

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 101033 / September 16, 2024

ADMINISTRATIVE PROCEEDING
File No. 3-19704

In the Matter of

Wells Fargo & Company,

Respondent.

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**ORDER DIRECTING THIRD
DISBURSEMENT OF FAIR FUND**

On August 6, 2020, the Commission published a Notice of Proposed Plan of Distribution and Opportunity for Comment (“Notice”),¹ pursuant to Rule 1103 of the Commission’s Rules on Fair Fund and Disgorgement Plans (“Commission’s Rules”);² and simultaneously posted the Proposed Plan of Distribution (the “Proposed Plan”). The Notice advised interested persons that they could obtain a copy of the Proposed Plan from the Commission’s public website or by submitting a written request to Catherine Pappas, United States Securities and Exchange Commission, One Penn Center, 1617 JFK Blvd., Ste. 520, Philadelphia, PA 19103. The Notice also advised that all persons desiring to comment on the Proposed Plan could submit their comments, in writing, within 30 days of the Notice. The Commission received one comment on the Proposed Plan during the comment period. On January 11, 2021, after a thorough review and

¹ Exchange Act Rel. No. 89501 (Aug. 6, 2020).

² 17 C.F.R. § 201.1103.

substantial consideration, the Commission issued an order approving the Proposed Plan without modification,³ and posted the approved Corrected Plan of Distribution (the “Plan”).

The Plan provides for the distribution of the Fair Fund, plus accumulated interest, less taxes and investment fees (“Net Available Fair Fund”), to harmed investors according to the methodology set forth in the Plan. In accordance with the Plan, the Claims Bar Date⁴ has passed and the Fund Administrator has processed all timely submitted claims. All investors whose claims have been denied, in whole or in part, have been notified and provided the opportunity to cure.

On September 12, 2022, the Division of Enforcement, pursuant to delegated authority, issued an Order Directing Disbursement of Fair Fund,⁵ directing the disbursement of \$452,175,789.98 from the Fair Fund to the Fair Fund’s escrow account at The Huntington National Bank (the “Fair Fund’s Escrow Account”) for distribution by the Fund Administrator in accordance with the Plan. Pursuant to the Commission’s Order, the Fund Administrator successfully distributed over 95% of the amount disbursed, or \$430,970,355.57 (the “Initial Distribution”).

After consultation with the Tax Administrator, the Fund Administrator recommended a second distribution (the “Second Distribution”) done in tranches to allow for tax information solicitation of certain claimants.⁶ On December 20, 2023, the Division of Enforcement, pursuant to delegated authority, issued an Order Directing Second Disbursement of Fair Fund,⁷ directing the Fund Administrator to distribute the first tranche of the Second Distribution, in the amount of

³ See Order Approving Plan of Distribution, Exchange Act Rel. No. 90898 (Jan. 11, 2021).

⁴ Capitalized terms not defined in this Order are used as defined in the Plan.

⁵ Exchange Act Rel. No. 95733 (Sept. 12, 2022).

⁶ In accordance with paragraph 4 of the Plan, and pursuant to Court order, \$4,906,950 was added to the Fair Fund after the Initial Distribution from the related district court action, *SEC v. Tolstedt*, 20-cv-07987-JST (N.D. Ca.).

⁷ Exchange Act Rel. No. 99216 (Dec. 20, 2023).

\$17,866,919.23, from the funds held in the Fair Fund's Escrow Account to certain Eligible Claimants in accordance with the Plan. These funds have been disbursed.

As of July 31, 2024, there was \$64,356,321.38 remaining in the Fair Fund, including \$58,236,355.90 held by the Commission, and \$6,119,965.48 held in the Escrow Account.

The Fund Administrator, in consultation with the Tax Administrator, now recommends the disbursement of a second tranche of the Second Distribution to those Eligible Claimants whose tax information solicitation has been completed. Specifically, after setting a Reserve of \$44,000 and withholding an additional (approximately) \$315,000 for uncashed checks from the first tranche, and (approximately) \$6.3 million for those claimants whose tax information solicitation is incomplete, the Fund Administrator recommends the disbursement of \$54,659,904.45 to the benefit of claimants who have not received a second Distribution Payment and whose tax information solicitation is now complete, as follows: first to Eligible Claimants who filed claims with the Fund Administrator after the Claims Bar Date or who were late in curing a rejected claim or requesting a check reissue; and then to Eligible Claimants who negotiated a check or otherwise received a payment in the Initial Distribution, or a reissued Initial Distribution Payment in the Second Distribution.

Pursuant to the Plan, the Fund Administrator has submitted a Payee List, along with a Reasonable Assurances Letter. The Commission staff has reviewed and accepted the Payee List and requests, pursuant to Rule 1101(b)(6) of the Commission's Rules, 17 C.F.R. § 201.1101(b)(6), that the Commission authorize the transfer of \$48,824,723.96 from the Fair Fund to the Fair Fund's Escrow Account at The Huntington National Bank, and for it to be added to the \$5,835,180.49 in Fair Fund's Escrow Account, for a total distribution of \$54,659,904.45 by the Fund Administrator in accordance with the Plan.

Accordingly, it is hereby ORDERED, that Commission staff shall transfer \$48,824,723.96 from the Fair Fund to the Fair Fund's Escrow Account, and the Fund Administrator shall distribute such monies, along with the \$5,835,180.49 held in the Fair Fund's Escrow Account, for a total distribution of \$54,659,904.45 in accordance with the Plan.

For the Commission, by the Division of Enforcement, pursuant to delegated authority.⁸

Vanessa A. Countryman
Secretary

⁸ 17 C.F.R. § 200.30-4(a)(21)(v).