

In re Wells Fargo & Co. Consolidated Derivative Shareholder Litigation

Corporate Governance

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| Role | Co-Lead Counsel, representing Co-Lead Plaintiffs the City of Plantation Police Officers' Retirement Fund, the City of Pontiac Reestablished General Employees' Retirement System, and Amy J. Cook as co-lead plaintiffs. |
| Background | The Wells Fargo Derivative Action consolidates a series of cases brought on behalf of the shareholders of Wells Fargo & Company, alleging (among other things) that its Board of Directors breached their fiduciary duties with regards to Wells Fargo's discriminatory hiring and lending practices. |
| Court | U.S. District Court for the Northern District of California |
| Case Number | 22-cv-05173-TLT |
| Status | Pending |

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On February 12, 2024, Judge Trina L. Thompson of the United States District Court for the Northern District of California appointed the City of Plantation Police Officers' Retirement Fund, the City of Pontiac Reestablished General Employees' Retirement System, and Amy J. Cook as co-lead plaintiffs of In re Wells Fargo & Co. Consolidated Derivative Shareholder Litigation (the "Wells Fargo Derivative Action"). The co-lead plaintiffs are represented by co-lead counsel of Bleichmar, Fonti & Auld LLP, Motley Rice LLC, and Cotchett, Pitre & McCarthy LLP.

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its Board of Directors breached their fiduciary duties with regards to Wells Fargo's discriminatory hiring and lending practices.

In making the appointment, Judge Thompson recognized Bleichmar, Fonti & Auld LLP's "decorated counsel" with a "demonstrated . . . capacity to settle very large derivative shareholder actions and securities class actions."

On September 19, 2024, the Court denied in part defendants' motion to dismiss, finding that the complaint adequately alleged that the Wells Fargo Board "Failed to Implement Reporting Systems and Controls as to the Mission Critical Issue of Fair Lending Compliance." Judge Thompson further wrote that "[t]he Board had no committee charged with direct responsibility to monitor fair lending compliance," it "did not monitor, discuss, or address fair lending compliance on a regular schedule," and "had no regular process or protocols that required management to keep the Board apprised for fair lending compliance practices, risks, or reports." What's more, the Court stated that "[d]uring a key period, management received reports that contained what could be considered red, or at least yellow, flags [with respect to fair lending compliance], and the Board minutes of the relevant period revealed no evidence that these were disclosed to the Board."

The case is currently in discovery.