

1 Nanci L. Clarence (SBN 122286)  
 Josh A. Cohen (SBN 217853)  
 2 Adam F. Shearer (SBN 279073)  
 CLARENCE DYER & COHEN LLP  
 3 899 Ellis Street  
 San Francisco, CA 94109  
 4 Tel: (415) 749-1800  
 Fax: (415) 749-1694  
 5 nclarence@clarencedyer.com  
 jcohen@clarencedyer.com  
 6 ashearer@clarencedyer.com

7 Attorneys for Defendant  
 TIMOTHY J. SLOAN

8  
 9 UNITED STATES DISTRICT COURT  
 10 NORTHERN DISTRICT OF CALIFORNIA  
 11 SAN FRANCISCO DIVISION  
 12

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

14  
 15 Plaintiff,

16 vs.

17 WELLS FARGO & COMPANY, et al.,

18 Defendants.  
 19

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

**DEFENDANT TIMOTHY J. SLOAN'S  
 ANSWER TO CONSOLIDATED  
 COMPLAINT**

**DEMAND FOR JURY TRIAL**

The Honorable James Donato

Date Filed: August 31, 2018

Trial Date: None set

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1 Defendant Timothy J. Sloan answers the Consolidated Complaint (“Complaint”) filed by  
2 Lead Plaintiff Purple Mountain Trust by generally denying all allegations except those specifically  
3 admitted below.

4 **INTRODUCTION AND OVERVIEW**

5 2. The allegations contained in this paragraph are legal conclusions to which no  
6 response is required. To the extent that such a response is required, Defendant responds: Denied.

7 3. Defendant admits that Wells Fargo initiated a review of its Collateral Protection  
8 Insurance (“CPI”) program and related third-party vendor practices in July 2016. That review  
9 concluded that certain third-party vendor processes and internal controls were inadequate. As a  
10 result, Wells Fargo customers may have been charged CPI premiums even if they were paying for  
11 their own vehicle insurance and, in some cases, the CPI premiums may have contributed to a  
12 default that led to their vehicle’s repossession. Wells Fargo also identified certain issues related to  
13 the unused portion of the guaranteed automobile protection (“GAP”) waiver or insurance  
14 agreements between the dealer and, by assignment, the lender. Except as expressly admitted,  
15 Defendant responds: Denied.

16 4. Defendant admits that Wells Fargo initiated a review of its CPI program and related  
17 third-party vendor practices in July 2016 and engaged Oliver Wyman as a third-party consultant.  
18 Defendant further admits that Oliver Wyman created a report in connection with that engagement,  
19 the content of which speaks for itself. Defendant admits that Wells Fargo discontinued its CPI  
20 program in September 2016. Defendant further admits that on or about April 20, 2018, the CFPB  
21 and OCC issued consent orders against Wells Fargo, the contents of which speak for themselves.  
22 Except as expressly admitted, Defendant responds: Denied.

23 5. Defendant is without knowledge or information sufficient to form a belief as to  
24 the truth of the allegations in the last sentence of this paragraph and on that basis, Defendant  
25 responds: Denied. Regarding the remainder of the allegations in this paragraph, Defendant  
26 responds: Denied.

27 6. Defendant responds: Denied.

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1           7. Defendant admits that he made remarks at the BancAnalysts Association of Boston  
2 Conference on or about November 3, 2016, the contents of which speak for themselves.  
3 Defendant further admits that he made various remarks to investors during the Class Period  
4 regarding sales practice issues at Wells Fargo, the contents of which speaks for themselves.  
5 Except as expressly admitted, Defendant responds: Denied.

6           8. Defendant responds: Denied.

7           9. Defendant admits that on or about July 27, 2017, *The New York Times* published an  
8 article titled “Wells Fargo Forced Unwanted Auto Insurance on Borrowers,” the content of which  
9 speaks for itself. Except as expressly admitted, Defendant responds: Denied.

10          10. Defendant admits that Wells Fargo issued a press release on July 27, 2017 titled  
11 “Wells Fargo Announces Plan to Remediate Customers for Auto Insurance Coverage,” the content  
12 of which speaks for itself. Except as expressly admitted, Defendant responds: Denied.

13          11. Defendant admits that on or about August 4, 2017, Wells Fargo issued a Form 10-  
14 Q for 2Q17, the content of which speaks for itself. Except as expressly admitted, Defendant  
15 responds: Denied.

16          12. Defendant is without knowledge or information sufficient to form a belief as to the  
17 truth of the allegations in this paragraph and on that basis, Defendant responds: Denied.

18          13. Defendant is without knowledge or information sufficient to form a belief as to the  
19 truth of the allegations in the second sentence of this paragraph and on that basis, Defendant  
20 responds: Denied. Regarding the remainder of the allegations in this paragraph, Defendant  
21 responds: Denied.

22          14. Defendant is without knowledge or information sufficient to form a belief as to the  
23 truth of the allegations in this paragraph and on that basis, Defendant responds: Denied.

24          15. Defendant admits that on or about October 3, 2017 he gave testimony to the Senate  
25 Banking Committee, the content of which speaks for itself. Except as expressly admitted,  
26 Defendant responds: Denied.  
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**JURISDICTION AND VENUE**

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3 16. The allegations contained in this paragraph are legal conclusions to which no  
4 response is required. To the extent that such a response is required, Defendant responds: Denied.

5 17. The allegations contained in this paragraph are legal conclusions to which no  
6 response is required. To the extent that such a response is required, Defendant responds: Denied.

7 18. The allegations contained in this paragraph are legal conclusions to which no  
8 response is required. To the extent that such a response is required, Defendant responds: Denied.

**PARTIES**

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10 19. Defendant is without knowledge or information sufficient to form a belief as to the  
11 truth of the allegations in this paragraph and on that basis, Defendant responds: Denied.

12 20. Defendant admits that Wells Fargo & Company is a Delaware corporation with its  
13 headquarters in San Francisco, California. Defendant further admits that Wells Fargo provides  
14 diversified financial services and is listed on the New York Stock Exchange under the ticker  
15 symbol “WFC.” Defendant is without knowledge or information sufficient to form a belief as to  
16 the truth of the remainder of the allegations in this paragraph and on that basis, Defendant  
17 responds: Denied.

18 21. Defendant admits that the Community Banking Division is an operating segment  
19 within Wells Fargo that provides a range of financial products and services to individuals and  
20 businesses. Except as expressly admitted, Defendant responds: Denied.

21 22. Defendant admits he was CEO of Wells Fargo and a member of the Operating  
22 Committee when this action was filed. The allegations contained in the third sentence of this  
23 paragraph are legal conclusions to which no response is required. To the extent that such a  
24 response is required, Defendant responds: Denied. Except as expressly admitted, Defendant  
25 responds: Denied.

26 23. The allegations in this paragraph do not relate to a surviving claim, and thus no  
27 answer is required. To the extent that such a response is required, Defendant responds: Denied.

28 24. The allegations in this paragraph do not relate to a surviving claim, and thus no

1 answer is required. To the extent that such a response is required, Defendant responds: Denied.

2 25. The allegations in this paragraph do not relate to a surviving claim, and thus no  
3 answer is required. To the extent that such a response is required, Defendant responds: Denied.

4 26. This paragraph contains only descriptive information, which Defendant does not  
5 construe as actionable allegations requiring a response. To the extent that any information is  
6 construed as an allegation requiring a response, Defendant responds: Denied.

7 **BACKGROUND TO THE CLASS PERIOD**

8 27. Defendant admits that Wells Fargo initiated a review of its CPI program and related  
9 third-party vendor practices in July 2016. That review concluded that certain third-party vendor  
10 processes and internal controls were inadequate. As a result, Wells Fargo customers may have  
11 been charged CPI premiums even if they were paying for their own vehicle insurance. Wells  
12 Fargo also identified certain issues related to the unused portion of the GAP waiver or insurance  
13 agreements between the dealer and, by assignment, the lender. Except as expressly admitted,  
14 Defendant responds: Denied.

15 28. Defendant admits that Wells Fargo initiated a review of its CPI program and related  
16 third-party vendor practices in July 2016 and engaged Oliver Wyman as a third-party consultant.  
17 Defendant further admits that Oliver Wyman created a report in connection with that engagement,  
18 the content of which speaks for itself. Defendant also admits that on or about July 27, 2017, *The*  
19 *New York Times* published an article titled “Wells Fargo Forced Unwanted Auto Insurance on  
20 Borrowers,” the content of which speaks for itself. Except as expressly admitted, Defendant  
21 responds: Denied.

22 29. Defendant admits that National General Lender Services (“National General”) was  
23 Wells Fargo’s CPI vendor from 2015 until the program was terminated in September 2016.  
24 Defendant is without knowledge or information sufficient to form a belief as to the truth of the  
25 allegations in the remainder of this paragraph and on that basis, Defendant responds: Denied.

26 30. Defendant admits that Wells Fargo customers may have been charged CPI  
27 premiums even if they were paying for their own vehicle insurance and, in some cases, the CPI  
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1 premiums may have contributed to a default that led to their vehicle’s repossession. Except as  
2 expressly admitted, Defendant responds: Denied.

3 31. Defendant admits that on or about July 27, 2017, *The New York Times* published an  
4 article titled “Wells Fargo Forced Unwanted Auto Insurance on Borrowers,” the content of which  
5 speaks for itself. Except as expressly admitted, Defendant responds: Denied.

6 32. Defendant admits that Wells Fargo identified certain issues related to the unused  
7 portion of GAP waiver of insurance agreements between the dealer and, by assignment, the lender.  
8 Defendant is without knowledge or information sufficient to form a belief as to the truth of the  
9 allegations in the second, third, fourth, and fifth sentences of this paragraph and on that basis,  
10 Defendant responds: Denied. Except as expressly admitted, Defendant responds: Denied.

11 33. Defendant admits that on or about August 7, 2017, *The New York Times* published  
12 an article titled “Wells Fargo, Awash in Scandal, Faces Violations Over Car Insurance Refunds,”  
13 the content of which speaks for itself. Except as expressly admitted, Defendant responds: Denied.

14 34. Defendant admits that on or about April 20, 2018, the CFPB and OCC issued  
15 consent orders against Wells Fargo, the contents of which speak for themselves. Except as  
16 expressly admitted, Defendant responds: Denied.

17 35. Defendant admits that on or about April 20, 2018, the OCC issued a consent  
18 order against Wells Fargo, the content of which speaks for itself. Except as expressly admitted,  
19 Defendant responds: Denied.

20 36. Defendant responds: Denied.

21 37. Defendant admits that on or about September 8, 2016, Wells Fargo entered into a  
22 final judgment with the L.A. City Attorney, the content of which speaks for itself. Defendant  
23 further admits that on or about September 8, 2016, the CFPB and the OCC announced consent  
24 orders issued against Wells Fargo, the contents of which speak for themselves. Except as  
25 expressly admitted, Defendant responds: Denied.

26 38. Defendant is without knowledge or information sufficient to form a belief as to the  
27 truth of the allegations in the first and third sentences of this paragraph and on that basis,  
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1 Defendant responds: Denied. As to the remainder of the allegations in this paragraph, Defendant  
2 responds: Denied.

3 39. Defendant admits that Wells Fargo issued a press release on or about September 8,  
4 2016, the content of which speaks for itself. Except as expressly admitted, Defendant responds:  
5 Denied.

6 40. Defendant responds: Denied.

7 41. Defendant admits that on or about September 20, 2016, September 27, 2016, and  
8 October 12, 2016 Wells Fargo issued press releases, the contents of which speak for themselves.  
9 Except as expressly admitted, Defendant responds: Denied.

10 42. Defendant admits that Wells Fargo held an earnings call for Q3 2016, the content  
11 of which speaks for itself. Defendant is without knowledge or information sufficient to form a  
12 belief as to the truth of the allegations in the last sentence of this paragraph and on that basis,  
13 Defendant responds: Denied. Except as expressly admitted, Defendant responds: Denied.

14 43. Defendant responds: Denied.

15 **DEFENDANTS' FALSE AND MISLEADING STATEMENTS AND MATERIAL**  
16 **OMISSIONS DURING THE CLASS PERIOD**

17 44. Defendant admits that he made remarks at the BancAnalysts Association of Boston  
18 Conference on or about November 3, 2016, the contents of which speak for themselves.  
19 Defendant further admits that on or about November 18, 2016, Wells Fargo submitted written  
20 responses to questions from the U.S. Senate Banking Committee, the contents of which speak for  
21 themselves. The allegations pertaining to other statements in this paragraph do not relate to a  
22 surviving claim, and thus no answer is required. To the extent that such a response is required,  
23 Defendant responds: Denied. Except as expressly admitted, Defendant responds: Denied.

24 45. The allegations contained in this paragraph are legal conclusions to which no  
25 response is required. To the extent that such a response is required, Defendant responds: Denied.

26 46. Defendant admits that he made remarks at the BancAnalysts Association of Boston  
27 Conference on or about November 3, 2016.  
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1           47. Defendant admits that he made remarks at the BancAnalysts Association of Boston  
2 Conference on or about November 3, 2016, the contents of which speak for themselves. Except as  
3 expressly admitted, Defendant responds: Denied.

4           48. The allegations in this paragraph do not relate to a surviving claim, and thus no  
5 answer is required. To the extent that such a response is required, Defendant admits that he made  
6 remarks at the BancAnalysts Association of Boston Conference on or about November 3, 2016,  
7 the contents of which speak for themselves. Except as expressly admitted, Defendant responds:  
8 Denied.

9           49. The allegations in this paragraph do not relate to a surviving claim, and thus no  
10 answer is required. To the extent that such a response is required, Defendant admits that he made  
11 a presentation at the BancAnalysts Association of Boston Conference on or about November 3,  
12 2016, the content of which speaks for itself. Except as expressly admitted, Defendant responds:  
13 Denied.

14           50. The allegations in this paragraph do not relate to a surviving claim, and thus no  
15 answer is required. To the extent that such a response is required, Defendant admits that he made  
16 remarks at the BancAnalysts Association of Boston Conference on or about November 3, 2016,  
17 the contents of which speak for themselves. Except as expressly admitted, Defendant responds:  
18 Denied.

19           51. The allegations in this paragraph do not relate to a surviving claim, and thus no  
20 answer is required. To the extent that such a response is required, Defendant responds: Denied.

21           52. Defendant responds: Denied.

22           53. Defendant admits that Wells Fargo held an earnings call for Q3 2016, the content  
23 of which speaks for itself. Defendant is without knowledge or information sufficient to form a  
24 belief as to the truth of the allegations in the third sentence of this paragraph and on that basis,  
25 Defendant responds: Denied. Except as expressly admitted, Defendant responds: Denied.

26           54. Defendant is without knowledge or information sufficient to form a belief as to the  
27 truth of the allegations in this paragraph and on that basis, Defendant responds: Denied.  
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1           55.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
2 answer is required. To the extent that such a response is required, Defendant admits that Wells  
3 Fargo held a call with investors on or about November 17, 2016, the content of which speaks for  
4 itself. Except as expressly admitted, Defendant responds: Denied.

5           56.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
6 answer is required. To the extent that such a response is required, Defendant admits that Wells  
7 Fargo held a call with investors on or about November 17, 2016, the content of which speaks for  
8 itself. Except as expressly admitted, Defendant responds: Denied.

9           57.     Defendant admits that on or about November 18, 2016, Wells Fargo submitted  
10 written responses to questions from the U.S. Senate Banking Committee, the contents of which  
11 speak for themselves. Except as expressly admitted, Defendant responds: Denied.

12           58.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
13 answer is required. To the extent that such a response is required, Defendant admits that on or  
14 about November 18, 2016, Wells Fargo submitted written responses to questions from the U.S.  
15 Senate Banking Committee, the contents of which speak for themselves. Except as expressly  
16 admitted, Defendant responds: Denied.

17           59.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
18 answer is required. To the extent that such a response is required, Defendant admits that on or  
19 about November 18, 2016, Wells Fargo submitted written responses to questions from the U.S.  
20 Senate Banking Committee, the contents of which speak for themselves. Except as expressly  
21 admitted, Defendant responds: Denied.

22           60.     Defendant responds: Denied.

23           61.     Defendant responds: Denied.

24           62.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
25 answer is required. To the extent that such a response is required, Defendant admits he made  
26 remarks at the Goldman Sachs U.S. Financial Services Conference on or about December 6, 2016,  
27 the contents of which speak for themselves. Except as expressly admitted, Defendant responds:  
28

1 Denied.

2 63. The allegations in this paragraph do not relate to a surviving claim, and thus no  
3 answer is required. To the extent that such a response is required, Defendant admits he made  
4 remarks at the Goldman Sachs U.S. Financial Services Conference on or about December 6, 2016,  
5 the contents of which speak for themselves. Except as expressly admitted, Defendant responds:  
6 Denied.

7 64. The allegations in this paragraph do not relate to a surviving claim, and thus no  
8 answer is required. To the extent that such a response is required, Defendant admits he made  
9 remarks at the Goldman Sachs U.S. Financial Services Conference on or about December 6, 2016,  
10 the contents of which speak for themselves. Except as expressly admitted, Defendant responds:  
11 Denied.

12 65. The allegations in this paragraph do not relate to a surviving claim, and thus no  
13 answer is required. To the extent that such a response is required, Defendant admits that Wells  
14 Fargo held a call with investors on or about December 16, 2016, the content of which speaks for  
15 itself. Except as expressly admitted, Defendant responds: Denied.

16 66. The allegations in this paragraph do not relate to a surviving claim, and thus no  
17 answer is required. To the extent that such a response is required, Defendant responds: Denied.

18 67. The allegations in this paragraph do not relate to a surviving claim, and thus no  
19 answer is required. To the extent that such a response is required, Defendant responds: Denied.

20 68. The allegations in this paragraph do not relate to a surviving claim, and thus no  
21 answer is required. To the extent that such a response is required, Defendant is without  
22 knowledge or information sufficient to form a belief as to the truth of the allegations in this  
23 paragraph and on that basis, Defendant responds: Denied.

24 69. The allegations in this paragraph do not relate to a surviving claim, and thus no  
25 answer is required. To the extent that such a response is required, Defendant admits that on or  
26 about January 10, 2017, Wells Fargo issued a press release, the content of which speaks for itself.  
27 Except as expressly admitted, Defendant responds: Denied.

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1           70.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
2 answer is required. To the extent that such a response is required, Defendant admits that on or  
3 about January 13, 2017, Wells Fargo issued a press release, the content of which speaks for itself.  
4 Except as expressly admitted, Defendant responds: Denied.

5           71.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
6 answer is required. To the extent that such a response is required, Defendant admits that Wells  
7 Fargo held an earnings call for Q4 2016, the content of which speaks for itself. Except as  
8 expressly admitted, Defendant responds: Denied.

9           72.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
10 answer is required. To the extent that such a response is required, Defendant admits that Wells  
11 Fargo held an earnings call for Q4 2016, the content of which speaks for itself. Except as  
12 expressly admitted, Defendant responds: Denied.

13           73.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
14 answer is required. To the extent that such a response is required, Defendant responds: Denied.

15           74.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
16 answer is required. To the extent that such a response is required, Defendant responds: Denied.

17           75.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
18 answer is required. To the extent that such a response is required, Defendant is without  
19 knowledge or information sufficient to form a belief as to the truth of the allegations in the second  
20 and third sentences of this paragraph and on that basis, Defendant responds: Denied. Regarding  
21 the remainder of the allegations in this paragraph, Defendant responds: Denied.

22           76.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
23 answer is required. To the extent that such a response is required, Defendant admits that Wells  
24 Fargo held a call with investors on or about February 17, 2017, the content of which speaks for  
25 itself. Except as expressly admitted, Defendant responds: Denied.

26           77.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
27 answer is required. To the extent that such a response is required, Defendant responds: Denied.  
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1           78.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
2 answer is required. To the extent that such a response is required, Defendant responds: Denied.

3           79.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
4 answer is required. To the extent that such a response is required, Defendant is without  
5 knowledge or information sufficient to form a belief as to the truth of the allegations in the second  
6 sentence of this paragraph and on that basis, Defendant responds: Denied. Regarding the  
7 remainder of the allegations in this paragraph, Defendant responds: Denied.

8           80.     Defendant admits that on or about February 21, 2017, Wells Fargo issued a press  
9 release, the content of which speaks for itself. Except as expressly admitted, Defendant responds:  
10 Denied.

11           81.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
12 answer is required. To the extent that such a response is required, Defendant admits that on or  
13 about March 1, 2017, Wells Fargo issued a Form 10-K for 2016, the content of which speaks for  
14 itself. Except as expressly admitted, Defendant responds: Denied.

15           82.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
16 answer is required. To the extent that such a response is required, Defendant is without  
17 knowledge or information sufficient to form a belief as to the truth of the allegations in this  
18 paragraph and on that basis, Defendant responds: Denied.

19           83.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
20 answer is required. To the extent that such a response is required, Defendant admits that Wells  
21 Fargo filed a proxy statement in 2017, the content of which speaks for itself. Except as expressly  
22 admitted, Defendant responds: Denied.

23           84.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
24 answer is required. To the extent that such a response is required, Defendant admits that Wells  
25 Fargo filed a proxy statement in 2017, the content of which speaks for itself. Except as expressly  
26 admitted, Defendant responds: Denied.

27           85.     The allegations in this paragraph do not relate to a surviving claim, and thus no  
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1 answer is required. To the extent that such a response is required, Defendant admits that Wells  
2 Fargo filed a proxy statement in 2017, the content of which speaks for itself. Except as expressly  
3 admitted, Defendant responds: Denied.

4 86. The allegations in this paragraph do not relate to a surviving claim, and thus no  
5 answer is required. To the extent that such a response is required, Defendant responds: Denied.

6 87. The allegations in this paragraph do not relate to a surviving claim, and thus no  
7 answer is required. To the extent that such a response is required, Defendant responds: Denied.

8 88. The allegations in this paragraph do not relate to a surviving claim, and thus no  
9 answer is required. To the extent that such a response is required, Defendant is without  
10 knowledge or information sufficient to form a belief as to the truth of the allegations in the first  
11 through fourth sentences in this paragraph and on that basis, Defendant responds: Denied. As to  
12 the remaining allegations, Defendant responds: Denied.

13 89. The allegations in this paragraph do not relate to a surviving claim, and thus no  
14 answer is required. To the extent that such a response is required, Defendant admits that Wells  
15 Fargo held a call with investors on or about March 20, 2017, the content of which speaks for itself.  
16 Except as expressly admitted, Defendant responds: Denied.

17 90. The allegations in this paragraph do not relate to a surviving claim, and thus no  
18 answer is required. To the extent that such a response is required, Defendant admits that Wells  
19 Fargo held a call with investors on or about March 20, 2017, the content of which speaks for itself.  
20 Except as expressly admitted, Defendant responds: Denied.

21 91. The allegations in this paragraph do not relate to a surviving claim, and thus no  
22 answer is required. To the extent that such a response is required, Defendant admits that Wells  
23 Fargo held a call with investors on or about March 20, 2017, the content of which speaks for itself.  
24 Except as expressly admitted, Defendant responds: Denied.

25 92. The allegations in this paragraph do not relate to a surviving claim, and thus no  
26 answer is required. To the extent that such a response is required, Defendant responds: Denied.

27 93. The allegations in this paragraph do not relate to a surviving claim, and thus no  
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answer is required. To the extent that such a response is required, Defendant responds: Denied.

94. The allegations in this paragraph do not relate to a surviving claim, and thus no answer is required. To the extent that such a response is required, Defendant admits that Wells Fargo’s Board of Directors issued a press release on or about April 10, 2017, the content of which speaks for itself. Except as expressly admitted, Defendant responds: Denied.

95. The allegations in this paragraph do not relate to a surviving claim, and thus no answer is required. To the extent that such a response is required, Defendant admits that Wells Fargo’s Board of Directors issued a report on or about April 10, 2017, the content of which speaks for itself. Except as expressly admitted, Defendant responds: Denied.

96. The allegations in this paragraph do not relate to a surviving claim, and thus no answer is required. To the extent that such a response is required, Defendant admits that Wells Fargo’s Board of Directors issued a report on or about April 10, 2017, the content of which speaks for itself. Except as expressly admitted, Defendant responds: Denied.

97. The allegations in this paragraph do not relate to a surviving claim, and thus no answer is required. To the extent that such a response is required, Defendant admits that Wells Fargo’s Board of Directors issued a press release on or about April 10, 2017, the content of which speaks for itself. Except as expressly admitted, Defendant responds: Denied.

98. The allegations in this paragraph do not relate to a surviving claim, and thus no answer is required. To the extent that such a response is required, Defendant admits that Wells Fargo held a conference call on or about April 10, 2017, the content of which speaks for itself. Except as expressly admitted, Defendant responds: Denied.

99. The allegations in this paragraph do not relate to a surviving claim, and thus no answer is required. To the extent that such a response is required, Defendant admits that Wells Fargo issued a press release on or about April 10, 2017, the content of which speaks for itself. Except as expressly admitted, Defendant responds: Denied.

100. The allegations in this paragraph do not relate to a surviving claim, and thus no answer is required. To the extent that such a response is required, Defendant admits that Wells

1 Fargo issued a press release on or about April 13, 2017, the content of which speaks for itself.  
2 Except as expressly admitted, Defendant responds: Denied.

3 101. The allegations in this paragraph do not relate to a surviving claim, and thus no  
4 answer is required. To the extent that such a response is required, Defendant admits that Wells  
5 Fargo held an earnings call for Q1 2017, the content of which speaks for itself. Except as  
6 expressly admitted, Defendant responds: Denied.

7 102. The allegations in this paragraph do not relate to a surviving claim, and thus no  
8 answer is required. To the extent that such a response is required, Defendant admits that Wells  
9 Fargo held an earnings call for Q1 2017, the content of which speaks for itself. Except as  
10 expressly admitted, Defendant responds: Denied.

11 103. The allegations in this paragraph do not relate to a surviving claim, and thus no  
12 answer is required. To the extent that such a response is required, Defendant admits that Wells  
13 Fargo held an earnings call for Q1 2017, the content of which speaks for itself. Except as  
14 expressly admitted, Defendant responds: Denied.

15 104. The allegations in this paragraph do not relate to a surviving claim, and thus no  
16 answer is required. To the extent that such a response is required, Defendant responds: Denied.

17 105. The allegations in this paragraph do not relate to a surviving claim, and thus no  
18 answer is required. To the extent that such a response is required, Defendant responds: Denied.

19 106. The allegations in this paragraph do not relate to a surviving claim, and thus no  
20 answer is required. To the extent that such a response is required, Defendant is without  
21 knowledge or information sufficient to form a belief as to the truth of the allegations in this  
22 paragraph and on that basis, Defendant responds: Denied.

23 107. The allegations in this paragraph do not relate to a surviving claim, and thus no  
24 answer is required. To the extent that such a response is required, Defendant is without  
25 knowledge or information sufficient to form a belief as to the truth of the allegations in this  
26 paragraph and on that basis, Defendant responds: Denied.

27 108. The allegations in this paragraph do not relate to a surviving claim, and thus no  
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1 answer is required. To the extent that such a response is required, Defendant is without  
2 knowledge or information sufficient to form a belief as to the truth of the allegations in this  
3 paragraph and on that basis, Defendant responds: Denied.

4 109. The allegations in this paragraph do not relate to a surviving claim, and thus no  
5 answer is required. To the extent that such a response is required, Defendant admits that he made  
6 remarks at Wells Fargo's Annual Shareholder Meeting on or about April 25, 2017, the contents of  
7 which speak for themselves. Except as expressly admitted, Defendant responds: Denied.

8 110. The allegations in this paragraph do not relate to a surviving claim, and thus no  
9 answer is required. To the extent that such a response is required, Defendant responds: Denied.

10 111. The allegations in this paragraph do not relate to a surviving claim, and thus no  
11 answer is required. To the extent that such a response is required, Defendant responds: Denied.

12 112. The allegations in this paragraph do not relate to a surviving claim, and thus no  
13 answer is required. To the extent that such a response is required, Defendant admits that Wells  
14 Fargo filed a Form 10-Q for Q1 2017, the content of which speaks for itself. Except as expressly  
15 admitted, Defendant responds: Denied.

16 113. The allegations in this paragraph do not relate to a surviving claim, and thus no  
17 answer is required. To the extent that such a response is required, Defendant admits that Wells  
18 Fargo held an Investor Day in May 2017. Defendant is without knowledge or information  
19 sufficient to form a belief as to the truth of the allegations in the second sentence of this paragraph  
20 and on that basis, Defendant responds: Denied. As to the remainder of the allegations in this  
21 paragraph, Defendant responds: Denied.

22 114. The allegations in this paragraph do not relate to a surviving claim, and thus no  
23 answer is required. To the extent that such a response is required, Defendant admits that he made  
24 remarks at Wells Fargo's Investor Day in May 2017, the contents of which speak for themselves.  
25 Except as expressly admitted, Defendant responds: Denied.

26 115. The allegations in this paragraph do not relate to a surviving claim, and thus no  
27 answer is required. To the extent that such a response is required, Defendant admits that Mary  
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1 Mack made remarks at Wells Fargo's Investor Day in May 2017, the contents of which speak for  
2 themselves. Except as expressly admitted, Defendant responds: Denied.

3 116. The allegations in this paragraph do not relate to a surviving claim, and thus no  
4 answer is required. To the extent that such a response is required, Defendant admits that he made  
5 remarks at Wells Fargo's Investor Day in May 2017, the contents of which speak for themselves.  
6 Except as expressly admitted, Defendant responds: Denied.

7 117. The allegations in this paragraph do not relate to a surviving claim, and thus no  
8 answer is required. To the extent that such a response is required, Defendant responds: Denied.

9 118. The allegations in this paragraph do not relate to a surviving claim, and thus no  
10 answer is required. To the extent that such a response is required, Defendant responds: Denied.

11 119. The allegations in this paragraph do not relate to a surviving claim, and thus no  
12 answer is required. To the extent that such a response is required, Defendant is without  
13 knowledge or information sufficient to form a belief as to the truth of the allegations in this  
14 paragraph and on that basis, Defendant responds: Denied.

15 120. The allegations in this paragraph do not relate to a surviving claim, and thus no  
16 answer is required. To the extent that such a response is required, Defendant is without  
17 knowledge or information sufficient to form a belief as to the truth of the allegations in the first  
18 four sentences of this paragraph and on that basis, Defendant responds: Denied. As to the  
19 remainder of the allegations in this paragraph, Defendant responds: Denied.

20 121. The allegations in this paragraph do not relate to a surviving claim, and thus no  
21 answer is required. To the extent that such a response is required, Defendant admits that Mary  
22 Mack made remarks at the Morgan Stanley Financials Conference on or about June 13, 2017, the  
23 contents of which speak for themselves. Except as expressly admitted, Defendant responds:  
24 Denied.

25 122. The allegations in this paragraph do not relate to a surviving claim, and thus no  
26 answer is required. To the extent that such a response is required, Defendant responds: Denied.

27 123. The allegations in this paragraph do not relate to a surviving claim, and thus no  
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1 answer is required. To the extent that such a response is required, Defendant responds: Denied.

2 124. The allegations in this paragraph do not relate to a surviving claim, and thus no  
3 answer is required. To the extent that such a response is required, Defendant admits that Wells  
4 Fargo issued a press release on or about July 14, 2017, the content of which speaks for itself.  
5 Except as expressly admitted, Defendant responds: Denied.

6 125. The allegations in this paragraph do not relate to a surviving claim, and thus no  
7 answer is required. To the extent that such a response is required, Defendant admits that Wells  
8 Fargo held an earnings call for Q2 2017, the content of which speaks for itself. Except as  
9 expressly admitted, Defendant responds: Denied.

10 126. The allegations in this paragraph do not relate to a surviving claim, and thus no  
11 answer is required. To the extent that such a response is required, Defendant admits that Wells  
12 Fargo held an earnings call for Q2 2017, the content of which speaks for itself. Except as  
13 expressly admitted, Defendant responds: Denied.

14 127. The allegations in this paragraph do not relate to a surviving claim, and thus no  
15 answer is required. To the extent that such a response is required, Defendant responds: Denied.

16 128. The allegations in this paragraph do not relate to a surviving claim, and thus no  
17 answer is required. To the extent that such a response is required, Defendant responds: Denied.

18 129. The allegations in this paragraph do not relate to a surviving claim, and thus no  
19 answer is required. To the extent that such a response is required, Defendant responds: Denied.

20 130. The allegations in this paragraph do not relate to a surviving claim, and thus no  
21 answer is required. To the extent that such a response is required, Defendant admits that on or  
22 about November 3, 2016, Wells Fargo issued a Form 10-Q for 3Q16, the content of which speaks  
23 for itself. Except as expressly admitted, Defendant responds: Denied.

24 131. The allegations in this paragraph do not relate to a surviving claim, and thus no  
25 answer is required. To the extent that such a response is required, Defendant admits that on or  
26 about November 3, 2016, Wells Fargo issued a Form 10-Q for 3Q16, the content of which speaks  
27 for itself. Except as expressly admitted, Defendant responds: Denied.  
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1           132. The allegations in this paragraph do not relate to a surviving claim, and thus no  
2 answer is required. To the extent that such a response is required, Defendant admits that on or  
3 about November 3, 2016, Wells Fargo issued a Form 10-Q for 3Q16, the content of which speaks  
4 for itself. Except as expressly admitted, Defendant responds: Denied.

5           133. The allegations in this paragraph do not relate to a surviving claim, and thus no  
6 answer is required. To the extent that such a response is required, Defendant admits that on or  
7 about November 3, 2016, Wells Fargo issued a Form 10-Q for 3Q16, the content of which speaks  
8 for itself. Except as expressly admitted, Defendant responds: Denied.

9           134. The allegations in this paragraph do not relate to a surviving claim, and thus no  
10 answer is required. To the extent that such a response is required, Defendant responds: Denied.

11           135. The allegations in this paragraph do not relate to a surviving claim, and thus no  
12 answer is required. To the extent that such a response is required, Defendant responds: Denied.

13           136. The allegations in this paragraph do not relate to a surviving claim, and thus no  
14 answer is required. To the extent that such a response is required, Defendant admits that on or  
15 about March 1, 2017, Wells Fargo issued a Form 10-K for 2016, the content of which speaks for  
16 itself. Except as expressly admitted, Defendant responds: Denied.

17           137. The allegations in this paragraph do not relate to a surviving claim, and thus no  
18 answer is required. To the extent that such a response is required, Defendant admits that on or  
19 about March 1, 2017, Wells Fargo issued a Form 10-K for 2016, the content of which speaks for  
20 itself. Except as expressly admitted, Defendant responds: Denied.

21           138. The allegations in this paragraph do not relate to a surviving claim, and thus no  
22 answer is required. To the extent that such a response is required, Defendant admits that on or  
23 about March 1, 2017, Wells Fargo issued a Form 10-K for 2016, the content of which speaks for  
24 itself. Except as expressly admitted, Defendant responds: Denied.

25           139. The allegations in this paragraph do not relate to a surviving claim, and thus no  
26 answer is required. To the extent that such a response is required, Defendant admits that on or  
27 about March 1, 2017, Wells Fargo issued a Form 10-K for 2016, the content of which speaks for  
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1 itself. Except as expressly admitted, Defendant responds: Denied.

2 140. The allegations in this paragraph do not relate to a surviving claim, and thus no  
3 answer is required. To the extent that such a response is required, Defendant admits that on or  
4 about March 1, 2017, Wells Fargo issued a Form 10-K for 2016, the content of which speaks for  
5 itself. Except as expressly admitted, Defendant responds: Denied.

6 141. The allegations in this paragraph do not relate to a surviving claim, and thus no  
7 answer is required. To the extent that such a response is required, Defendant admits that on or  
8 about March 1, 2017, Wells Fargo issued a Form 10-K for 2016, the content of which speaks for  
9 itself. Except as expressly admitted, Defendant responds: Denied.

10 142. The allegations in this paragraph do not relate to a surviving claim, and thus no  
11 answer is required. To the extent that such a response is required, Defendant admits that on or  
12 about March 1, 2017, Wells Fargo issued a Form 10-K for 2016, the content of which speaks for  
13 itself. Except as expressly admitted, Defendant responds: Denied.

14 143. The allegations in this paragraph do not relate to a surviving claim, and thus no  
15 answer is required. To the extent that such a response is required, Defendant admits that on or  
16 about March 1, 2017, Wells Fargo issued a Form 10-K for 2016, the content of which speaks for  
17 itself. Except as expressly admitted, Defendant responds: Denied.

18 144. The allegations in this paragraph do not relate to a surviving claim, and thus no  
19 answer is required. To the extent that such a response is required, Defendant admits that on or  
20 about March 1, 2017, Wells Fargo issued a Form 10-K for 2016, the content of which speaks for  
21 itself. Except as expressly admitted, Defendant responds: Denied.

22 145. The allegations in this paragraph do not relate to a surviving claim, and thus no  
23 answer is required. To the extent that such a response is required, Defendant admits that on or  
24 about March 1, 2017, Wells Fargo issued a Form 10-K for 2016, the content of which speaks for  
25 itself. Except as expressly admitted, Defendant responds: Denied.

26 146. The allegations in this paragraph do not relate to a surviving claim, and thus no  
27 answer is required. To the extent that such a response is required, Defendant responds: Denied.  
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147. The allegations in this paragraph do not relate to a surviving claim, and thus no answer is required. To the extent that such a response is required, Defendant responds: Denied.

148. The allegations in this paragraph do not relate to a surviving claim, and thus no answer is required. To the extent that such a response is required, Defendant admits that on or about May 5, 2017, Wells Fargo issued a Form 10-Q for 1Q17, the content of which speaks for itself. Except as expressly admitted, Defendant responds: Denied.

149. The allegations in this paragraph do not relate to a surviving claim, and thus no answer is required. To the extent that such a response is required, Defendant admits that on or about May 5, 2017, Wells Fargo issued a Form 10-Q for 1Q17, the content of which speaks for itself. Except as expressly admitted, Defendant responds: Denied.

150. The allegations in this paragraph do not relate to a surviving claim, and thus no answer is required. To the extent that such a response is required, Defendant admits that on or about May 5, 2017, Wells Fargo issued a Form 10-Q for 1Q17, the content of which speaks for itself. Defendant further admits that on or about April 20, 2018, the CFPB and OCC issued consent orders against Wells Fargo, the contents of which speak for themselves. Except as expressly admitted, Defendant responds: Denied.

151. The allegations in this paragraph do not relate to a surviving claim, and thus no answer is required. To the extent that such a response is required, Defendant admits that on or about May 5, 2017, Wells Fargo issued a Form 10-Q for 1Q17, the content of which speaks for itself. Except as expressly admitted, Defendant responds: Denied.

152. The allegations in this paragraph do not relate to a surviving claim, and thus no answer is required. To the extent that such a response is required, Defendant admits that on or about May 5, 2017, Wells Fargo issued a Form 10-Q for 1Q17, the content of which speaks for itself. Except as expressly admitted, Defendant responds: Denied.

153. The allegations in this paragraph do not relate to a surviving claim, and thus no answer is required. To the extent that such a response is required, Defendant responds: Denied.

154. The allegations in this paragraph do not relate to a surviving claim, and thus no

1 answer is required. To the extent that such a response is required, Defendant responds: Denied.

2 155. Defendant admits that on or about July 27, 2017, *The New York Times* published an  
3 article titled “Wells Fargo Forced Unwanted Auto Insurance on Borrowers,” the content of which  
4 speaks for itself. Except as expressly admitted, Defendant responds: Denied.

5 156. Defendant admits that Wells Fargo issued a press release on July 27, 2017, the  
6 content of which speaks for itself. Except as expressly admitted, Defendant responds: Denied.

7 157. Defendant is without knowledge or information sufficient to form a belief as to the  
8 truth of the allegations in this paragraph and on that basis, Defendant responds: Denied.

9 158. Defendant is without knowledge or information sufficient to form a belief as to the  
10 truth of the allegations in this paragraph and on that basis, Defendant responds: Denied.

11 159. Defendant is without knowledge or information sufficient to form a belief as to the  
12 truth of the allegations in this paragraph and on that basis, Defendant responds: Denied.

13 160. Defendant is without knowledge or information sufficient to form a belief as to the  
14 truth of the allegations in this paragraph and on that basis, Defendant responds: Denied.

15 161. Defendant admits that on or about July 28, 2017, *Reuters* published an article titled  
16 “Wells Fargo faces angry questions after new abuses uncovered,” the content of which speaks for  
17 itself. Except as expressly admitted, Defendant responds: Denied.

18 162. Defendant admits that on or about July 28, 2017, *Reuters* published an article titled  
19 “Wells Fargo faces angry questions after new abuses uncovered,” the content of which speaks for  
20 itself. Except as expressly admitted, Defendant responds: Denied.

21 163. Defendant is without knowledge or information sufficient to form a belief as to the  
22 truth of the allegations in this paragraph and on that basis, Defendant responds: Denied.

23 164. Defendant is without knowledge or information sufficient to form a belief as to the  
24 truth of the allegations in this paragraph and on that basis, Defendant responds: Denied.

25 165. Defendant is without knowledge or information sufficient to form a belief as to the  
26 truth of the allegations in this paragraph and on that basis, Defendant responds: Denied.

27 166. Defendant admits that on or about August 4, 2017, *The Wall Street Journal*  
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1 published an article titled “Wells Fargo Might Face More Regulatory Sanctions,” the content of  
2 which speaks for itself. Except as expressly admitted, Defendant responds: Denied.

3 167. Defendant admits that on or about August 4, 2017, *The Wall Street Journal*  
4 published an article titled “Wells Fargo Might Face More Regulatory Sanctions,” the content of  
5 which speaks for itself. Except as expressly admitted, Defendant responds: Denied.

6 168. Defendant admits that on or about August 4, 2017, Wells Fargo issued a Form 10-  
7 Q for 2Q17, the content of which speaks for itself. Except as expressly admitted, Defendant  
8 responds: Denied.

9 169. Defendant admits that on or about August 4, 2017, Wells Fargo issued a Form 10-  
10 Q for 2Q17, the content of which speaks for itself. Except as expressly admitted, Defendant  
11 responds: Denied.

12 170. Defendant admits that on or about August 4, 2017, Wells Fargo issued a Form 10-  
13 Q for 2Q17, the content of which speaks for itself. Except as expressly admitted, Defendant  
14 responds: Denied.

15 171. Defendant admits that on or about August 4, 2017, Wells Fargo issued a Form 10-  
16 Q for 2Q17, the content of which speaks for itself. Except as expressly admitted, Defendant  
17 responds: Denied.

18 172. Defendant admits that on or about August 4, 2017, Wells Fargo issued a Form 10-  
19 Q for 2Q17, the content of which speaks for itself. Except as expressly admitted, Defendant  
20 responds: Denied.

21 173. Defendant is without knowledge or information sufficient to form a belief as to the  
22 truth of the allegations in this paragraph and on that basis, Defendant responds: Denied.

23 174. Defendant is without knowledge or information sufficient to form a belief as to the  
24 truth of the allegations in this paragraph and on that basis, Defendant responds: Denied.

25 175. Defendant admits that on or about August 7, 2017, *The New York Times* published  
26 an article titled “Wells Fargo, Awash in Scandal, Faces Violations Over Car Insurance Refunds,”  
27 the content of which speaks for itself. Except as expressly admitted, Defendant responds: Denied.  
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1           176. Defendant admits that on or about August 8, 2017, *Reuters* published an article  
2 titled “California insurance regulator to probe Wells Fargo over auto policies,” the content of  
3 which speaks for itself. Except as expressly admitted, Defendant responds: Denied.

4           177. Defendant admits that on or about August 4, 2017, Wells Fargo issued a Form 10-  
5 Q for 2Q17, the content of which speaks for itself. Defendant further admits that Wells Fargo  
6 issued press releases on April 7 and 15, 2017, the contents of which speak for themselves.  
7 Defendant is without knowledge or information sufficient to form a belief as to the truth of the  
8 allegations in the first sentence of this paragraph and on that basis, Defendant responds: Denied.  
9 Except as expressly admitted, Defendant responds: Denied.

10           178. Defendant admits that on or about October 3, 2017 he gave testimony to the Senate  
11 Banking Committee, the content of which speaks for itself. Except as expressly admitted,  
12 Defendant responds: Denied.

13           179. Defendant admits that on or about October 3, 2017 he gave testimony to the Senate  
14 Banking Committee, the content of which speaks for itself. Except as expressly admitted,  
15 Defendant responds: Denied.

16           180. Defendant admits that on or about October 3, 2017 he gave testimony to the Senate  
17 Banking Committee, the content of which speaks for itself. Except as expressly admitted,  
18 Defendant responds: Denied.

19           181. Defendant admits that on or about April 20, 2018, the CFPB and OCC issued  
20 consent orders against Wells Fargo, the contents of which speak for themselves. Except as  
21 expressly admitted, Defendant responds: Denied.

22           **LOSS CAUSATION AND THE CLASS MEMBERS’ ECONOMIC LOSS**

23           182. Defendant responds: Denied.

24           183. Defendant admits that on or about July 27, 2017, *The New York Times* published an  
25 article titled “Wells Fargo Forced Unwanted Auto Insurance on Borrowers,” the content of which  
26 speaks for itself. Defendant further admits that Wells Fargo issued a press release on July 27,  
27 2017, the content of which speaks for itself. Except as expressly admitted, Defendant responds:  
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1 Denied.

2 184. Defendant is without knowledge or information sufficient to form a belief as to the  
3 truth of the allegations in the second and third sentences of this paragraph and on that basis,  
4 Defendant responds: Denied. As to the remaining allegations in this paragraph, Defendant  
5 responds: Denied.

6 185. Defendant responds: Denied.

7 186. Defendant admits that on or about August 4, 2017, *The Wall Street Journal*  
8 published an article titled “Wells Fargo Might Face More Regulatory Sanctions,” the content of  
9 which speaks for itself. Defendant further admits that on or about August 4, 2017, Wells Fargo  
10 issued a Form 10-Q for 2Q17, the content of which speaks for itself. Except as expressly  
11 admitted, Defendant responds: Denied.

12 187. Defendant responds: Denied.

13 188. Defendant responds: Denied.

14 189. Defendant responds: Denied.

15 **APPLICABILITY OF THE PRESUMPTION OF RELIANCE**

16 190. The allegations contained in this paragraph are legal conclusions to which no  
17 response is required. To the extent that such a response is required, Defendant responds: Denied.

18 191. The allegations contained in this paragraph are legal conclusions to which no  
19 response is required. To the extent that such a response is required, Defendant admits that Wells  
20 Fargo’s stock is listed on the NYSE, that Wells Fargo files periodic reports with the SEC, and that  
21 Wells Fargo regularly communicates with the investing public through a variety of channels.  
22 Except as expressly admitted, Defendant responds: Denied.

23 192. The allegations contained in this paragraph are legal conclusions to which no  
24 response is required. To the extent that such a response is required, Defendant responds: Denied.

25 **THE STATUTORY SAFE HARBOR DOES NOT APPLY TO DEFENDANTS’ FALSE**  
26 **AND MISLEADING STATEMENTS AND MATERIAL OMISSIONS**

27 193. The allegations contained in this paragraph are legal conclusions to which no  
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1 response is required. To the extent that such a response is required, Defendant responds: Denied.

2 194. The allegations contained in this paragraph are legal conclusions to which no  
3 response is required. To the extent that such a response is required, Defendant responds: Denied.

4 195. The allegations contained in this paragraph are legal conclusions to which no  
5 response is required. To the extent that such a response is required, Defendant responds: Denied.

6 196. The allegations contained in this paragraph are legal conclusions to which no  
7 response is required. To the extent that such a response is required, Defendant responds: Denied.

8 197. The allegations contained in this paragraph are legal conclusions to which no  
9 response is required. To the extent that such a response is required, Defendant responds: Denied.

10 198. The allegations contained in this paragraph are legal conclusions to which no  
11 response is required. To the extent that such a response is required, Defendant responds: Denied.

12 199. The allegations contained in this paragraph are legal conclusions to which no  
13 response is required. To the extent that such a response is required, Defendant responds: Denied.

14 200. The allegations contained in this paragraph are legal conclusions to which no  
15 response is required. To the extent that such a response is required, Defendant responds: Denied.

16 **CLASS ACTION ALLEGATIONS**

17 201. This paragraph contains only descriptive information, which Defendant does not  
18 construe as actionable allegations requiring a response. To the extent that any information is  
19 construed as an allegation requiring a response, Defendant responds: Denied.

20 202. Defendant admits that Wells Fargo's stock is actively traded on the NYSE.  
21 Defendant is without knowledge or information sufficient to form a belief as to the truth of the  
22 remainder of the allegations in this paragraph and on that basis, Defendant responds: Denied.

23 203. The allegations contained in this paragraph are legal conclusions to which no  
24 response is required. To the extent that such a response is required, Defendant responds: Denied.

25 204. The allegations contained in this paragraph are legal conclusions to which no  
26 response is required. To the extent that such a response is required, Defendant responds: Denied.

27 205. The allegations contained in this paragraph are legal conclusions to which no  
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1 response is required. To the extent that such a response is required, Defendant responds: Denied.

2 206. The allegations contained in this paragraph are legal conclusions to which no  
3 response is required. To the extent that such a response is required, Defendant responds: Denied.

4 **COUNT I**

5 207. Defendant repeats each and every response set forth above as if stated in full here.

6 208. The allegations contained in this paragraph are legal conclusions to which no  
7 response is required. To the extent that such a response is required, Defendant responds: Denied.

8 209. The allegations contained in this paragraph are legal conclusions to which no  
9 response is required. To the extent that such a response is required, Defendant responds: Denied.

10 210. The allegations contained in this paragraph are legal conclusions to which no  
11 response is required. To the extent that such a response is required, Defendant responds: Denied.

12 211. The allegations contained in this paragraph are legal conclusions to which no  
13 response is required. To the extent that such a response is required, Defendant responds: Denied.

14 **COUNT II**

15 212. Defendant repeats each and every response set forth above as if stated in full here.

16 213. The allegations in this paragraph do not relate to a surviving claim, and thus no  
17 answer is required. To the extent such a response is required, Defendant responds that the  
18 allegations contained in this paragraph are legal conclusions to which no response is required. To  
19 the extent a further response is required, Defendant responds: Denied.

20 The Complaint contains an unnumbered paragraph with subparts A through D containing a  
21 prayer for relief, to which no response is required. To the extent such a response is required,  
22 Defendant denies that Plaintiff is entitled to any relief in this action.

23 The Complaint contains an unnumbered paragraph containing Plaintiff's jury demand, to  
24 which no response is required. To the extent such a response is required, Defendant denies that  
25 Plaintiff is entitled to any relief in this action, and thus no jury is required.

26 **AFFIRMATIVE DEFENSES**

27 Defendant asserts the following affirmative defenses. To the extent any of the defenses,  
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1 in whole or in part, serve merely to negate an element of a cause of action, Defendant in no way  
2 seeks to relieve Plaintiff of its burden of proof or persuasion on that element.

3 **FIRST AFFIRMATIVE DEFENSE**

4 **(Failure to State a Cause of Action)**

5 Plaintiff's claims and those of the purported class are barred because the Complaint fails to  
6 state facts sufficient to constitute a cause of action.

7 The Complaint fails to state facts sufficient to constitute a cause of action in light of the  
8 specific denials set forth above, which Defendant incorporates herein by reference.

9 **SECOND AFFIRMATIVE DEFENSE**

10 **(No Standing)**

11 Plaintiff's claims and those of the purported class are barred in whole or in part because  
12 Plaintiff lacks standing to assert the claims alleged in the Complaint.

13 **THIRD AFFIRMATIVE DEFENSE**

14 **(Materiality)**

15 Plaintiff's claims and those of the purported class are barred because none of the  
16 statements for which Defendants are allegedly responsible contains any material misstatements or  
17 omissions, considered either alone or in the context of the total mix of information available to  
18 investors.

19 **FOURTH AFFIRMATIVE DEFENSE**

20 **(Lack of Scienter)**

21 Plaintiff's claims and those of the purported class are barred because Defendant did not  
22 know, and could not have known with the exercise of reasonable care, the untruth of any alleged  
23 misrepresentations or the fact of any alleged material omission.

24 **FIFTH AFFIRMATIVE DEFENSE**

25 **(No Duty to Disclose)**

26 Plaintiff's claims and those of the purported class are barred because Defendant had no  
27 duty of disclosure with respect to the alleged misrepresentations and omissions.  
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**SIXTH AFFIRMATIVE DEFENSE**

**(Belief in Accuracy)**

As to the purported misrepresentations and omissions of which Plaintiff complains, Defendant, after reasonable investigation, had reasonable grounds to believe, and did believe, that the statements were true and that there was no omission of material fact required to be stated, or necessary to make the statements not misleading.

**SEVENTH AFFIRMATIVE DEFENSE**

**(Lack of Knowledge)**

As to the purported misrepresentations and omissions of which Plaintiff complains, the Defendant did not know of the purported inaccuracy of any of the misstatements and did not know of any material omissions from those statements, and could not have become aware of the alleged inaccuracy and/or omissions in the exercise of reasonable care.

**EIGHTH AFFIRMATIVE DEFENSE**

**(No Reliance)**

Plaintiff's claims and those of the purported class are barred because it cannot prove reliance on any alleged misrepresentation or omission.

**NINTH AFFIRMATIVE DEFENSE**

**(No Loss Causation)**

Plaintiff's claims and those of the purported class are barred because they cannot show transaction or loss causation.

**TENTH AFFIRMATIVE DEFENSE**

**(Direct or Proximate Causation)**

Plaintiff's claims and those of the purported class are barred because any loss allegedly incurred by Plaintiff was not directly or proximately caused by any misstatement or omission alleged in the Complaint.

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**ELEVENTH AFFIRMATIVE DEFENSE**

**(No Impact on Market Price)**

Plaintiff’s claims and those of the purported class are barred in whole or in part because the purported misstatements or omissions alleged in the complaint did not affect the market price of Wells Fargo securities.

**TWELFTH AFFIRMATIVE DEFENSE**

**(Good Faith)**

Defendant is not liable for Plaintiff’s claims and those of the purported class because Defendant acted at all times in good faith, with reasonable care, and with due diligence in carrying out his responsibilities and did not directly or indirectly control or induce any wrongful acts or omissions and did no unlawful act or thing directly or indirectly through or by means of any other person.

**THIRTEENTH AFFIRMATIVE DEFENSE**

**(Assumption of Risk)**

Plaintiff’s claims are barred because Plaintiff is a sophisticated, knowledgeable investor and therefore knew or should have known of the speculative nature and risks of their investment, which they voluntarily assumed but now improperly seek to shift to Defendants.

**FOURTEENTH AFFIRMATIVE DEFENSE**

**(Sufficient Caution)**

Plaintiff’s claims and those of the purported class are barred because Wells Fargo’s public statements sufficiently “bespoke caution” by including express warnings and disclosures of risk.

**FIFTEENTH AFFIRMATIVE DEFENSE**

**(No Injury in Fact)**

Plaintiff’s claims and those of the purported class are barred because Plaintiff and the purported class have not suffered injury in fact from the conduct described in the Complaint.

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**SIXTEENTH AFFIRMATIVE DEFENSE**

**(Safe Harbor for Forward-Looking Statements)**

Plaintiff’s claims and those of the purported class are barred because the alleged false and misleading statements are forward-looking and therefore protected by the safe harbor provision of the Reform Act, 15 U.S.C. § 78u-5(c)(1), (2).

**SEVENTEENTH AFFIRMATIVE DEFENSE**

**(No Class Action)**

This action is not maintainable as a class action.

**EIGHTEENTH AFFIRMATIVE DEFENSE**

**(Failure to Mitigate)**

Plaintiff is barred from seeking the relief requested by the Complaint by reason of Plaintiff’s failure to mitigate the damages allegedly suffered, if any such damages exist.

**NINETEENTH AFFIRMATIVE DEFENSE**

**(Attorneys’ and Experts’ Fees Not Recoverable)**

Plaintiff and the purported class are precluded from recovering attorneys’ fees or experts’ fees under applicable provisions of law.

**RIGHTS RESERVED**

Defendant reserves the right to allege other defenses as they become known during the course of discovery, and specifically reserves the right to amend his Answer to allege such defenses as they become known.

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