

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 89501 / August 6, 2020

ADMINISTRATIVE PROCEEDING
File No. 3-19704

In the Matter of

Wells Fargo & Company

Respondent.

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**NOTICE OF PROPOSED PLAN OF
DISTRIBUTION AND OPPORTUNITY
FOR COMMENT**

Notice is hereby given, pursuant to Rule 1103 of the United State Securities and Exchange Commission’s (“Commission”) Rules on Fair Fund and Disgorgement Plans (“Commission’s Rules”), 17 C.F.R. § 201.1103, that the Division of Enforcement has submitted to the Commission a proposed plan of distribution (the “Plan”) for the distribution of monies paid in the above-captioned matter.

On February 21, 2020, the Commission issued an Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (the “Order”)¹ against Wells Fargo & Company (“Wells Fargo” or the “Respondent”). In the Order, the Commission found that from 2012 through 2016, the Respondent violated the federal securities laws by misleading investors regarding the success of the core business strategy of the Community Bank operating segment, its largest business unit. At all relevant times, Wells Fargo was a publicly traded financial services corporation with common stock registered under Section 12(b) of the Securities Exchange Act of 1934 (“Exchange Act”) and quoted on the New York Stock Exchange (Ticker: WFC). According to the Order, Wells Fargo, among other things, failed to disclose to investors that the Community Bank’s sales model had caused widespread unlawful and unethical sales practices misconduct that was at odds with its investor disclosures regarding needs-based selling, and that the publicly reported cross-sell metric included significant numbers of unused or unauthorized accounts. The Commission found that Wells Fargo violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder. The Commission ordered the Respondent to pay a civil money penalty of \$500 million to the Commission and established a fair fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the civil penalty paid by the Respondent can be distributed to harmed investors (the “Fair Fund”).

¹ Exchange Act Rel. No. 88257 (Feb. 21, 2020).

The Fair Fund is comprised of the \$500 million paid by the Respondent pursuant to the Order. Interest and any additional funds received pursuant to Commission or Court order, agreement, or otherwise, will be added to Fair Fund.

The Fair Fund is subject to the continuing jurisdiction and control of the Commission and has been deposited at United States Department of Treasury's Bureau of the Fiscal Service ("BFS") in an interest-bearing account.

OPPORTUNITY FOR COMMENT

Pursuant to this Notice, all interested persons are advised that they may obtain a copy of the Plan from the Commission's public website at <http://www.sec.gov/litigation/fairfundlist.htm>. Interested persons may also obtain a written copy of the Plan by submitting a written request to Catherine E. Pappas, United States Securities and Exchange Commission, One Penn Center, 1617 JFK Blvd., Ste. 520, Philadelphia, PA 19103. All persons who desire to comment on the Plan may submit their comments, in writing, no later than thirty (30) days from the date of this Notice:

1. to the Office of the Secretary, United States Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090;
2. by using the Commission's Internet comment form (<http://www.sec.gov/litigation/admin.shtml>); or
3. by sending an e-mail to rule-comments@sec.gov.

Comments submitted by email or via the Commission's website should include "Administrative Proceeding File No. 3-19704" in the subject line. Comments received will be publicly available. Persons should submit only information they wish to make publicly available.

THE PLAN

The Net Available Fair Fund² is comprised of the \$500 million civil money penalty paid by the Respondent, plus accrued interest and income earned thereon, less amounts expended or reserved for tax obligations and any BFS fees. The Plan proposes to distribute the Net Available Fair Fund to investors who purchased the Security during the Recovery Period and suffered Recognized Losses as calculated by the methodology used in the Plan of Allocation.

For the Commission, by its Secretary, pursuant to delegated authority.

Vanessa A. Countryman
Secretary

² All capitalized terms used herein but not defined shall have the same meanings ascribed to them in the Plan.