

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

PURPLE MOUNTAIN TRUST, Individually and on ) Behalf of All Others Similarly Situated, )  Plaintiff, )	)	Case No. 3:18-cv-03948-JD
vs. )	)	<u>CLASS ACTION</u>
WELLS FARGO & COMPANY, et al., )  Defendants. )	)	

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**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION**

**A Federal Court Authorized This Notice. This Is Not a Solicitation from a Lawyer.**

**NOTICE OF PENDENCY OF CLASS ACTION:** Please be advised that your rights may be affected by the above-captioned class action lawsuit pending in this Court (the “Action”) if you purchased or acquired the common stock of Wells Fargo & Company (“Wells Fargo” or the “Company”) from November 3, 2016 through August 3, 2017, inclusive (the “Class Period”).

**NOTICE OF SETTLEMENT:** Please also be advised that lead plaintiff Construction Laborers Pension Trust for Southern California (“Lead Plaintiff”), on behalf of the Class (as defined in ¶1 below), has reached a proposed settlement of the Action for a total of \$300 million in cash that will resolve all claims in the Action (the “Settlement”).

**This Notice explains important rights you may have, including your possible receipt of cash from the Settlement. Your legal rights will be affected whether or not you act. Please read this Notice carefully.**

1. **Description of the Action and the Class:** This Notice relates to a proposed Settlement of a class action lawsuit pending against the following defendants: Wells Fargo and Timothy J. Sloan (“Defendants”) (collectively, with Lead Plaintiff, the “Settling Parties”). The proposed Settlement, if approved by the Court, will apply to the following Class (the “Class”): all Persons and entities who purchased or otherwise acquired the common stock of Wells Fargo during the period from November 3, 2016 through August 3, 2017, inclusive, and were damaged thereby. Excluded from the Class are Defendants, present or former executive officers of Wells Fargo and their immediate family members (as defined in 17 C.F.R. §229.404, Instructions (1)(a)(iii) and (1)(b)(ii)). Notwithstanding the foregoing exclusions, no Investment Vehicle shall be excluded from the Settlement Class. Anyone who previously validly excluded themselves from the class certified by the Court is not a member of the Settlement Class. Anyone with questions as to whether or not they are excluded from the Class may call the Claims Administrator toll-free at 1-888-416-6687.

2. **Statement of Class’s Recovery:** Subject to Court approval, and as described more fully in ¶¶46-51 below, Lead Plaintiff, on behalf of the Class, has agreed to settle all Released Claims (as defined in ¶47 below) against Defendants and other Released Defendant Parties (as defined in ¶49 below) in exchange for a settlement payment of \$300 million in cash (the “Settlement Amount”) to be deposited into an escrow account. The Net Settlement Fund (the Settlement Fund less Taxes and Tax Expenses, Notice and Administration Expenses, and attorneys’ fees and litigation expenses) will be distributed in accordance with a plan of allocation (the “Plan of Allocation”) that will be approved by the Court and will determine how the Net Settlement Fund shall be distributed to members of the Class. The Plan of Allocation is a basis for determining the relative positions of Class Members for purposes of allocating the Net Settlement Fund. The proposed Plan of Allocation is included in this Notice, and may be modified by the Court without further notice.

3. **Statement of Average Distribution Per Share:** The Settlement Fund consists of the \$300 million Settlement Amount plus interest earned. Assuming all potential Class Members elect to participate, the estimated average recovery is \$0.66 per damaged share before fees and expenses. Class Members may recover more or less than this amount depending on, among other factors, the aggregate value of the Recognized Claims represented by valid and acceptable Claim Forms as explained in the Plan of Allocation; when their shares were purchased or acquired and the price at the time of purchase or acquisition; whether the shares were sold, and if so, when they were sold and for how much. In addition, the actual recovery of Class Members may be further reduced by the payment of fees and costs from the Settlement Fund, as approved by the Court.

4. **Statement of the Parties' Position on Damages:** Defendants deny all claims of wrongdoing, that they engaged in any wrongdoing, that they are liable to Lead Plaintiff and/or the Class and that Lead Plaintiff or other members of the Class suffered any injury. Moreover, the parties do not agree on the amount of recoverable damages if Lead Plaintiff was to prevail on each of the claims. The issues on which the parties disagree include, but are not limited to, whether: (i) the statements made or facts allegedly omitted were material, false or misleading; (ii) Defendants are otherwise liable under the securities laws for those statements or omissions or any alleged scheme to defraud; and (iii) all or part of the damages allegedly suffered by members of the Class were caused by economic conditions or factors other than the allegedly false or misleading statements or omissions.

5. **Statement of Attorneys' Fees and Expenses Sought:** Lead Counsel will apply to the Court for an award of attorneys' fees from the Settlement Fund of no more than 25% of the Settlement Amount, plus interest earned at the same rate and for the same period as earned by the Settlement Fund. In addition, Lead Counsel also will apply to the Court for payment from the Settlement Fund for Lead Counsel's litigation expenses (reasonable expenses or charges of Lead Counsel in connection with commencing and prosecuting the Action), in a total amount not to exceed \$2 million, plus interest earned at the same rate and for the same period as earned by the Settlement Fund. If the Court approves Lead Counsel's fee and expense application, the estimated average cost per damaged share is \$0.17. In addition, Lead Counsel will apply for an award to Lead Plaintiff Construction Laborers Pension Trust for Southern California in an amount not to exceed \$15,000.00 pursuant to 15 U.S.C. §78u-4(a)(4) in connection with its representation of the Class.

6. **Identification of Attorneys' Representatives:** Lead Plaintiff and the Class are being represented by Robbins Geller Rudman & Dowd LLP ("Lead Counsel"). Any questions regarding the Settlement should be directed to Scott H. Saham, Esq., at Robbins Geller Rudman & Dowd LLP, 655 W. Broadway, Suite 1900, San Diego, CA 92101, 1-800-449-4900, settlementinfo@rgrdlaw.com.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT</b>	
<b>DO NOTHING</b>	Get no payment. Remain a Class Member. Give up your rights.
<b>REMAIN A MEMBER OF THE CLASS AND SUBMIT A CLAIM FORM POSTMARKED OR SUBMITTED ONLINE NO LATER THAN AUGUST 21, 2023</b>	This is the only way to be potentially eligible to receive a payment. If you wish to obtain a payment as a member of the Class, you will need to file a claim form (the "Claim Form" or "Proof of Claim Form"), postmarked or submitted online no later than August 21, 2023.
<b>OBJECT TO THE SETTLEMENT SO THAT IT IS FILED OR POSTMARKED NO LATER THAN JULY 27, 2023</b>	Write to the Court about your view on the Settlement, or why you do not think the Settlement is fair to the Class.  If you did not exclude yourself from the Class by January 26, 2023, you may object to the Settlement, the Plan of Allocation, or the request for attorneys' fees and litigation expenses. You must still submit a Claim Form in order to be potentially eligible to receive any money from the Settlement Fund.
<b>GO TO THE HEARING ON AUGUST 17, 2023, AT 10:00 A.M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS FILED OR POSTMARKED NO LATER THAN JULY 27, 2023</b>	Ask to speak in Court about the fairness of the Settlement, the proposed Plan of Allocation, or the request for attorneys' fees and litigation expenses.

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## WHY DID I GET THIS NOTICE?

7. The purpose of this Notice is to inform you about: (i) this Action, (ii) the terms of the proposed Settlement, and (iii) your rights in connection with a hearing to be held before the United States District Court, Northern District of California (the “Court”), on August 17, 2023, at 10:00 a.m., to consider the fairness, reasonableness, and adequacy of the Settlement and related matters. This Notice also describes the steps to be taken by those who wish to seek to be potentially eligible to share in the distribution of the Net Settlement Fund in the event the Settlement is approved by the Court.

8. A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thus providing the class members with both consistency and efficiency. In a class action lawsuit, the Court selects one or more people, known as class representatives, to sue on behalf of all people with similar claims, commonly known as the class or the class members. In the Action, the Court has certified the Class and appointed Lead Plaintiff Construction Laborers Pension Trust for Southern California as the representative of the Class and Lead Counsel as Class Counsel.

9. The Court in charge of this case is the United States District Court for the Northern District of California, and the case is known as *Purple Mountain Tr. v. Wells Fargo & Co., et al.*, No. 3:18-cv-03948-JD (N.D. Cal.). The judge presiding over this case is the Honorable James Donato, United States District Judge. The institution which is suing is called Lead Plaintiff, and those who are being sued are called Defendants. In this case, the Defendants are Wells Fargo and Timothy J. Sloan.

10. This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them. The purpose of this Notice is to inform you of this case, that it is a class action, and how you might be affected. It also informs you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the proposed Settlement, the proposed Plan of Allocation, and the application by Lead Counsel for attorneys’ fees and litigation expenses (the “Settlement Hearing”).

11. The Settlement Hearing will be held on August 17, 2023, at 10:00 a.m., before the Honorable James Donato, at the United States District Court, Northern District of California, Courtroom 11 – 19th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102, for the following purposes:

- (a) to determine whether the proposed Settlement on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate and should be approved by the Court;
- (b) to determine whether the Judgment as provided for under the Stipulation of Settlement dated February 6, 2023 (the “Stipulation”) should be entered;
- (c) to determine whether the proposed Plan of Allocation for the net proceeds of the Settlement is fair and reasonable and should be approved by the Court;
- (d) to determine whether the application by Lead Counsel for an award of attorneys’ fees and litigation expenses should be approved; and
- (e) to rule upon such other matters as the Court may deem appropriate.

12. This Notice does not express any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payments to Authorized Claimants will be made after any appeals are resolved, and after the completion of all claims processing. This process takes time. Please be patient.

## WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?

13. Lead Plaintiff alleges that during the period from November 3, 2016 through August 3, 2017, Defendants made materially false or misleading statements in violation of §§10(b) and 20(a) of the Securities Exchange Act of 1934 (“Exchange Act”) and Rule 10b-5 promulgated thereunder, which caused the price of Wells Fargo stock to trade at artificially inflated prices. Specifically, Lead Plaintiff alleges that Wells Fargo concealed that it improperly force-placed unneeded Collateral Protection Insurance (“CPI”) on hundreds of thousands of its customers and failed to refund unearned guaranteed auto protection (“GAP”) premiums to tens of thousands of customers, causing more than 20,000 of its customers to have their cars repossessed. Lead Plaintiff further alleges that the Company knew of these issues but never disclosed them to investors or the public. Lead Plaintiff alleges that the facts did not come to light until they were published by the *New York Times* in July of 2017. Lead Plaintiff alleges that persons who purchased Wells Fargo stock during the Class Period suffered economic losses when the price of Wells Fargo stock declined as a result of two alleged corrective disclosures that revealed the CPI and GAP issues to investors.

14. On August 31, 2018, Lead Plaintiff filed its Consolidated Complaint for Violation of the Federal Securities Laws (“Complaint”). On November 2, 2018, Defendants moved to dismiss this Complaint, which was opposed by Lead Plaintiff. On January 10, 2020, the Court entered an order granting in part and denying in part the motion to dismiss. Defendants answered the Complaint on February 28, 2020.

15. The parties conducted extensive discovery which included the exchange of more than 505,000 pages of documents, 19 fact witness depositions and 152 pages of admissions and sworn interrogatory responses. On October 15, 2020, Lead Plaintiff moved to certify the class. Following full briefing, on August 15, 2022, the Court granted the motion. Notice of Pendency was emailed and mailed (where no email was available) to the Class beginning on November 18, 2022.

16. On January 14, 2022, Lead Defendants moved for summary judgment. Defendants also moved to exclude or strike portions of the testimony of all Lead Plaintiff's experts. Lead Plaintiff filed its oppositions to each of these motions on February 23, 2022. The parties also engaged in extensive meet-and-confer discussions regarding the scope of admissible evidence at trial, and the parties began briefing motions *in limine*. The parties, among other things, also exchanged trial exhibits and began preparing deposition designations, proposed jury instructions, and verdict forms.

17. In the course of the Action, the Settling Parties engaged the services of the Honorable Layn R. Phillips (Ret.), a nationally recognized mediator. The Settling Parties engaged in settlement discussions with Judge Phillips on multiple occasions and ultimately an agreement was reached to settle the Action for \$300 million.

#### **HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?**

18. If you are a member of the Class, you are subject to the Settlement unless you timely requested to be excluded. The Class consists of all Persons and entities who purchased or otherwise acquired the common stock of Wells Fargo during the period from November 3, 2016 through August 3, 2017, inclusive, and were damaged thereby. Excluded from the Class are Defendants, present or former executive officers of Wells Fargo and their immediate family members (as defined in 17 C.F.R. §229.404, Instructions (1)(a)(iii) and (1)(b)(ii)). Notwithstanding the foregoing exclusions, no Investment Vehicle shall be excluded from the Settlement Class. Anyone with questions as to whether or not they are excluded from the Class may call the Claims Administrator toll-free at 1-888-416-6687.

RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU ARE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU WISH TO BE POTENTIALLY ELIGIBLE TO RECEIVE A DISTRIBUTION OF THE SETTLEMENT PROCEEDS, YOU MUST COMPLETE, SIGN, AND SUBMIT THE ENCLOSED CLAIM FORM POSTMARKED NO LATER THAN AUGUST 21, 2023. YOU MAY ALSO SUBMIT A CLAIM FORM ONLINE AT [WWW.WELLSFARGO2018SECURITIESLITIGATION.COM](http://WWW.WELLSFARGO2018SECURITIESLITIGATION.COM) BY AUGUST 21, 2023.

#### **WHAT ARE LEAD PLAINTIFF'S REASONS FOR THE SETTLEMENT?**

19. Lead Plaintiff and Lead Counsel believe that the claims asserted against Defendants have merit. Lead Plaintiff and Lead Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against Defendants through trial and appeals, as well as the difficulties in establishing liability and damages. Lead Plaintiff and Lead Counsel have considered the amount of the Settlement, as well as the uncertain outcome and risk in complex lawsuits like this one. Such risks include, in particular, the risk that the pending motion for summary judgment would be granted and the risk, among others, that Lead Plaintiff would be unsuccessful in proving that Defendants' alleged misstatements were materially false and misleading, made with scienter (that is, the requisite state of mind), or caused compensable damages to the Class.

20. In light of the amount of the Settlement and the immediacy of recovery to the Class, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Class. Lead Plaintiff and Lead Counsel believe that the Settlement provides a substantial benefit now, namely \$300 million in cash (less the various deductions described in this Notice), as compared to the risk that the claims would produce a smaller recovery, or no recovery after resolution of Defendants' pending summary judgment motion, trial and appeals, possibly years in the future.

21. Defendants have denied and continue to deny each and all of the claims alleged by Lead Plaintiff in the Action. Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Action. Defendants also have denied and continue to deny, among other things, the allegations that Lead Plaintiff or the Class have suffered any damage, that Lead Plaintiff or the Class was harmed by the conduct alleged in the Action, or that the Action is properly certifiable as a class action.

## WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

22. If there were no Settlement and Lead Plaintiff failed to establish any essential legal or factual element of the alleged claims, neither Lead Plaintiff nor the Class would recover anything from Defendants. Also, if Defendants were successful in proving any of their defenses, the Class likely would recover substantially less than the amount provided in the Settlement, or nothing at all.

## HOW MUCH WILL MY PAYMENT BE?

23. Defendants have agreed to cause to be paid Three Hundred Million Dollars (\$300,000,000.00) in cash into escrow for the benefit of the Class. At this time, it is not possible to make any determination as to how much individual Class Members may receive from the Settlement. Lead Plaintiff has proposed a plan for allocating the Net Settlement Fund to those Class Members who timely submit valid Proof of Claim Forms. The Plan of Allocation proposed by Lead Plaintiff is set forth below, and additional information is available on the case-specific website, [www.WellsFargo2018SecuritiesLitigation.com](http://www.WellsFargo2018SecuritiesLitigation.com).

24. Payment pursuant to the Plan of Allocation shall be conclusive against all Authorized Claimants. No person or entity shall have any claim based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further order(s) of the Court against Lead Counsel, Lead Plaintiff, Class Members, the Claims Administrator, Defendants and the other Released Defendant Parties (defined below), or any person or entity designated by Lead Counsel. All members of the Class who fail to timely submit an acceptable Claim Form by the deadline set by the Court, or such other deadline as may be ordered by the Court, or otherwise allowed, shall be forever barred from receiving any payments pursuant to the Settlement, but will in all other respects be subject to and bound by the terms of the Settlement, including Class Members' release of all Released Claims.

25. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the claim of any member of the Class.

26. The Plan of Allocation set forth below is the proposed plan submitted by Lead Plaintiff and Lead Counsel for the Court's approval. The Court may approve this plan as proposed or it may modify it without further notice to the Class.

27. Each claimant shall be deemed to have submitted to the jurisdiction of the United States District Court for the Northern District of California, with respect to his, her, or its Claim Form.

28. Persons and entities that excluded themselves from the Class will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Proof of Claim Forms.

## PLAN OF ALLOCATION

29. The objective of the Plan of Allocation is to equitably distribute the settlement proceeds to those Class Members who suffered economic losses as a proximate result of the alleged wrongdoing. In developing the Plan of Allocation, Lead Plaintiff's damages expert calculated the potential amount of estimated alleged artificial inflation in Wells Fargo common stock which allegedly was proximately caused by Defendants' alleged false and misleading statements and material omissions. In calculating the estimated alleged artificial inflation allegedly caused by Defendants' alleged misrepresentations and omissions, Lead Plaintiff's damages expert considered the market and industry adjusted price changes in Wells Fargo's stock price following certain corrective disclosures regarding Wells Fargo and the allegations in the Complaint.

30. The calculations made pursuant to the Plan of Allocation are not intended to be estimates of, nor indicative of, the amounts that Class Members might have been able to recover after a trial. Nor are the calculations pursuant to the Plan of Allocation intended to be estimates of the amounts that will be paid to Authorized Claimants pursuant to the Settlement. The computations under the Plan of Allocation are only a method to weigh the claims of Authorized Claimants against one another for the purposes of making *pro rata* allocations of the Net Settlement Fund.

31. In order to have recoverable damages, a disclosure of the alleged truth omitted or concealed by the misrepresentations must be the cause of the decline in the price of Wells Fargo common stock. In this case, Lead Plaintiff alleges that corrective information was released to the market after the close of trading on July 27, 2017 and August 4, 2017.

32. In order to have a "Recognized Loss Amount" under the Plan of Allocation, shares of Wells Fargo common stock must have been purchased or otherwise acquired during the Class Period and held through the issuance of at least one of the corrective disclosures.<sup>1</sup>

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<sup>1</sup> Any transactions in Wells Fargo common stock executed outside regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next trading session.

## CALCULATION OF RECOGNIZED LOSS AMOUNTS

33. Based on the formula stated below, a Recognized Loss Amount will be calculated for each purchase or acquisition of Wells Fargo common stock during the Class Period that is listed on the Claim Form and for which adequate documentation is provided. If a Recognized Loss Amount calculates to a negative number or zero under the formula below, that Recognized Loss Amount will be zero.

34. For each share of Wells Fargo common stock purchased or otherwise acquired from November 3, 2016 through August 3, 2017, and:

- (a) Sold prior to the close of trading on July 27, 2017, the Recognized Loss Amount will be \$0.00;
- (b) Sold from July 28, 2017 through August 3, 2017, the Recognized Loss Amount will be **the lesser of**: (i) the decline in inflation during the holding period (as presented in Table A below); or (ii) the purchase price minus the sale price;
- (c) Sold from August 4, 2017, through and including the close of trading on November 1, 2017, the Recognized Loss Amount will be **the least of**: (i) the decline in inflation during the holding period (as presented in Table A below); (ii) the purchase price minus the sale price; or (iii) the purchase price minus the average closing price between August 4, 2017 and the date of sale as stated in Table B below; and
- (d) Held as of the close of trading on November 1, 2017, the Recognized Loss Amount will be **the lesser of**: (i) the decline in inflation during the holding period (as presented in Table A below); or (ii) the purchase price minus \$53.26, the average closing price for Wells Fargo common stock between August 4, 2017 and November 1, 2017 (the last entry on Table B below).<sup>2</sup>

## ADDITIONAL PROVISIONS

35. The Net Settlement Fund will be allocated among all Authorized Claimants based on the amount of each Authorized Claimant's Recognized Claim (defined below).

36. If a Class Member has more than one purchase/acquisition or sale of Wells Fargo common stock, purchases/acquisitions and sales shall be matched on a First In, First Out ("FIFO") basis. Class Period sales will be matched first against any holdings at the beginning of the Class Period, and then against purchases/acquisitions in chronological order, beginning with the earliest purchase/acquisition made during the Class Period.

37. A claimant's "Recognized Claim" under the Plan of Allocation shall be the sum of his, her, or its Recognized Loss Amounts.

38. The Net Settlement Fund will be distributed to Authorized Claimants on a *pro rata* basis based on the relative size of their Recognized Claims. Specifically, a "Distribution Amount" will be calculated for each Authorized Claimant, which shall be the Authorized Claimant's Recognized Claim divided by the total Recognized Claims of all Authorized Claimants, multiplied by the total amount in the Net Settlement Fund. If any Authorized Claimant's Distribution Amount calculates to less than \$10.00, no distribution will be made to that claimant.

39. Purchases or acquisitions and sales of Wells Fargo common stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, inheritance or operation of law of Wells Fargo common stock during the Class Period shall not be deemed a purchase, acquisition or sale of Wells Fargo common stock for the calculation of an Authorized Claimant's Recognized Loss Amount, nor shall the receipt or grant be deemed an assignment of any claim relating to the purchase/acquisition of any Wells Fargo common stock unless: (i) the donor or decedent purchased or otherwise acquired such Wells Fargo common stock during the Class Period; (ii) no Claim Form was submitted by or on behalf of the donor, on behalf of the decedent, or by anyone else with respect to those shares; and (iii) it is specifically so provided in the instrument of gift or assignment.

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<sup>2</sup> Under §21(D)(e)(1) of the Exchange Act, "in any private action arising under this [Act] in which the plaintiff seeks to establish damages by reference to the market price of a security, the award of damages to the plaintiff shall not exceed the difference between the purchase or sale price paid or received, as appropriate, by the plaintiff for the subject security and the mean trading price of that security during the 90-day period beginning on the date on which the information correcting the misstatement or omission that is the basis for the action is disseminated to the market." Consistent with the requirements of the statute, Recognized Loss Amounts are reduced to an appropriate extent by taking into account the closing prices of Wells Fargo common stock during the 90-day look-back period. The mean (average) closing price for Wells Fargo common stock during this 90-day look-back period was \$53.26.

40. The date of covering a “short sale” is deemed to be the date of purchase or acquisition of the Wells Fargo common stock. The date of a “short sale” is deemed to be the date of sale of the Wells Fargo common stock. Under the Plan of Allocation, however, the Recognized Loss Amount on “short sales” is zero. In the event that a claimant has an opening short position in Wells Fargo common stock, the earliest Class Period purchases or acquisitions of Wells Fargo common stock shall be matched against such opening short position, and not be entitled to a recovery, until that short position is fully covered.

41. Option contracts are not securities eligible to participate in the Settlement. With respect to Wells Fargo common stock purchased or sold through the exercise of an option, the purchase/sale date of the common stock is the exercise date of the option and the purchase/sale price of the common stock is the exercise price of the option.

42. If a claimant had a market gain with respect to their overall transactions in Wells Fargo common stock during the Class Period, the value of the claimant’s Recognized Claim will be zero. If a claimant suffered an overall market loss with respect to their overall transactions in Wells Fargo common stock during the Class Period but that market loss was less than the claimant’s total Recognized Claim calculated above, then the claimant’s Recognized Claim will be limited to the amount of the actual market loss. For purposes of determining whether a claimant had a market gain with respect to their overall transactions in Wells Fargo common stock during the Class Period or suffered a market loss, the Claims Administrator will determine the difference between: (i) the Total Purchase Amount;<sup>3</sup> and (ii) the sum of the Total Sales Proceeds<sup>4</sup> and Holding Value.<sup>5</sup> This difference will be deemed a claimant’s market gain or loss with respect to their overall transactions in Wells Fargo common stock during the Class Period.

43. After the initial distribution of the Net Settlement Fund, the Claims Administrator shall make reasonable and diligent efforts to have Authorized Claimants cash their distribution checks. To the extent any monies remain in the fund within a reasonable time after the initial distribution, if Lead Counsel, in consultation with the Claims Administrator, determine that it is cost-effective to do so, the Claims Administrator shall conduct a re-distribution of the funds remaining after payment of any unpaid fees and expenses incurred in administering the Settlement, including for such re-distribution, to Authorized Claimants who have cashed their initial distributions. Additional re-distributions to Authorized Claimants who have cashed their prior checks may occur thereafter if Lead Counsel, in consultation with the Claims Administrator, determine that additional re-distributions, after the deduction of any additional fees and expenses incurred in administering the Settlement, including for such re-distributions, would be cost-effective. At such time as it is determined that the re-distribution of funds remaining in the Net Settlement Fund is not cost-effective, the remaining balance shall be contributed to the Investor Protection Trust.

44. Payment pursuant to the Plan of Allocation, or such other plan of allocation as may be approved by the Court, shall be conclusive against all Authorized Claimants. No person shall have any claim against Lead Plaintiff, Lead Counsel, Lead Plaintiff’s damages expert, or the Claims Administrator or other agent designated by Lead Counsel, or the Released Defendant Parties and/or their respective counsel, arising from distributions made substantially in accordance with the Stipulation, the Plan of Allocation approved by the Court, or further orders of the Court. The Lead Plaintiff, and Defendants, their respective counsel, Lead Plaintiff’s damages expert, and all other releasees shall have no responsibility or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the Plan of Allocation, or the determination, administration, calculation, or payment of any Claim Form or nonperformance of the Claims Administrator, the payment or withholding of taxes (including interest and penalties) owed by the Settlement Fund, or any losses incurred in connection therewith.

45. The Plan of Allocation set forth herein is the plan that is being proposed to the Court for its approval by Lead Plaintiff after consultation with its damages expert. The Court may approve this plan as proposed or it may modify the Plan of Allocation without further notice to the Class. Any orders regarding any modification of the Plan of Allocation will be posted on the Settlement website.

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<sup>3</sup> The “Total Purchase Amount” is the total amount the claimant paid (excluding commissions and other charges) for Wells Fargo common stock purchased or acquired during the Class Period.

<sup>4</sup> The Claims Administrator will match any sales of Wells Fargo common stock from the start of the Class Period through and including the close of trading on August 3, 2017 first against the claimant’s opening position (the proceeds of those sales will not be considered for purposes of calculating market gains or losses). The total amount received (excluding commissions and other charges) for the remaining sales of Wells Fargo common stock sold from the start of the Class Period through and including the close of trading on August 3, 2017 will be the “Total Sales Proceeds.”

<sup>5</sup> The Claims Administrator will ascribe a value of \$52.84 per share for Wells Fargo common stock purchased or acquired during the Class Period and still held as of the close of trading on August 3, 2017 (the “Holding Value”).

**TABLE A**  
**Inflation Decline Per Date of Purchase and Date of Sale**

Purchase Date	Sale Date		
	11/3/2016 - 7/27/2017	7/28/2017 - 8/3/2017	Sold on or Retained Beyond 8/4/2017
11/3/2016 - 7/27/2017	\$0.00	\$1.39	\$2.16
7/28/2017 - 8/3/2017		\$0.00	\$0.77
Purchased on or after 8/4/2017			\$0.00

**TABLE B**  
**Wells Fargo Closing Price and Average Closing Price**  
**August 4, 2017 – November 1, 2017**

Date	Closing Price	Average Closing Price Between August 4, 2017 and Date Shown	Date	Closing Price	Average Closing Price Between August 4, 2017 and Date Shown
8/4/2017	\$52.84	\$52.84	9/20/2017	\$53.75	\$51.78
8/7/2017	\$52.54	\$52.69	9/21/2017	\$54.06	\$51.85
8/8/2017	\$52.71	\$52.70	9/22/2017	\$54.25	\$51.92
8/9/2017	\$52.79	\$52.72	9/25/2017	\$54.03	\$51.98
8/10/2017	\$51.95	\$52.57	9/26/2017	\$53.80	\$52.02
8/11/2017	\$51.94	\$52.46	9/27/2017	\$54.21	\$52.08
8/14/2017	\$52.84	\$52.52	9/28/2017	\$54.25	\$52.14
8/15/2017	\$52.85	\$52.56	9/29/2017	\$55.15	\$52.21
8/16/2017	\$52.69	\$52.57	10/2/2017	\$55.47	\$52.29
8/17/2017	\$51.80	\$52.50	10/3/2017	\$55.58	\$52.37
8/18/2017	\$51.68	\$52.42	10/4/2017	\$54.96	\$52.43
8/21/2017	\$51.82	\$52.37	10/5/2017	\$55.39	\$52.50
8/22/2017	\$52.22	\$52.36	10/6/2017	\$55.58	\$52.57
8/23/2017	\$52.03	\$52.34	10/9/2017	\$55.14	\$52.62
8/24/2017	\$52.16	\$52.32	10/10/2017	\$55.61	\$52.69
8/25/2017	\$51.77	\$52.29	10/11/2017	\$55.66	\$52.75
8/28/2017	\$51.63	\$52.25	10/12/2017	\$55.21	\$52.80
8/29/2017	\$51.42	\$52.20	10/13/2017	\$53.69	\$52.82
8/30/2017	\$51.36	\$52.16	10/16/2017	\$53.80	\$52.84
8/31/2017	\$51.07	\$52.11	10/17/2017	\$53.19	\$52.84
9/1/2017	\$50.97	\$52.05	10/18/2017	\$53.41	\$52.85
9/5/2017	\$50.10	\$51.96	10/19/2017	\$53.75	\$52.87
9/6/2017	\$49.88	\$51.87	10/20/2017	\$54.92	\$52.91
9/7/2017	\$49.68	\$51.78	10/23/2017	\$54.91	\$52.94
9/8/2017	\$49.58	\$51.69	10/24/2017	\$55.42	\$52.99
9/11/2017	\$50.66	\$51.65	10/25/2017	\$55.25	\$53.03
9/12/2017	\$51.57	\$51.65	10/26/2017	\$55.62	\$53.07
9/13/2017	\$51.46	\$51.64	10/27/2017	\$55.87	\$53.12
9/14/2017	\$51.29	\$51.63	10/30/2017	\$55.85	\$53.16
9/15/2017	\$51.66	\$51.63	10/31/2017	\$56.14	\$53.21
9/18/2017	\$52.71	\$51.67	11/1/2017	\$56.21	\$53.26
9/19/2017	\$53.36	\$51.72			



## WHAT RIGHTS AM I GIVING UP BY AGREEING TO THE SETTLEMENT?

46. If the Settlement is approved, the Court will enter a judgment (the “Judgment”). The Judgment will dismiss with prejudice the claims against Defendants and will provide that Lead Plaintiff, and all other Released Plaintiff Parties (as defined in ¶50 below) shall have waived, released, discharged, and dismissed each and every one of the Released Claims (as defined in ¶47 below), including Unknown Claims (as defined in ¶51 below), against each and every one of the Released Defendant Parties (as defined in ¶49 below) and shall forever be barred and enjoined from commencing, instituting, prosecuting, or maintaining any and all of the Released Claims against any and all of the Released Defendant Parties, whether or not they execute and deliver the Claim Form or share in the Settlement Fund. Claims to enforce the terms of the Settlement are not released.

47. “Released Claims” means any and all claims, debts, rights, and causes of action or liabilities of every nature and description, including any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses, or liability whatsoever whether known claims or Unknown Claims, whether arising under federal, state, local, statutory, common, or foreign law, or any other law, rule, or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, that both: (i) concern, arise out of, relate to, or are based upon the purchase or acquisition of Wells Fargo common stock during the Class Period; and (ii) were asserted or could have been asserted in this Action by Lead Plaintiff or any other member of the Class against any of the Released Defendant Parties and that arise out of or relate in any way to any of the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint. Notwithstanding the foregoing, “Released Claims” does not include claims relating to the enforcement of the Settlement or claims that could be brought in any derivative or ERISA action based on similar allegations.

48. “Released Defendants’ Claims” means all claims and causes of action of every nature and description, including both known claims and Unknown Claims, whether arising under federal, state, common or foreign law, or any other law, that Defendants could have asserted against any of the Released Plaintiff Parties, including Lead Counsel and Class Members, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims in the Action, except for claims relating to the enforcement of the Settlement.

49. “Released Defendant Parties” means each and all of the Defendants and Former Defendants, and each and all of their Related Persons.

50. “Released Plaintiff Parties” means Lead Plaintiff, each and every Class Member, Lead Counsel, and each of their respective past or present trustees, officers, directors, partners, employees, contractors, auditors, principals, agents, attorneys, predecessors, successors, assigns, insurers, parents, subsidiaries, general or limited partners or partnerships, and limited liability companies; and the spouses, members of the immediate families, representatives, and heirs of any Released Plaintiff Party who is an individual, as well as any trust of which any Released Plaintiff Party is the settlor or which is for the benefit of any of their immediate family members. Released Plaintiff Parties does not include any Person who timely and validly sought exclusion from the Class.

51. “Unknown Claims” means any and all Released Claims that Lead Plaintiff or any other Class Member does not know or suspect to exist in their favor at the time of the release of the Released Defendant Parties, and any and all Released Defendants’ Claims that any Defendant does not know or suspect to exist in his, her, or its favor, which if known by him, her, or it, might have affected his, her, or its decision to enter into this Settlement, execute the Stipulation, and agree to all the various releases set forth herein, or might have affected his, her, or its decision not to object to this Settlement or not exclude himself, herself or itself from the Class. Unknown Claims include, without limitation, those claims in which some or all of the facts composing the claim may be unsuspected, undisclosed, concealed, or hidden. With respect to any and all Released Claims and Released Defendants’ Claims, the Released Parties stipulate and agree that, upon the Effective Date, Lead Plaintiff and Class Members (as regards the Released Claims) and the Defendants (as regards the Released Defendants’ Claims) shall expressly waive and relinquish, and each Class Member shall be deemed to have and by operation of law and of the Judgment shall have, expressly waived and relinquished, to the fullest extent permitted by law, any and all provisions, rights and benefits conferred by California Civil Code §1542, or any law of any state or territory of the United States, or principle of common law or of international or foreign law, which is similar, comparable, or equivalent to Cal. Civ. Code §1542, which provides:

**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**

Lead Plaintiff and Defendants acknowledge, and each of the Settlement Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

## WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING? HOW WILL THE LAWYERS BE PAID?

52. Lead Counsel has not received any payment for its services in pursuing claims against Defendants on behalf of the Class, nor has Lead Counsel been paid for its expenses. Before final approval of the Settlement, Lead Counsel intends to apply to the Court for an award of attorneys' fees from the Settlement Fund of no more than 25% of the Settlement Amount, plus interest. At the same time, Lead Counsel also intends to apply for payment from the Settlement Fund for counsel's litigation expenses in a total amount not to exceed \$2 million, plus interest. The Court will determine the amount of the award of fees and expenses. Such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees or expenses.

## HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

53. If you fall within the definition of the Class as described above, and you are not excluded by the definition of the Class and you did not elect to exclude yourself from the Class, then you are a Class Member, and you will be bound by the proposed Settlement if the Court approves it, and by any judgment or determination of the Court affecting the Class. If you are a Class Member, you must submit a Claim Form and supporting documentation to establish your potential entitlement to share in the proceeds of the Settlement. You may go to the website maintained by the Claims Administrator for the Settlement to download a Claim Form. The website is [www.WellsFargo2018SecuritiesLitigation.com](http://www.WellsFargo2018SecuritiesLitigation.com). You may also request a Claim Form by calling toll-free 1-888-416-6687. Those who excluded themselves from the Class, and those who do not submit timely and valid Claim Forms with adequate supporting documentation, will not be entitled to share in the proceeds of the Settlement unless otherwise ordered by the Court. Please retain all original records of your ownership of, or transactions in the shares, as they may be needed to document your claim.

54. As a Class Member, for purposes of the Settlement, you are represented by Lead Plaintiff, and Lead Counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf.

55. If you wish to object to the Settlement or any of its terms, the proposed Plan of Allocation, or Lead Counsel's application for attorneys' fees and litigation expenses, and if you did not exclude yourself from the Class, you may present your objections by following the instructions in the section entitled, "When And Where Will The Court Decide Whether To Approve The Settlement?" below. If you excluded yourself from the Class, you are not entitled to submit an objection.

## WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DO NOT LIKE THE SETTLEMENT?

**56. If you do not wish to object in person to the proposed Settlement, the proposed Plan of Allocation, and/or the application for attorneys' fees and litigation expenses, you do not need to attend the Settlement Hearing. You can object to or participate in the Settlement without attending the Settlement Hearing.**

57. The Settlement Hearing will be held on August 17, 2023, at 10:00 a.m., before the Honorable James Donato, at the United States District Court, Northern District of California, Phillip Burton Federal Building & United States Courthouse, Courtroom 11 – 19th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102. The Court reserves the right to approve the Settlement or the Plan of Allocation, Lead Counsel's motion for an award of attorneys' fees and expenses, and/or any other matter related to the Settlement at or after the Settlement Hearing without further notice to the members of the Class.

58. Any Class Member who did not request exclusion such that it was received no later than January 26, 2023, may object to the Settlement, the Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and litigation expenses.<sup>11</sup> You can ask the Court to deny approval by filing an objection. You cannot ask the Court to order a different settlement; the Court can only approve or reject the Settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

59. Any objection to the proposed Settlement must be in writing. If you file a timely written objection, you may, but are not required to, appear at the Settlement Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for hiring and paying that attorney. All written objections and supporting papers must: (i) clearly identify the case name and number (*Purple Mountain Tr. v. Wells Fargo & Co., et al.*, No. 3:18-cv-03948-JD (N.D. Cal.)); (ii) be submitted to the Court either by mailing them to the Clerk of the Court, United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102, or by filing them in person at any location of the United States District Court for the Northern District of California; and (iii) be filed or postmarked on or before July 27, 2023.

<sup>11</sup> Lead Plaintiff's initial motion papers in support of these matters will be filed with the Court on or before July 13, 2023.

60. The notice of objection must include documentation establishing the objecting Person's membership in the Class, including the number of shares of Wells Fargo common stock that the objecting Person: (i) owned as of the opening of trading on November 3, 2016; and (ii) purchased, acquired and/or sold during the Class Period, as well as the dates and prices for each such purchase, acquisition and sale, and contain a statement of reasons for the objection, copies of any papers, briefs, or other documents upon which the objection is based, a statement of whether the objector intends to appear at the Settlement Hearing, and the objector's signature, even if represented by counsel. The objection must state whether it applies only to the objector, to a specific subset of the Class, or to the entire Class. In addition, the objector must identify all class action settlements to which the objector and his, her, or its counsel have previously objected. Documentation establishing membership in the Class must consist of copies of brokerage confirmation slips or monthly brokerage account statements, or an authorized statement from the objector's broker containing the transactional and holding information found in a broker confirmation slip or account statement. Objectors who desire to present evidence at the Settlement Hearing in support of their objection must include in their written objection or notice of appearance the identity of any witnesses they may call to testify and any exhibits they intend to introduce into evidence at the hearing.

61. You may not object to the Settlement or any aspect of it, if you excluded yourself from the Class.

62. You may file a written objection without having to appear at the Settlement Hearing. You may not appear at the Settlement Hearing to present your objection, however, unless you have first filed a written objection in accordance with the procedures described above, unless the Court orders otherwise.

63. You are not required to hire an attorney to represent you in making written objections or in appearing at the Settlement Hearing. If you decide to hire an attorney, which will be at your own expense, however, he or she must file a notice of appearance with the Court by July 27, 2023.

64. The Settlement Hearing may be adjourned by the Court without further written notice to the Class, other than a posting of the adjournment on the Settlement website, [www.WellsFargo2018SecuritiesLitigation.com](http://www.WellsFargo2018SecuritiesLitigation.com). If you plan to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

**Unless the Court orders otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the proposed Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and litigation expenses. Class Members do not need to appear at the hearing or take any other action to indicate their approval.**

#### WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

65. Nominees who purchased or acquired Wells Fargo common stock for beneficial owners who are Class Members are directed to: (i) request within seven (7) calendar days of receipt of the Postcard Notice sufficient copies of the Postcard Notice from the Claims Administrator to forward to all such beneficial owners; or (ii) send a list of the names and addresses (including email addresses if available) of such beneficial owners to the Claims Administrator within seven (7) calendar days after receipt of the Postcard Notice, at [notifications@gilardi.com](mailto:notifications@gilardi.com) or *Wells Fargo 2018 Securities Litigation*, c/o Gilardi & Co. LLC, P.O. Box 8040, San Rafael, CA 94912-8040. If a nominee elects to send the Postcard Notice to beneficial owners, such nominee is directed to email or mail via First Class Mail (where an email is unavailable) the Postcard Notice within seven (7) calendar days of receipt of those documents from the Claims Administrator, and upon such emailing or mailing, the nominee shall send a statement to the Claims Administrator confirming that the emailing or mailing was made as directed, and the nominee shall retain the list of names and addresses for use in connection with any possible future notice to the Class. Upon full compliance with these instructions, including the timely emailing or mailing of the Postcard Notice to beneficial owners, such nominees may seek reimbursement of their reasonable expenses actually incurred in complying with these instructions by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought and reflecting compliance with these instructions, including timely emailing or mailing of the Postcard Notice, if the nominee elected or elects to do so. Such properly documented expenses incurred by nominees in compliance with the terms of these instructions will be paid from the Settlement Fund. Copies of this Notice may also be obtained by calling toll-free 1-888-416-6687, and may be downloaded from the Settlement website, [www.WellsFargo2018SecuritiesLitigation.com](http://www.WellsFargo2018SecuritiesLitigation.com).

**CAN I SEE THE COURT FILE?  
WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?**

66. This Notice contains only a summary of the terms of the proposed Settlement. More detailed information about the matters involved in the Action is available at [www.WellsFargo2018SecuritiesLitigation.com](http://www.WellsFargo2018SecuritiesLitigation.com), including, among other documents, copies of the Stipulation and Proof of Claim Form. This Notice summarizes the proposed Settlement. For the precise terms and conditions of the Settlement, please see the settlement agreement available at [www.WellsFargo2018SecuritiesLitigation.com](http://www.WellsFargo2018SecuritiesLitigation.com), or by contacting Lead Counsel below. You may also access the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102, between 9:00 a.m. and 1:00 p.m., Monday through Friday, excluding Court holidays. All inquiries concerning this Notice or the Claim Form should be directed to:

*Wells Fargo 2018 Securities Litigation*  
c/o Gilardi & Co. LLC  
P.O. Box 8040  
San Rafael, CA 94912-8040

**-or-**

Scott H. Saham, Esq.  
ROBBINS GELLER RUDMAN & DOWD LLP  
655 W. Broadway, Suite 1900  
San Diego, CA 92101  
1-800-449-4900  
[settlementinfo@rgrdlaw.com](mailto:settlementinfo@rgrdlaw.com)  
Lead Counsel

**DO NOT CALL OR WRITE THE COURT, DEFENDANTS, DEFENDANTS'  
COUNSEL, OR THE OFFICE OF THE CLERK OF COURT REGARDING THIS NOTICE.**

Dated: May 1, 2023

By Order of the Court  
United States District Court  
Northern District of California