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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

GUOFENG MA, Individually and On
Behalf of All Others Similarly Situated,

Plaintiff,

v.

WELLS FARGO & COMPANY,
CHARLES W. SCHARF, and JOHN R.
SHREWSBERRY,

Defendants.

Case No.

CLASS ACTION

COMPLAINT FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS

DEMAND FOR JURY TRIAL

1 Plaintiff Guofeng Ma (“Plaintiff”), individually and on behalf of all other persons similarly
2 situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants, alleges
3 the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and
4 information and belief as to all other matters, based upon, *inter alia*, the investigation conducted
5 by and through Plaintiff’s attorneys, which included, among other things, a review of the
6 Defendants’ public documents, conference calls and announcements made by Defendants, United
7 States (“U.S.”) Securities and Exchange Commission (“SEC”) filings, wire and press releases
8 published by and regarding Wells Fargo & Company (“Wells Fargo” or the “Company”), analysts’
9 reports and advisories about the Company, and information readily obtainable on the Internet.
10 Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein
11 after a reasonable opportunity for discovery.
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14 **NATURE OF THE ACTION**

15 1. This is a federal securities class action on behalf of a class consisting of all persons
16 other than Defendants who purchased or otherwise acquired Wells Fargo securities between April
17 5, 2020 and May 5, 2020, both dates inclusive (the “Class Period”), seeking to recover damages
18 caused by Defendants’ violations of the federal securities laws and to pursue remedies under
19 Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”) and Rule
20 10b-5 promulgated thereunder, against the Company and certain of its top officials.
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22 2. Wells Fargo is a diversified financial services company that provides banking,
23 investment, mortgage, and consumer and commercial finance products and services to individuals,
24 businesses, and institutions in the U.S. and internationally.

25 3. On April 5, 2020, Wells Fargo announced that it had received strong interest in the
26 Paycheck Protection Program (“PPP”), a program under the Coronavirus Aid, Relief, and
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1 Economic Security Act (the “CARES Act”), and was targeting to distribute a total of \$10 billion
2 to small business customers under the requirements of the PPP.

3 4. On April 8, 2020, the Federal Reserve announced that it would allow Wells Fargo
4 to exceed the asset cap that it had imposed on Wells Fargo in 2018 after revelations that the
5 Company had opened millions of accounts in customers’ names without their permission, a change
6 which would allow Wells Fargo to make additional small business loans as part of the PPP.
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8 5. That same day, Wells Fargo issued a press release stating, in relevant part, that,
9 “beginning immediately, in response to the actions by the Federal Reserve, [Wells Fargo] will
10 expand its participation in the [PPP] and offer loans to a broader set of its small business and
11 nonprofit customers subject to the terms of the program.”

12 6. Throughout the Class Period, Defendants made materially false and misleading
13 statements regarding the Company’s business, operational and compliance policies. Specifically,
14 Defendants made false and/or misleading statements and/or failed to disclose that: (i) Wells Fargo
15 planned to, and did, improperly allocate government-backed loans under the PPP, and/or had
16 inadequate controls in place to prevent such misallocation; (ii) the foregoing foreseeably increased
17 the Company’s litigation risk with respect to PPP allocation, as well as increased regulatory
18 scrutiny and/or potential enforcement actions; and (iii) as a result, the Company’s public
19 statements were materially false and misleading at all relevant times.
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21 7. On April 19, 2020, after at least one lawsuit was filed against the Company, reports
22 emerged that Wells Fargo may have unfairly allocated government-backed loans under the PPP.
23 For example, *USA Today* reported that “[t]he lawsuit filed on behalf of small business owners on
24 Sunday alleges that Wells Fargo unfairly prioritized businesses seeking large loan amounts, while
25 the government’s small business agency has said that PPP loan applications would be processed
26 on a first-come, first-served basis.” According to the lawsuit, “[t]he move by Wells Fargo meant
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1 that the bank would receive millions more dollars in processing fees,” and, “[m]aking matters
2 worse, Wells Fargo concealed from the public that it was reshuffling the PPP applications it
3 received and prioritizing the applications that would make the bank the most money.”

4 8. Following this news, Wells Fargo’s stock price fell more than 5% over two trading
5 days to close at \$26.84 per share on April 21, 2020.

6 9. Finally, on May 5, 2020, Wells Fargo filed a quarterly report on Form 10-Q with
7 the SEC, disclosing, in addition to multiple PPP-related lawsuits initiated against the Company,
8 that Wells Fargo had “received formal and informal inquiries from federal and state governmental
9 agencies regarding its offering of PPP loans.”

10 10. Following this news, Wells Fargo’s stock price fell by more than 6% over two
11 trading days from its closing price on May 4, 2020, closing at \$25.61 per share on May 6, 2020.

12 11. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline
13 in the market value of the Company’s securities, Plaintiff and other Class members have suffered
14 significant losses and damages.

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17 **JURISDICTION AND VENUE**

18 12. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of
19 the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the
20 SEC (17 C.F.R. § 240.10b-5).

21 13. This Court has jurisdiction over the subject matter of this action pursuant to 28
22 U.S.C. § 1331 and Section 27 of the Exchange Act.

23 14. Venue is proper in this Judicial District pursuant to Section 27 of the Exchange Act
24 (15 U.S.C. § 78aa) and 28 U.S.C. § 1391(b). Wells Fargo is headquartered in this Judicial District,
25 Defendants conduct business in this Judicial District, and a significant portion of Defendants’
26 activities took place within this Judicial District.
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1 the Individual Defendants knew that the adverse facts specified herein had not been disclosed to
2 and were being concealed from the public, and that the positive representations being made were
3 then materially false and misleading. The Individual Defendants are liable for the false statements
4 and omissions pleaded herein.

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6 22. Wells Fargo and the Individual Defendants are sometimes collectively referred to
7 herein as “Defendants.”

8 **SUBSTANTIVE ALLEGATIONS**

9 **Background**

10 23. Wells Fargo is a diversified financial services company that provides banking,
11 investment, mortgage, and consumer and commercial finance products and services to individuals,
12 businesses, and institutions in the U.S. and internationally.

13
14 24. Following the onset of the COVID-19 pandemic, the U.S. federal government
15 passed the CARES Act, which, among other things, set forth the PPP in an effort to aid small
16 businesses during the economic downturn that resulted from the pandemic. Funded by the U.S.
17 Small Business Administration (“SBA”), the PPP authorizes up to \$349 billion in forgivable loans
18 to small businesses to pay their employees during the COVID-19 crisis. All businesses—including
19 nonprofits, veterans organizations, Tribal business concerns, sole proprietorships, self-employed
20 individuals, and independent contractors—with 500 or fewer employees are eligible to apply for
21 PPP loans.
22

23 **Materially False and Misleading Statements Issued During the Class Period**

24 25. The Class Period begins on April 5, 2020, when Wells Fargo issued a press release
25 entitled “Wells Fargo Receives Strong Interest in the Paycheck Protection Program (PPP)” (the
26 “April 5, 2020 Press Release”). At the top of that press release, Wells Fargo highlighted the
27 following three points: (i) “Intake from customers indicates Wells Fargo has reached its capacity
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1 of \$10 billion to lend under the PPP”; (ii) “Will focus lending to nonprofits and small businesses
2 with fewer than 50 employees”; and (iii) “Will give fees received under program to nonprofits
3 focused on small business.”

4 26. In the body of the April 5, 2020 Press Release, Defendants represented that “Wells
5 Fargo . . . is targeting to distribute a total of \$10 billion to small business customers under the
6 requirements of the PPP and will focus on serving two segments of its customer population:
7 nonprofits and small businesses with fewer than 50 employees”; that “[t]he company has received
8 forms from customers expressing interest in the PPP that it expects will fill the company’s capacity
9 to lend under the program, as it continues to operate under existing asset cap limitations”; that
10 “fees generated through the program will be distributed as charitable grants to nonprofits that
11 support small businesses, which is a focus of Wells Fargo’s philanthropic efforts”; and that “Wells
12 Fargo will review all expressions of interest submitted by customers via [its] online form through
13 April 5 and provide them with updates in the coming days.”

14 27. The April 5, 2020 Press Release also quoted Defendant Scharf, who touted, in
15 relevant part, that “[s]ince the beginning of this health crisis, Wells Fargo has provided substantial
16 credit and liquidity to [its] customers to help them weather these uncertain times”; that, “[i]n the
17 month of March alone, [Defendants] extended nearly \$70 billion in new and increased
18 commitments and outstanding loans to customers including consumers, small businesses, and
19 companies in the US”; and that Defendants “are focusing [their] efforts under the [PPP]” on “small
20 businesses with fewer than 50 employees and nonprofits [that] often have fewer resources.”

21 28. With specific respect to Wells Fargo’s regulatory compliance, Defendant Scharf
22 assured investors that “[s]ince [he] arrived at the company, [he] ha[s] been clear that [Defendants]
23 will direct all resources necessary to do the work required by . . . regulators and [Defendants] are
24 in the process of doing so.”

1 29. On April 8, 2020, the Federal Reserve announced that it would allow Wells Fargo
2 to exceed the asset cap that it had imposed on the Company in 2018. The asset cap had been
3 imposed under a consent order after revelations that the Company had opened millions of accounts
4 in customers' names without their permission. The Federal Reserve's permission to exceed the
5 asset cap would allow Wells Fargo to make additional small business loans as part of the PPP.

6
7 30. That same day, Wells Fargo issued a press release entitled "Wells Fargo to Expand
8 Participation in the Paycheck Protection Program (PPP)" (the "April 8, 2020 Press Release"). That
9 press release touted, in relevant part, that "beginning immediately, in response to the actions by
10 the Federal Reserve, [Wells Fargo] will expand its participation in the [PPP] and offer loans to a
11 broader set of its small business and nonprofit customers *subject to the terms of the program*"
12 (emphasis added).

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14 31. The April 8, 2020 Press Release also quoted Defendant Scharf, who asserted, in
15 relevant part, that "[w]hile [Defendants] are pleased to be able to help more small businesses
16 through the [PPP], [they] note that the Federal Reserve's action does not – and should not – in any
17 way relieve [Defendants] of [their] obligations under the consent order"; that he has "said
18 consistently since arriving at Wells Fargo that management has the responsibility to do the work
19 necessary under the consent order"; that "[t]he consent order exists because of deficiencies that
20 have existed at Wells Fargo for years"; that "[t]he work required under the consent order is clear,
21 has been outstanding for too long, and is a prerequisite for consideration of the asset cap being
22 lifted"; that "work on [Defendants'] consent orders is [their] top priority and [they] are devoting
23 all necessary resources"; and that "[u]ntil [their] work is completed to the Federal Reserve's
24 satisfaction, [Defendants] will continue to actively make decisions on how to allocate [their]
25 balance sheet to support the needs of [their] customers under the existing asset cap." All the
26 foregoing plainly signaled to investors that, in light of prior violations by the Company,
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1 example, *USA Today* reported that “[t]he lawsuit filed on behalf of small business owners on
2 Sunday alleges that Wells Fargo unfairly prioritized businesses seeking large loan amounts, while
3 the government’s small business agency has said that PPP loan applications would be processed
4 on a first-come, first-served basis.” The article continued by noting that, according to the lawsuit,
5 “[t]he move by Wells Fargo meant that the bank would receive millions more dollars in processing
6 fees,” and, “[m]aking matters worse, Wells Fargo concealed from the public that it was reshuffling
7 the PPP applications it received and prioritizing the applications that would make the bank the
8 most money.”

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10 35. *Class Actions Reporter*, a daily e-newsletter dedicated to reporting on class actions,
11 also discussed the lawsuit, and cited prior statements by Wells Fargo, noting that the Company’s
12 conduct may have violated the CARES Act:

13
14 The complaint quotes the text of the bill as saying, “[T]he Administrator should
15 issue guidance to lenders and agents to ensure that the processing and disbursement
16 of covered loans prioritizes small business concerns and entities in the underserved
17 and rural markets, including veterans and members of the military community,
18 small business concerns owned and controlled by socially economically
19 disadvantaged individuals..., women, and business in operation for less than 2
20 years.”

21
22 Wells Fargo claimed to back this priority. The complaint quotes its CEO as saying,
23 “While all businesses have been impacted by this crisis, small businesses with
24 fewer than 50 employees and nonprofits often have fewer resources. Therefore, we
25 are focusing our efforts under the Paycheck Protection Program on these groups.”

26
27 However, the complaint alleges that this was not how Wells Fargo handled the
28 applications it received: “Wells Fargo prioritized and front-loaded applications
with higher loan amounts. This shown by comparing data from loans processed
between April 3, 2020 (when the PPP started) and April 13th and April 16th (when
the program ran out of money).”

According to the complaint, Wells Fargo did this because it earned higher fees on
those loans.

Wells Fargo’s words matters, the complaint says, because small businesses were
entitled to apply only for one loan. If they applied with one bank, they could not
then submit another application with another. Had they known that Wells Fargo
would prioritize larger businesses, they would have applied with a different lender.

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2 36. Following this news, Wells Fargo’s stock price fell more than 5% over two trading
3 days to close at \$26.84 per share on April 21, 2020.

4 37. Finally, on May 5, 2020, Wells Fargo filed a quarterly report on Form 10-Q with
5 the SEC, reporting the Company’s financial and operating results for the first quarter of its fiscal
6 year 2020. In addition to noting that “[p]laintiffs have filed putative class actions in state and
7 federal court in Texas, California, and Colorado against the Company,” which seek “damages and
8 injunctive relief related to the Company’s offering of [PPP] loans under the [CARES] Act,” the
9 quarterly report disclosed that “[*t*]he Company has also received formal and informal inquiries
10 *from federal and state governmental agencies regarding its offering of PPP loans*” (emphasis
11 added).

12
13 38. Following this news, Wells Fargo’s stock price fell by more than 6% over two
14 trading days from its closing price on May 4, 2020, closing at \$25.61 per share on May 6, 2020.

15 39. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline
16 in the market value of the Company’s securities, Plaintiff and other Class members have suffered
17 significant losses and damages.

18
19 **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

20 40. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil
21 Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all those who purchased or otherwise
22 acquired Wells Fargo securities during the Class Period (the “Class”); and were damaged upon the
23 revelation of the alleged corrective disclosures. Excluded from the Class are Defendants herein,
24 the officers and directors of the Company, at all relevant times, members of their immediate
25 families and their legal representatives, heirs, successors or assigns and any entity in which
26 Defendants have or had a controlling interest.
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1 41. The members of the Class are so numerous that joinder of all members is
2 impracticable. Throughout the Class Period, Wells Fargo securities were actively traded on the
3 NYSE. While the exact number of Class members is unknown to Plaintiff at this time and can be
4 ascertained only through appropriate discovery, Plaintiff believes that there are hundreds or
5 thousands of members in the proposed Class. Record owners and other members of the Class may
6 be identified from records maintained by Wells Fargo or its transfer agent and may be notified of
7 the pendency of this action by mail, using the form of notice similar to that customarily used in
8 securities class actions.

10 42. Plaintiff's claims are typical of the claims of the members of the Class as all
11 members of the Class are similarly affected by Defendants' wrongful conduct in violation of
12 federal law that is complained of herein.

14 43. Plaintiff will fairly and adequately protect the interests of the members of the Class
15 and has retained counsel competent and experienced in class and securities litigation. Plaintiff has
16 no interests antagonistic to or in conflict with those of the Class.

17 44. Common questions of law and fact exist as to all members of the Class and
18 predominate over any questions solely affecting individual members of the Class. Among the
19 questions of law and fact common to the Class are:

- 21 • whether the federal securities laws were violated by Defendants' acts as alleged
22 herein;
- 23 • whether statements made by Defendants to the investing public during the Class
24 Period misrepresented material facts about the business, operations and
25 management of Wells Fargo;
- 26 • whether the Individual Defendants caused Wells Fargo to issue false and
27 misleading financial statements during the Class Period;
- 28 • whether Defendants acted knowingly or recklessly in issuing false and misleading
financial statements;

- 1 • whether the prices of Wells Fargo securities during the Class Period were
2 artificially inflated because of the Defendants' conduct complained of herein; and
- 3 • whether the members of the Class have sustained damages and, if so, what is the
4 proper measure of damages.

5 45. A class action is superior to all other available methods for the fair and efficient
6 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the
7 damages suffered by individual Class members may be relatively small, the expense and burden
8 of individual litigation make it impossible for members of the Class to individually redress the
9 wrongs done to them. There will be no difficulty in the management of this action as a class action.

10 46. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-
11 on-the-market doctrine in that:

- 12 • Defendants made public misrepresentations or failed to disclose material facts
13 during the Class Period;
- 14 • the omissions and misrepresentations were material;
- 15 • Wells Fargo securities are traded in an efficient market;
- 16 • the Company's shares were liquid and traded with moderate to heavy volume
17 during the Class Period;
- 18 • the Company traded on the NYSE and was covered by multiple analysts;
- 19 • the misrepresentations and omissions alleged would tend to induce a reasonable
20 investor to misjudge the value of the Company's securities; and
- 21 • Plaintiff and members of the Class purchased, acquired and/or sold Wells Fargo
22 securities between the time the Defendants failed to disclose or misrepresented
23 material facts and the time the true facts were disclosed, without knowledge of
24 the omitted or misrepresented facts.

25 47. Based upon the foregoing, Plaintiff and the members of the Class are entitled to a
26 presumption of reliance upon the integrity of the market.

27 48. Alternatively, Plaintiff and the members of the Class are entitled to the presumption
28 of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v.*

1 *United States*, 406 U.S. 128, 92 S. Ct. 2430 (1972), as Defendants omitted material information in
2 their Class Period statements in violation of a duty to disclose such information, as detailed above.

3
4 **COUNT I**

5 **(Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder**
6 **Against All Defendants)**

7 49. Plaintiff repeats and re-alleges each and every allegation contained above as if fully
8 set forth herein.

9 50. This Count is asserted against Defendants and is based upon Section 10(b) of the
10 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

11 51. During the Class Period, Defendants engaged in a plan, scheme, conspiracy and
12 course of conduct, pursuant to which they knowingly or recklessly engaged in acts, transactions,
13 practices and courses of business which operated as a fraud and deceit upon Plaintiff and the other
14 members of the Class; made various untrue statements of material facts and omitted to state
15 material facts necessary in order to make the statements made, in light of the circumstances under
16 which they were made, not misleading; and employed devices, schemes and artifices to defraud in
17 connection with the purchase and sale of securities. Such scheme was intended to, and, throughout
18 the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members,
19 as alleged herein; (ii) artificially inflate and maintain the market price of Wells Fargo securities;
20 and (iii) cause Plaintiff and other members of the Class to purchase or otherwise acquire Wells
21 Fargo securities and options at artificially inflated prices. In furtherance of this unlawful scheme,
22 plan and course of conduct, Defendants, and each of them, took the actions set forth herein.

23
24 52. Pursuant to the above plan, scheme, conspiracy and course of conduct, each of the
25 Defendants participated directly or indirectly in the preparation and/or issuance of the quarterly
26 and annual reports, SEC filings, press releases and other statements and documents described
27 above, including statements made to securities analysts and the media that were designed to
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1 influence the market for Wells Fargo securities. Such reports, filings, releases and statements were
2 materially false and misleading in that they failed to disclose material adverse information and
3 misrepresented the truth about Wells Fargo's finances and business prospects.

4 53. By virtue of their positions at Wells Fargo, Defendants had actual knowledge of
5 the materially false and misleading statements and material omissions alleged herein and intended
6 thereby to deceive Plaintiff and the other members of the Class, or, in the alternative, Defendants
7 acted with reckless disregard for the truth in that they failed or refused to ascertain and disclose
8 such facts as would reveal the materially false and misleading nature of the statements made,
9 although such facts were readily available to Defendants. Said acts and omissions of Defendants
10 were committed willfully or with reckless disregard for the truth. In addition, each Defendant
11 knew or recklessly disregarded that material facts were being misrepresented or omitted as
12 described above.
13

14 54. Information showing that Defendants acted knowingly or with reckless disregard
15 for the truth is peculiarly within Defendants' knowledge and control. As the senior managers
16 and/or directors of Wells Fargo, the Individual Defendants had knowledge of the details of Wells
17 Fargo's internal affairs.
18

19 55. The Individual Defendants are liable both directly and indirectly for the wrongs
20 complained of herein. Because of their positions of control and authority, the Individual
21 Defendants were able to and did, directly or indirectly, control the content of the statements of
22 Wells Fargo. As officers and/or directors of a publicly-held company, the Individual Defendants
23 had a duty to disseminate timely, accurate, and truthful information with respect to Wells Fargo's
24 businesses, operations, future financial condition and future prospects. As a result of the
25 dissemination of the aforementioned false and misleading reports, releases and public statements,
26 the market price of Wells Fargo securities was artificially inflated throughout the Class Period. In
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1 ignorance of the adverse facts concerning Wells Fargo's business and financial condition which
2 were concealed by Defendants, Plaintiff and the other members of the Class purchased or
3 otherwise acquired Wells Fargo securities at artificially inflated prices and relied upon the price of
4 the securities, the integrity of the market for the securities and/or upon statements disseminated by
5 Defendants, and were damaged thereby.

6
7 56. During the Class Period, Wells Fargo securities were traded on an active and
8 efficient market. Plaintiff and the other members of the Class, relying on the materially false and
9 misleading statements described herein, which the Defendants made, issued or caused to be
10 disseminated, or relying upon the integrity of the market, purchased or otherwise acquired shares
11 of Wells Fargo securities at prices artificially inflated by Defendants' wrongful conduct. Had
12 Plaintiff and the other members of the Class known the truth, they would not have purchased or
13 otherwise acquired said securities, or would not have purchased or otherwise acquired them at the
14 inflated prices that were paid. At the time of the purchases and/or acquisitions by Plaintiff and the
15 Class, the true value of Wells Fargo securities was substantially lower than the prices paid by
16 Plaintiff and the other members of the Class. The market price of Wells Fargo securities declined
17 sharply upon public disclosure of the facts alleged herein to the injury of Plaintiff and Class
18 members.

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21 57. By reason of the conduct alleged herein, Defendants knowingly or recklessly,
22 directly or indirectly, have violated Section 10(b) of the Exchange Act and Rule 10b-5
23 promulgated thereunder.

24
25 58. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the
26 other members of the Class suffered damages in connection with their respective purchases,
27 acquisitions and sales of the Company's securities during the Class Period, upon the disclosure
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1 that the Company had been disseminating misrepresented financial statements to the investing
2 public.

3
4 **COUNT II**

5 **(Violations of Section 20(a) of the Exchange Act Against The Individual Defendants)**

6 59. Plaintiff repeats and re-alleges each and every allegation contained in the foregoing
7 paragraphs as if fully set forth herein.

8 60. During the Class Period, the Individual Defendants participated in the operation
9 and management of Wells Fargo, and conducted and participated, directly and indirectly, in the
10 conduct of Wells Fargo's business affairs. Because of their senior positions, they knew the adverse
11 non-public information about Wells Fargo's misstatement of income and expenses and false
12 financial statements.

13 61. As officers and/or directors of a publicly owned company, the Individual
14 Defendants had a duty to disseminate accurate and truthful information with respect to Wells
15 Fargo's financial condition and results of operations, and to correct promptly any public statements
16 issued by Wells Fargo which had become materially false or misleading.

17 62. Because of their positions of control and authority as senior officers, the Individual
18 Defendants were able to, and did, control the contents of the various reports, press releases and
19 public filings which Wells Fargo disseminated in the marketplace during the Class Period
20 concerning Wells Fargo's results of operations. Throughout the Class Period, the Individual
21 Defendants exercised their power and authority to cause Wells Fargo to engage in the wrongful
22 acts complained of herein. The Individual Defendants therefore, were "controlling persons" of
23 Wells Fargo within the meaning of Section 20(a) of the Exchange Act. In this capacity, they
24 participated in the unlawful conduct alleged which artificially inflated the market price of Wells
25 Fargo securities.
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