

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 88921 / May 21, 2020**

**ADMINISTRATIVE PROCEEDING**  
**File No. 3-19704**

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<b>In the Matter of</b>	:	
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<b>Wells Fargo &amp; Company,</b>	:	<b>ORDER APPOINTING</b>
	:	<b>FUND ADMINISTRATOR</b>
<b>Respondent.</b>	:	<b>AND SETTING BOND</b>
	:	<b>AMOUNT</b>
_____	:	

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 (“Order”)<sup>1</sup> against Wells Fargo & Company (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

<sup>1</sup> Exchange Act Rel. No. 88257 (Feb. 21, 2020).

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 and ordered it to pay a \$500 million civil money penalty to the Commission. The Commission ordered the Respondent to pay a \$500,000,000.00 civil money penalty to the Commission. The Commission also created a Fair Fund, pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002, so the penalty can be distributed to harmed investors (the “Fair Fund”). The Fair Fund includes the \$500,000,000.00 paid by the Respondent.

The Division of Enforcement now seeks the appointment of Rust Consulting, Inc. (“Rust”) as the fund administrator and requests that the administrator’s bond be set at \$500,000,000.00. Rust is included in the Commission’s approved pool of administrators.

Accordingly, IT IS HEREBY ORDERED that Rust is appointed as the fund administrator, pursuant to Rule 1105(a) of the Commission’s Rules of Fair Fund and Disgorgement Plans (“Commission’s Rules”),<sup>2</sup> and shall obtain a bond in accordance with Rule 1105(c) of the Commission’s Rules<sup>3</sup> in the amount of \$500,000,000.00.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.<sup>4</sup>

Vanessa A. Countryman  
Secretary

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<sup>2</sup> 17 C.F.R. § 201.1105(a).

<sup>3</sup> 17 C.F.R. § 201.1105(c).

<sup>4</sup> 17 C.F.R. § 200.30-4(a)(17).