

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 10758 / February 21, 2020

In the Matter of

Wells Fargo & Company

Respondent.

ORDER UNDER RULE 506(d)(2)(ii)
OF THE SECURITIES ACT OF 1933
GRANTING A WAIVER OF THE
RULE 506(d)(1)(v)(A)
DISQUALIFICATION PROVISION

I.

Wells Fargo & Company (“Wells Fargo”) has submitted a letter dated February 20, 2020 requesting that the Securities and Exchange Commission (the “Commission”) grant a waiver of disqualification under Rule 506(d)(2)(ii) of Regulation D under the Securities Act of 1933 (the “Securities Act”) upon entry on February 21, 2020 of the Commission’s order instituting administrative and cease-and-desist proceedings against Wells Fargo (the “Cease and Desist Order”). The Cease and Desist Order requires, among other things, Wells Fargo to cease and desist from committing or causing any violations and any future violations of Section 10(b) and Rule 10b-5 of the Securities Exchange Act of 1934.

II.

Rule 506(d)(2)(ii) of Regulation D provides that disqualification “shall not apply. . . upon a showing of good cause and without prejudice to any other action by the Commission, if the Commission determines that it is not necessary under the circumstances that an exemption be denied.”

III.

Based on the facts and representations in the request for a waiver of disqualification submitted by Wells Fargo, and assuming that Wells Fargo complies with the Cease and Desist Order, the Commission has determined that Wells Fargo has made a showing of good cause under Rule 506(d)(2)(ii) of Regulation D that it is not necessary under the circumstances to deny reliance on the Regulation D exemptions by reason of the entry of the Cease and Desist Order. Any different facts from those represented, failure to comply with the terms of the Cease and Desist Order, or failure to comply with the undertakings set forth below would require us to revisit our determination that good cause has been shown

and could constitute grounds to revoke or further condition the waiver. The Commission reserves the right, in its sole discretion, to revoke or further condition the waiver under those circumstances. The Commission has determined that as part of the Rule 506(d)(2)(ii) showing of good cause, Wells Fargo will comply with the following:

- a) Within three months of the entry of the Order, Wells Fargo will engage outside experienced securities counsel to conduct an assessment of the Regulation D policies and procedures of Wells Fargo and its “controlled” and “majority-owned subsidiaries” (as such terms are defined in Regulation S-X) that engage in Regulation D activities and recommend any necessary improvements thereto. Wells Fargo and the outside counsel may agree to scope out entities that may technically fall into this population but which are not generally subject to Wells Fargo’s policies and procedures. Within two months of receipt of such recommendations, Wells Fargo will review the recommendations with such outside counsel and agree on a process for acceptance and implementation of the recommendations. Wells Fargo will implement all accepted recommendations within a reasonable timeframe.
- b) One year from the Entry of the Order, at an agreed upon date, Wells Fargo will present to the Commission, and demonstrate to the Commission’s satisfaction, Wells Fargo’s compliance with the above undertaking.

Accordingly, **IT IS ORDERED**, pursuant to Rule 506(d)(2)(ii) of Regulation D under the Securities Act, that a waiver from the application of the disqualification provision of Rule 506(d)(1)(v)(A) of Regulation D under the Securities Act resulting from the entry of the Cease and Desist Order is hereby granted to Wells Fargo.

By the Commission.

Vanessa A. Countryman
Secretary