  
19 refers the Court to that document for a complete and accurate description of its contents, and otherwise  
20 denies. The final sentence of paragraph 156 purports to characterize and quote the July 27, 2017 Wells  
21 Fargo press release, and Wells Fargo respectfully refers the Court to that document for a complete and  
22 accurate description of its contents, and otherwise denies.

23 157. In response to the first sentence of paragraph 157, Wells Fargo states that it is without  
24 knowledge or information sufficient to form a belief as to the truth of this sentence, and therefore denies  
25 the allegations in this sentence. The second and third sentences of paragraph 157 purport to characterize  
26 and quote a July 28, 2017 Piper Jaffray report, and Wells Fargo respectfully refers the Court to that  
27 document for a complete and accurate description of its contents, and otherwise denies.

28

1 158. Paragraph 158 purports to characterize and quote statements made by an analyst, and Wells  
2 Fargo respectfully refers the Court to a transcript of those statements for a complete and accurate  
3 description of its contents, and otherwise denies.

4 159. Paragraph 159 purports to characterize and quote a July 28, 2017 Evercore ISI report, and  
5 Wells Fargo respectfully refers the Court to that document for a complete and accurate description of its  
6 contents, and otherwise denies.

7 160. In response to paragraph 160, Wells Fargo admits that, on the NYSE, the closing price of  
8 Wells Fargo's stock was \$54.71 on July 27, 2017, that Wells Fargo stock traded as low as \$53.18 on  
9 July 28, 2017, that Wells Fargo stock closed at \$53.30 on July 28, 2017, and that the volume of trading  
10 on July 28, 2017 was more than 32.5 million shares, and otherwise denies.

11 161. Paragraph 161 purports to characterize and quote a July 28, 2017 *Reuters* article, and Wells  
12 Fargo respectfully refers the Court to that document for a complete and accurate description of its contents,  
13 and otherwise denies.

14 162. Paragraph 162 purports to characterize and quote a July 28, 2017 *Reuters* article, and Wells  
15 Fargo respectfully refers the Court to that document for a complete and accurate description of its contents,  
16 and otherwise denies.

17 163. Paragraph 163 purports to characterize and quote a July 28, 2017 *Las Cruces Sun News*  
18 article, and Wells Fargo respectfully refers the Court to that document for a complete and accurate  
19 description of its contents, and otherwise denies.

20 164. Paragraph 164 purports to characterize and quote a July 31, 2017 J.P. Morgan report, and  
21 Wells Fargo respectfully refers the Court to that document for a complete and accurate description of its  
22 contents, and otherwise denies.

23 165. Paragraph 165 purports to characterize and quote a July 31, 2017 CNBC article, and Wells  
24 Fargo respectfully refers the Court to that document for a complete and accurate description of its contents,  
25 and otherwise denies.

26 166. Paragraph 166 purports to characterize and quote an August 4, 2017 *Wall Street Journal*  
27 article, and Wells Fargo respectfully refers the Court to that document for a complete and accurate  
28 description of its contents, and otherwise denies.

1 167. Paragraph 167 purports to characterize and quote an August 4, 2017 *Wall Street Journal*  
2 article, and Wells Fargo respectfully refers the Court to that document for a complete and accurate  
3 description of its contents, and otherwise denies.

4 168. Paragraph 168 purports to characterize and quote Wells Fargo's 2Q 2017 Form 10-Q, and  
5 Wells Fargo respectfully refers the Court to that filing for a complete and accurate description of its  
6 contents, and otherwise denies.

7 169. Paragraph 169 purports to characterize and quote Wells Fargo's 2Q 2017 Form 10-Q, and  
8 Wells Fargo respectfully refers the Court to that filing for a complete and accurate description of its  
9 contents, and otherwise denies.

10 170. In response to paragraph 170, Wells Fargo admits that it disclosed certain legal matters in  
11 a "Legal Actions" section of its quarterly filings, and otherwise states that paragraph 170 purports to  
12 describe the contents of Wells Fargo's quarterly filings, and Wells Fargo respectfully refers the Court to  
13 those filings for a complete and accurate description of their contents, and otherwise denies.

14 171. Paragraph 171 purports to characterize and quote Wells Fargo's 2Q 2017 Form 10-Q, and  
15 Wells Fargo respectfully refers the Court to that filing for a complete and accurate description of its  
16 contents, and otherwise denies, except admits that the 2Q 2017 Form 10-Q included a subsection in the  
17 Legal Actions section entitled Auto Lending Matters.

18 172. In response to paragraph 172, Wells Fargo denies, except admits that on August 4, 2017,  
19 Wells Fargo issued its Form 10-Q for the second quarter of 2017 and stated in that Form 10-Q that the  
20 high end of the range of reasonably possible potential losses in excess of the Company's accrual for  
21 probable and estimable losses was approximately \$3.3 billion as of June 30, 2017, and that on  
22 November 3, 2016, Wells Fargo issued its Form 10-Q for the third quarter of 2016 and stated in that  
23 Form 10-Q that the high end of the range of reasonably possible potential losses in excess of the  
24 Company's accrual for probable and estimable losses was approximately \$1.7 billion as of September 30,  
25 2016. Wells Fargo respectfully refers the Court to the August 4, 2017 and November 3, 2016 filings for  
26 a complete and accurate description of their contents.

1           173. Paragraph 173 purports to characterize and quote an August 4, 2017 UBS report, and Wells  
2 Wells Fargo respectfully refers the Court to that document for a complete and accurate description of its contents,  
3 and otherwise denies.

4           174. In response to paragraph 174, Wells Fargo admits that, on the NYSE, the closing price of  
5 Wells Fargo's stock was \$52.84 on August 4, 2017, that Wells Fargo stock traded as low as \$51.91 on  
6 August 4, 2017, and that the volume of trading on August 4, 2017 was more than 44.6 million shares, and  
7 otherwise denies.

8           175. Paragraph 175 purports to characterize and quote an August 7, 2017 *New York Times*  
9 article, and Wells Fargo respectfully refers the Court to that document for a complete and accurate  
10 description of its contents, and otherwise denies.

11           176. Paragraph 176 purports to characterize and quote an August 8, 2017 *Reuters* article, and  
12 Wells Fargo respectfully refers the Court to that document for a complete and accurate description of its  
13 contents, and otherwise denies.

14           177. The first sentence of paragraph 177 purports to characterize and quote an August 10, 2017  
15 *Wall Street Journal* article, and Wells Fargo respectfully refers the Court to that document for a complete  
16 and accurate description of its contents, and otherwise denies. The second and third sentences of  
17 paragraph 177 purport to characterize and quote Wells Fargo's 2Q 2017 Form 10-Q, and Wells Fargo  
18 respectfully refers the Court to that filing for a complete and accurate description of its contents, and  
19 otherwise denies. The fourth sentence of paragraph 177 appears to characterize and quote an April 7,  
20 2017 Wells Fargo press release, and Wells Fargo respectfully refers the Court to that document for a  
21 complete and accurate description of its contents, and otherwise denies. The fifth and sixth sentences of  
22 paragraph 177 purport to characterize and quote an August 15, 2017 Wells Fargo press release, and Wells  
23 Fargo respectfully refers the Court to that document for a complete and accurate description of its contents,  
24 and otherwise denies, except admits that the press release announced that directors Sanger, Milligan, and  
25 Swenson would retire at year-end 2017, that Milligan joined the Board in 1992, and that Swenson joined  
26 the Board in 1998.

27           178. In response to the first sentence of paragraph 178, Wells Fargo admits that Sloan testified  
28 before the U.S. Senate Committee on Banking, Housing, and Urban Affairs on October 3, 2017, and

1 otherwise denies. The second sentence of paragraph 178 purports to characterize and quote Sloan's  
2 testimony, and Wells Fargo respectfully refers the Court to the hearing transcript for a complete and  
3 accurate description of its contents, and otherwise denies.

4 179. Paragraph 179 purports to characterize and quote a hearing of the U.S. Senate Committee  
5 on Banking, Housing, and Urban Affairs on October 3, 2017, and Wells Fargo respectfully refers the Court  
6 to the hearing transcript for a complete and accurate description of its contents, and otherwise denies.

7 180. Paragraph 180 purports to characterize and quote a hearing of the U.S. Senate Committee  
8 on Banking, Housing, and Urban Affairs on October 3, 2017, and Wells Fargo respectfully refers the Court  
9 to the hearing transcript for a complete and accurate description of its contents, and otherwise denies.

10 181. In response to the first and second sentences of paragraph 181, Wells Fargo admits that, on  
11 April 20, 2018, Wells Fargo Bank, N.A. entered into consent orders with the OCC and CFPB addressing  
12 matters pertaining to CPI placed on certain auto loans, among others, and requiring that Wells Fargo pay  
13 \$1 billion in total civil money penalties, and otherwise denies. The third and fourth sentences of paragraph  
14 181 purport to characterize and quote the CFPB and OCC Consent Orders, and Wells Fargo respectfully  
15 refers the Court to those documents for a complete and accurate description of their contents, and  
16 otherwise denies.

17 182. In response to paragraph 182, Wells Fargo states that it contains legal conclusions to which  
18 no response is required. To the extent that any further response is required, Wells Fargo denies.

19 183. The first sentence of Paragraph 183 purports to characterize and quote a July 27, 2017 *New*  
20 *York Times* article, and Wells Fargo respectfully refers the Court to that document for a complete and  
21 accurate description of its contents, and otherwise denies. The second sentence of Paragraph 183 purports  
22 to characterize a July 27, 2017 press release, and Wells Fargo respectfully refers the Court to that  
23 document for a complete and accurate description of its contents, and otherwise denies.

24 184. In response to paragraph 184, Wells Fargo states that it contains legal conclusions to which  
25 no response is required. To the extent that any further response is required, in response to the first and  
26 second sentences of paragraph 184, Wells Fargo admits that, on the NYSE, the closing price of Wells  
27 Fargo stock was \$54.71 on July 27, 2017, the closing price of Wells Fargo stock was \$53.30 and traded  
28 as low as \$53.18 on July 28, 2017 and that the volume of trading on July 28, 2017 was more than 32.5



1 million shares, and otherwise denies. To the extent any further response is required, the third sentence of  
2 paragraph 184 purports to characterize and quote statements made by unidentified commentators, and  
3 Wells Fargo respectfully refers the Court to a transcript of those statements for a complete and accurate  
4 description of its contents, and otherwise denies.

5 185. Paragraph 185 contains legal conclusions to which no response is required. To the extent  
6 that any further response is required, Wells Fargo denies.

7 186. Paragraph 186 includes allegations pertaining to the Dismissed Claims, to which no  
8 response is required. To the extent that any further response is required, paragraph 186 purports to  
9 characterize an August 4, 2017 Wells Fargo filing and purports to characterize and quote an August 4,  
10 2017 *Wall Street Journal* article, and Wells Fargo respectfully refers the Court to those documents for a  
11 complete and accurate description of their contents, and otherwise denies.

12 187. In response to paragraph 187, Wells Fargo states that it contains legal conclusions to which  
13 no response is required. To the extent that any further response is required, Wells Fargo admits that, on  
14 the NYSE, the closing price of Wells Fargo's stock was \$52.84 on August 4, 2017, that Wells Fargo stock  
15 traded as low as \$51.91 on August 4, 2017 and that the volume of trading on August 4, 2017 was more  
16 than 44.6 million shares, and otherwise denies.

17 188. In response to paragraph 188, Wells Fargo states that it contains legal conclusions to which  
18 no response is required. To the extent that any further response is required, Wells Fargo denies.

19 189. In response to paragraph 189, Wells Fargo states that it contains legal conclusions to which  
20 no response is required. To the extent that any further response is required, Wells Fargo denies.

21 190. In response to paragraph 190, Wells Fargo states that it contains legal conclusions to which  
22 no response is required. To the extent that any further response is required, Wells Fargo denies.

23 191. In response to paragraph 191, Wells Fargo states that it contains legal conclusions to which  
24 no response is required. To the extent that any further response is required, Wells Fargo admits that Wells  
25 Fargo common stock was listed on the NYSE, Wells Fargo filed reports with the SEC, Wells Fargo has  
26 communicated with public investors and the financial press, and that Wells Fargo was followed by certain  
27 securities analysts, and otherwise denies.

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1 192. In response to paragraph 192, Wells Fargo states that it contains legal conclusions to which  
2 no response is required. To the extent that any further response is required, Wells Fargo denies.

3 193. In response to paragraph 193, Wells Fargo states that it contains legal conclusions to which  
4 no response is required. To the extent that any further response is required, Wells Fargo denies.

5 194. In response to paragraph 194, Wells Fargo states that it contains legal conclusions to which  
6 no response is required. To the extent that any further response is required, Wells Fargo admits that  
7 paragraph 194 purports to characterize and quote 15 U.S.C. § 78u-5 and respectfully refers the Court to  
8 that statute for a complete and accurate description of its contents, and otherwise denies.

9 195. In response to paragraph 195, Wells Fargo states that it contains legal conclusions to which  
10 no response is required. To the extent that any further response is required, paragraph 195 purports to  
11 characterize 15 U.S.C. § 78u-5 and Wells Fargo respectfully refers the Court to that statute for a complete  
12 and accurate description of its contents, and otherwise denies.

13 196. In response to paragraph 196, Wells Fargo states that it contains legal conclusions to which  
14 no response is required. To the extent that any further response is required, paragraph 196 purports to  
15 characterize 15 U.S.C. § 78u-5 and Wells Fargo respectfully refers the Court to that statute for a complete  
16 and accurate description of its contents, and otherwise denies.

17 197. In response to paragraph 197, Wells Fargo states that it contains legal conclusions to which  
18 no response is required. To the extent that any further response is required, paragraph 197 purports to  
19 characterize 15 U.S.C. § 78u-5 and Wells Fargo respectfully refers the Court to that statute for a complete  
20 and accurate description of its contents, and otherwise denies.

21 198. In response to paragraph 198, Wells Fargo states that it contains legal conclusions to which  
22 no response is required. To the extent that any further response is required, paragraph 198 purports to  
23 characterize 15 U.S.C. § 78u-5 and Wells Fargo respectfully refers the Court to that statute for a complete  
24 and accurate description of its contents, and otherwise denies.

25 199. In response to paragraph 199, Wells Fargo states that it contains legal conclusions to which  
26 no response is required. To the extent that any further response is required, Wells Fargo denies.

27 200. In response to paragraph 200, Wells Fargo states that it contains legal conclusions to which  
28 no response is required. To the extent that any further response is required, paragraph 200 purports to

1 characterize 15 U.S.C. § 78u-5 and Wells Fargo respectfully refers the Court to that statute for a complete  
2 and accurate description of its contents, and otherwise denies.

3 201. In response to paragraph 201, Wells Fargo states that it contains legal conclusions to which  
4 no response is required. To the extent that any further response is required, Wells Fargo admits that  
5 Plaintiff has filed a federal securities action on behalf of a putative class, but otherwise denies.

6 202. In response to paragraph 202, Wells Fargo states that it contains legal conclusions to which  
7 no response is required. To the extent that any further response is required, Wells Fargo admits that Wells  
8 Fargo stock is listed on the NYSE and there were approximately five billion shares outstanding as of  
9 July 26, 2017, but otherwise denies.

10 203. In response to paragraph 203, Wells Fargo states that it contains legal conclusions to which  
11 no response is required. To the extent that any further response is required, Wells Fargo denies.

12 204. In response to paragraph 204, Wells Fargo states that it contains legal conclusions to which  
13 no response is required. To the extent that any further response is required, Wells Fargo denies.

14 205. In response to paragraph 205, Wells Fargo states that it contains legal conclusions to which  
15 no response is required. To the extent that any further response is required, Wells Fargo denies.

16 206. In response to paragraph 206, Wells Fargo states that it contains legal conclusions to which  
17 no response is required. To the extent that any further response is required, Wells Fargo denies.

18 207. To the extent that a response to paragraph 207 is required, Wells Fargo incorporates its  
19 responses to paragraphs 1 through 206 as if fully set forth herein.

20 208. In response to paragraph 208, Wells Fargo states that it contains legal conclusions to which  
21 no response is required. To the extent that any further response is required, Wells Fargo denies.

22 209. In response to paragraph 209, Wells Fargo states that it contains legal conclusions to which  
23 no response is required. To the extent that any further response is required, Wells Fargo denies.

24 210. In response to paragraph 210, Wells Fargo states that it contains legal conclusions to which  
25 no response is required. To the extent that any further response is required, Wells Fargo denies.

26 211. In response to paragraph 211, Wells Fargo states that it contains legal conclusions to which  
27 no response is required. To the extent that any further response is required, Wells Fargo denies.

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1 212. To the extent that a response to paragraph 212 is required, Wells Fargo incorporates its  
2 responses to paragraphs 1 through 206 as if fully set forth herein.

3 213. Paragraph 213 includes allegations pertaining to the Dismissed Claims, to which no  
4 response is required. To the extent that any further response is required, Wells Fargo states that this  
5 paragraph contains legal conclusions to which no response is required. To the extent that any further  
6 response is required, Wells Fargo denies.

7 Plaintiff’s Complaint contains an unnumbered paragraph with subparts A through D  
8 containing a prayer for relief, to which no response is required. To the extent a response is required, Wells  
9 Fargo denies that Plaintiff is entitled to any relief in this action.

10 Plaintiff’s Complaint contains an unnumbered paragraph containing Plaintiff’s jury  
11 demand, to which no response is required. To the extent a response is required, Wells Fargo denies that  
12 Plaintiff is entitled to any relief in this action, and thus no jury is required.

13 **AFFIRMATIVE DEFENSES**

14 As separate defenses to the Complaint and the causes of actions asserted against Wells  
15 Fargo therein (the “Causes of Action”), and without assuming the burden of proof on matters as to which  
16 it has no such burden, Wells Fargo states as follows:

17 **FIRST DEFENSE**

18 **(Failure to State a Cause of Action Upon Which Relief May Be Granted)**

19 The Complaint and the Causes of Action asserted therein fail to state facts sufficient to  
20 constitute a cause of action against Wells Fargo.

21 **SECOND DEFENSE**

22 **(No Causation)**

23 Plaintiff and putative class members are not entitled to any recovery because no act or  
24 omission attributed to Wells Fargo in the Complaint was the actual or proximate cause of any injury  
25 suffered by Plaintiff or putative class members.

1 **THIRD DEFENSE**

2 **(No False or Misleading Statements of Material Fact or Omissions)**

3 Plaintiff and putative class members are not entitled to any recovery because the documents  
4 quoted in the Complaint did not contain any untrue statement of material fact, and did not omit to state  
5 any material fact required to be stated or necessary to make the statements made not misleading.

6 **FOURTH DEFENSE**

7 **(Lack of Scienter)**

8 Wells Fargo lacked the requisite scienter, including specific intent to deceive, and/or  
9 willfulness, necessary to establish violations of the securities laws.

10 **FIFTH DEFENSE**

11 **(Good Faith)**

12 Plaintiff's and putative class members' claims are barred, in whole or in part, because  
13 Wells Fargo acted in good faith, including reasonably relying upon the advice of others.

14 **SIXTH DEFENSE**

15 **(Lack of Knowledge Regarding Omission)**

16 Wells Fargo did not know, and in the exercise of reasonable care could not have known,  
17 that any statement made by Wells Fargo contained an untrue statement of material fact or an omission of  
18 a material fact necessary in order to make the statements, in light of the circumstances under which they  
19 were made, not misleading.

20 **SEVENTH DEFENSE**

21 **(No Reliance)**

22 Plaintiff's and putative class members' claims are barred in whole or in part because  
23 Plaintiff and putative class members did not and could not have reasonably and/or justifiably relied on the  
24 alleged misstatements or omissions alleged in the Complaint.

1 **EIGHTH DEFENSE**

2 **(Lead Plaintiff Not Adequate or Typical)**

3 The claims and Causes of Action brought on behalf of a putative class are barred in whole  
4 or in part because the named Lead Plaintiff does not meet the adequacy or typicality requirements of Rule  
5 23.

6 **NINTH DEFENSE**

7 **(Lead Plaintiff Improper under Rule 23)**

8 Lead Plaintiff's claims are improperly brought, and cannot be maintained as a class action  
9 pursuant to Rule 23 of the Federal Rules of Civil Procedure.

10 **TENTH DEFENSE**

11 **(Lack of Standing)**

12 Lead Plaintiff's and putative class members' claims are barred, in whole or in part, because  
13 Lead Plaintiff and putative class members lack standing to pursue some or all of their claims against  
14 Defendant.

15 **ELEVENTH DEFENSE**

16 **(No Duty)**

17 Plaintiff's and putative class members' claims are barred in whole or in part because  
18 Defendants neither owed nor breached any duty to Plaintiff or putative class members to disclose  
19 information allegedly omitted from any statement alleged in the Complaint, and had no duty to verify,  
20 opine upon, audit, review, or correct such information.

21 **TWELFTH DEFENSE**

22 **(Immateriality)**

23 Plaintiff's and putative class members' claims are barred in whole or in part because the  
24 allegedly untrue statements of material fact and/or omissions of material fact were not material to the  
25 investment decisions of a reasonable investor.

1 **THIRTEENTH DEFENSE**

2 **(Non-Actionable Statements)**

3 Plaintiff's and putative class members' claims are barred in whole or in part because the  
4 alleged misstatements are non-actionable statements that contain expressions of opinion that were truly  
5 held at the time they were made.

6 **FOURTEENTH DEFENSE**

7 **(Failure to Mitigate)**

8 Plaintiff's and putative class members' claims are barred in whole or in part because  
9 Plaintiff and putative class members failed to make reasonable efforts to mitigate their alleged injury or  
10 damage, which efforts would have prevented all or part of any such alleged injury or damage.

11 **FIFTEENTH DEFENSE**

12 **(Equitable Defenses)**

13 Plaintiff's and putative class members' claims are barred, in whole or in part, by the  
14 doctrine of laches, equitable estoppel, waiver, or other equitable defenses.

15 **SIXTEENTH DEFENSE**

16 **(Class Not Ascertainable)**

17 This action cannot be maintained as a class action because the class is not ascertainable.

18 **SEVENTEENTH DEFENSE**

19 **(Class Lacks Commonality)**

20 This action cannot be maintained as a class action because Lead Plaintiff cannot satisfy the  
21 commonality requirement of Rule 23 of the Federal Rules of Civil Procedure.

22 **EIGHTEENTH DEFENSE**

23 **(Individual Issues Predominate)**

24 This action cannot be maintained as a class action because individual issues predominate  
25 over issues common to the putative class.

1 **NINETEENTH DEFENSE**

2 **(Class Conflict)**

3 This action cannot be maintained as a class action because the interests of the putative class  
4 members are in conflict with each other.

5 **TWENTIETH DEFENSE**

6 **(Class Action Not Superior)**

7 This action cannot be maintained as a class action because a class action is not a superior  
8 means of adjudication.

9 **TWENTY-FIRST DEFENSE**

10 **(Overly Broad Class Period)**

11 The putative class period is overly broad and, therefore, many, if not all, of the putative  
12 class members are not entitled to any recovery.

13 **TWENTY-SECOND DEFENSE**

14 **(Reservation of Rights)**

15 Wells Fargo reserves the right to raise any additional defenses, counterclaims, cross claims,  
16 and third-party claims not asserted herein of which it may become aware through discovery or other  
17 investigation, and will amend or modify its answer accordingly. Wells Fargo further reserves the right to  
18 withdraw defenses that it determines are not applicable during the course of discovery and other  
19 proceedings in this action.

20 **PRAAYER FOR RELIEF**

21 WHEREFORE, Wells Fargo prays for relief and judgment, as follows:

- 22 A. That judgment be entered in favor of Wells Fargo;
- 23 B. That Plaintiff takes nothing by reason of the claims and Causes of Action asserted herein;
- 24 C. That the Complaint, and the Causes of Action against Wells Fargo, be dismissed with  
25 prejudice;
- 26 D. For Wells Fargo's costs of suit, including attorneys' fees incurred in defense of this action;  
27 and
- 28 E. For such other and further relief as the Court may deem just and proper.



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Dated: February 28, 2020

/s/ Brendan P. Cullen  
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