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Lead Counsel for Lead Plaintiffs

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

IN RE WELLS FARGO & COMPANY HIRING PRACTICES DERIVATIVE LITIGATION This Document Relates To: ALL ACTIONS	Lead Case No. 3:22-cv-05173-TLT **JOINT DECLARATION OF MARLON E. KIMPSON, LESLEY E. WEAVER, AND MARK C. MOLUMPHY IN SUPPORT OF UNOPPOSED MOTION FOR PRELIMINARY APPROVAL OF PROPOSED SETTLEMENT** Date: February 10, 2026 Time: 2:00 p.m. The Honorable Trina L. Thompson Courtroom 9, 19th Floor

We, Marlon E. Kimpson, Lesley E. Weaver, and Mark C. Molumphy, jointly declare and state as follows:

1. Marlon E. Kimpson is an attorney duly licensed to practice law in the State of South Carolina and admitted to practice *pro hac vice* before this Court. Mr. Kimpson is a Member at the law firm Motley Rice LLC ("**MR**"), which, along with the law firms Bleichmar Fonti & Auld LLP ("**BFA**") and Cotchett, Pitre & McCarthy LLP ("**CPM**") serves as Co-Lead Counsel for the City of Pontiac Reestablished General Employees Retirement System ("**Pontiac**"), the City of Plantation Police Officers' Retirement Fund ("**Plantation**"), and Amy Isenberg ("**Isenberg**") (collectively, the "**Lead Plaintiffs**"), Court-appointed Co-Lead Plaintiffs in this shareholder derivative action.

2. Lesley E. Weaver is an attorney duly licensed to practice law in the State of California and admitted to practice in this Court. Ms. Weaver is a Partner at the law firm BFA, which, along with MR and CPM, serves as Co-Lead Counsel for Lead Plaintiffs.

3. Mark C. Molumphy is an attorney duly licensed to practice law in the State of California and admitted to practice in this Court. Mr. Molumphy is a Partner at the law firm CPM, which, along with MR and BFA, serves as Co-Lead Counsel for Lead Plaintiffs.

4. Mr. Kimpson, Ms. Weaver, and Mr. Molumphy make this Joint Declaration in support of Lead Plaintiffs' Unopposed Motion for Preliminary Approval of Proposed Settlement. As discussed below, Lead Plaintiffs reached a Settlement with Wells Fargo and the Director Defendants ("**Defendants**" and collectively with Lead Plaintiffs the "**Settling Parties**") that, if approved, will provide substantial benefits to Wells Fargo and its shareholders.

Overview of Claims

5. In this Action, Lead Plaintiffs allege that Defendants, each a current or former officer or director of Wells Fargo & Company ("**Wells Fargo**" or the "**Company**"), breached their fiduciary duties of oversight under Delaware law with respect to the Company's fair lending compliance and violated the Securities Exchange Act of 1934 by making or allowing to be made misleading statements about the Company's diversity hiring practices.

6. As a result of two rounds of motions to dismiss, the Court dismissed Lead Plaintiffs' claim for breach of fiduciary duty as to discriminatory hiring practices, Section 14(a) claim as to discriminatory hiring and lending practices, and Section 10(b) and Section 20(a) claims as to discriminatory lending practices. The Court allowed Lead Plaintiffs' claim for breach of fiduciary duty as to discriminatory lending practices and Section 10(b) and Section 20(a) claims as to discriminatory hiring practices to move forward against the Director Defendants. *See generally*, Order Granting-In-Part and Denying-In-Part Defendants' Motion to Dismiss (ECF No. 176).

<u>Lead Plaintiffs' Vigorous Advocacy</u>

7. During the course of this Action, Lead Plaintiffs and their counsel undertook considerable investigation, including pre-filing shareholder inspection demands, filed detailed complaints, and conducted extensive discovery. Thus, as discussed below, at the time Settlement was reached, they were intimately familiar with the strengths and weaknesses of the claims and defenses, the relevant evidence, and the extent of damages.

8. After being appointed by the Court, Lead Plaintiffs conducted further investigation and filed their Consolidated Amended Stockholder Derivative Complaint on May 10, 2024. ECF No. 147. After the Court ruled on motions to dismiss, Lead Plaintiffs researched and filed a Second Amended Consolidated Complaint. ECF No. 177.

9. Once the pleading motions were resolved, The Settling Parties engaged in significant fact discovery, including requests for and production of approximately 314,000 documents in total (amounting to approximately 1.5 million pages), interrogatories, requests for admission, taking 16 depositions of party and non-party witnesses, and preparing for 12 additional calendared depositions. *Id.* Defendants produced approximately 313,000 documents (amounting to approximately 1.5 million pages), Plaintiffs produced approximately 13 documents (amounting to approximately 62 pages), and non-parties produced approximately 72 documents (amounting to approximately 1,197 pages). Plaintiffs took 11 merits depositions of current and former Wells Fargo employees and Director Defendants and Defendants took 4 merits depositions of former Wells Fargo employees and 1 Lead Plaintiff deposition.

The Settling Parties also engaged in substantial motion practice before Magistrate Judge Sallie Kim to resolve discovery disputes.

10. Concurrently, Lead Plaintiffs consulted with experts in banking regulation and compliance, corporate governance, and economic damages, among other subjects. In August 2025, the Settling Parties exchanged 6 opening expert reports, covering each of these subject matters.

Mediation and Settlement

11. In June 2025, as discovery was ongoing, the Settling Parties began preliminary discussions about a potential mediation. Ultimately, the Settling Parties jointly decided to engage the Honorable Layn Phillips (Ret.), formerly the Chief Judge of the United States District Court for the Western District of Oklahoma, to serve as mediator.

12. At Judge Phillips' direction, prior to the mediation, the Settling Parties exchanged extensive written briefs about their positions in the case, including key evidence, and responded to follow-up written questions from Judge Phillips. The Settling Parties then held a full-day, in-person mediation session in New York City on August 21, 2025, which included participation by Lead Plaintiffs, Plaintiffs' Lead Counsel, Defendants' counsel, and representatives from Wells Fargo and its Insurers. The mediation did not result in a settlement.

13. Following the mediation, the Settling Parties continued to engage in further discussions of the merits of Lead Plaintiffs' claims and the Settling Parties' proposals with the assistance of Judge Phillips. Following extensive negotiations, the Settling Parties reached an agreement, memorialized in a term sheet on September 12, 2025, to all substantive terms of the Settlement, including valuable consideration that will benefit Wells Fargo and its shareholders for years to come. The consideration also addresses the alleged conduct and harm in this Action. Specifically, the Settlement requires Wells Fargo to implement a mortgage assistance program and commit to fund $100 million in mortgage assistance for low- and moderate-income borrowers and communities (downpayment and closing cost assistance) ("**Borrower Programs**") in designated geographic regions in the United States, and remaining in existence for a minimum of three (3) years. Wells Fargo will also receive a $10 million

payment from insurance on behalf of the Director Defendants. On October 13, 2025, the Settling Parties executed the Joint Stipulation and Agreement of Settlement, attached hereto as Exhibit 1.

14. The Settlement is the product of vigorous, adversarial, arm's-length negotiations among experienced and well-informed counsel. Indeed, the discussions commenced after completion of the substantial fact discovery referenced above, both in this case and in the parallel *Mortgage Discrimination* and *SEB* actions (Co-Lead Counsel reviewed documents and transcripts from both actions), and substantial expert work addressing Wells Fargo's lending practices, corporate governance, and damages, among other subject matters. As Plaintiffs' Lead Counsel, we believe the Settlement provides substantial and valuable benefits to Wells Fargo and its shareholders, and is a fair and reasonable resolution of the action, taking into account the respective strengths and weaknesses of the claims and defenses asserted by the Parties, the legal standards, and the evidence in the case. The Settlement has also been carefully reviewed and approved by our clients, the Lead Plaintiffs, who have actively participated in the litigation, mediation and subsequent negotiations.

15. After agreeing to all substantive terms of the proposed Settlement, Judge Phillips facilitated negotiations between the Settling Parties concerning the amount of any Fee and Expense Award and Service Award. On October 7, 2025, the Settling Parties reached agreement on the Fee and Expense Award, subject to the Court's approval.

16. The Settling Parties' agreement to settle the Action, and the agreement on the Fee and Expense Award, are set forth in the Stipulation. We also understand that Wells Fargo's Board of Directors has reviewed the terms and conditions in the Settlement and believes that the Settlement is in the best interests of Wells Fargo and its shareholders.

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We declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on this 13th day of October, 2025, at Mount Pleasant, South Carolina; Oakland, California; and Burlingame, California.

By: *[/s/ Marlon E. Kimpson]*
Marlon E. Kimpson

By: */s/ Lesley E. Weaver*
Lesley E. Weaver

By: */s/ Mark C. Molumphy*
Mark C. Molumphy

ATTESTATION PURSUANT TO CIVIL LOCAL RULE 5-1(i)(3)

I, Mark C. Molumphy, attest that concurrence in the filing of this document has been obtained from the other signatories. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 13th day of October 2025, at Burlingame, California.

/s/ Mark C. Molumphy
Mark C. Molumphy