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County of Los Angeles

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By Michael Henderson, Deputy
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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

BC 611105

THE PEOPLE OF THE STATE OF CALIFORNIA, Case #
Plaintiff,

v.

**STIPULATED FINAL
JUDGMENT**

WELLS FARGO BANK, N.A. a National Association
with its Main Office in South Dakota
Defendant.

1
2 **MICHAEL HESTRIN, District Attorney**

3 **County of Riverside**

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1 Plaintiff, THE PEOPLE OF THE STATE OF CALIFORNIA, by and through its
2 Attorneys, JACKIE LACEY, Los Angeles County District Attorney, and Hoon Chun and Ellen
3 J. Aragon, Deputy District Attorneys; and BONNIE M. DUMANIS, San Diego County District
4 Attorney, and Thomas A. Papageorge, Deputy District Attorney; and MICHAEL HESTRIN,
5 Riverside County District Attorney, and Elise J. Farrell, Deputy District Attorney; and NANCY
6 E. O'MALLEY, Alameda County District Attorney, and Anthony P. Douglas, Deputy District
7 Attorney; and GREGORY D. TOTTEN, Ventura County District Attorney, and Mitchell F.
8 Disney, Deputy District Attorney; and KAMALA D. HARRIS, Attorney General of the State of
9 California, and Michele Van Gelderen, Deputy Attorney General; and Defendant WELLS
10 FARGO BANK, N.A., a National Association with its Main Office in South Dakota,
11 (hereinafter sometimes "Wells Fargo"), by and through its Attorneys, Gibson, Dunn & Crutcher,
12 LLP, and Michael Li-Ming Wong, Esq., and Marcellus McRae, Esq., having stipulated to the
13 entry of this Stipulated Final Judgment (the "Judgment") without the taking of proof, without
14 this Stipulated Judgment constituting evidence or findings against or an admission of any party
15 regarding any issue of law or fact alleged in the Complaint; all parties having waived the right to
16 appeal; and the Court having considered the pleadings and good cause appearing:

17 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

18 1. This Court has jurisdiction over the allegations and subject matter of the People's
19 Complaint filed in this action, and the parties to this action. Venue is proper in this county, and
20 this Court has jurisdiction to enter this Stipulated Judgment. This Stipulated Judgment is
21 entered pursuant to and subject to California Business and Professions Code section 17200 et
22 seq.

23 **APPLICABILITY**

24 2. All provisions of this Stipulated Judgment are applicable to Defendant Wells Fargo,
25 and to the officers, directors, employees, agents, representatives, subsidiaries, successors and
26 assigns of Wells Fargo, and to all persons and other entities acting under or on behalf of Wells
27 Fargo, including all of the direct and indirect subsidiaries of Wells Fargo Bank, N.A. with actual
28 or constructive notice of this Stipulated Judgment.

1
2 **CONDUCT PROVISIONS**

3 3. Defendant Wells Fargo and all persons and entities described in paragraph 2 of this
4 Stipulated Judgment shall comply fully with the requirements of California Penal Code section
5 632.7, and with the requirements of Penal Code section 632 in connection with any confidential
6 communication within the meaning of section 632(c), in all communications between Wells
7 Fargo and any consumer in California, where the relevant communication is being recorded by
8 Wells Fargo. Wells Fargo and all persons and entities described in paragraph 2 of this
9 Stipulated Judgment shall make a clear, conspicuous, and accurate disclosure (the "Recorded
10 Call Disclosure") to any such consumer of the fact of recording, and to make such disclosure
11 immediately at the beginning of any such communication. The Recorded Call Disclosure may be
12 preceded by an introductory greeting that identifies the caller and entity on whose behalf the call
13 is being made.

14 4. Defendant Wells Fargo, and all persons and entities set forth in paragraph 2 above,
15 shall, for a period of one (1) year commencing on the Effective Date of this Stipulated
16 Judgment, maintain in effect for all Wells Fargo units and entities that communicate
17 confidentially, within the meaning of section 632(c), with California consumers a program
18 designed to promote full compliance with the requirements of Penal Code sections 632.7 and
19 632, and the Recorded Call Disclosure, above.

20 5. Defendant Wells Fargo shall cause to be conducted periodic internal testing of the
21 compliance of its employees and agents who communicate confidentially, within the meaning of
22 Penal Code section 632(c), with consumers in California to determine the compliance of such
23 employees and agents with the requirements of Penal Code sections 632 and 632.7, and the
24 Recorded Call Disclosure. Defendant Wells Fargo shall designate an officer, manager,
25 supervisor or other representative who shall have oversight responsibility for Defendant Wells
26 Fargo's compliance with this Stipulated Judgment in California, and who shall be responsible for
27 receiving and maintaining copies of the internal testing results required in this paragraph.
28

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2 6. Upon the Effective Date of this Stipulated Judgment, Defendant Wells Fargo shall
3 provide Plaintiff the name of and the contact information for the officer, manager, supervisor, or
4 other representative designated under the terms of paragraph 5 above, and shall provide the
5 same information for any person or persons who replaces the originally designated officer,
6 manager, supervisor or other representative, within thirty (30) calendar days of such assignment.

7 7. One (1) year from the Effective Date of this Stipulated Judgment, Defendant Wells
8 Fargo shall provide Plaintiff with a written report summarizing the internal testing activities
9 undertaken and reports prepared during the preceding year to comply with paragraphs 4 and 5
10 above. The written report, and all other notifications required under this Stipulated Judgment,
11 shall be directed to Assistant Head Deputy District Attorney Hoon Chun or his successor in that
12 position, as noted in paragraph 10 of the Stipulated Judgment.

13
14 **MONETARY RELIEF**

15 8. Upon entry of this Stipulated Judgment, Wells Fargo shall pay by separate checks to
16 the entities listed below their costs of investigation in the total amount of \$384,000, which
17 checks shall be made payable as follows:

- 18 a. \$64,000 to the Los Angeles County District Attorney's Office;
19 b. \$64,000 to the San Diego County District Attorney's Office;
20 c. \$64,000 to the Alameda County District Attorney's Office;
21 d. \$64,000 to the Riverside County District Attorney's Office;
22 e. \$64,000 to the Ventura County District Attorney's Office; and
23 f. \$64,000 to the California Attorney General's Office.

24 9. Pursuant to Business and Professions Code section 17206, upon entry of this
25 Stipulated Judgment, Defendant Wells Fargo shall pay by separate checks to the entities listed
26 below civil penalties in the total sum of \$7,616,000 which checks shall be made payable as
27 follows:

- 28 a. \$ 1,269,333.33 to the Los Angeles County District Attorney's Office;

1 of any facts alleged in the Complaint. Neither this Stipulated Judgment nor any payment
2 hereunder may be used as evidence of any liability of any sort regarding Wells Fargo. To the
3 extent permitted by law, all information and communications relating to the negotiations of the
4 settlement reflected in this Stipulated Judgment shall remain confidential.

5
6 **MATTERS COVERED BY THIS STIPULATED FINAL JUDGMENT**

7 13. This Stipulated Judgment shall have a res judicata effect and shall bar any action by
8 Plaintiff, the People of the State of California, against Defendant Wells Fargo and all persons
9 and entities described in paragraph 2 of this Stipulated Judgment, including but not limited to,
10 Defendant Wells Fargo's parents, subsidiaries, directors, officers, shareholders, employees,
11 agents, successors or assigns, and any corporation, company, business entity, or other entity
12 through which Wells Fargo may now engage in activities which are the subject of this Stipulated
13 Judgment, relating to claims known to the People under Business & Professions Code sections
14 17200 or 17500, Penal Code sections 632, 632.7, 637.3, or the right to privacy set forth in
15 Article 1 Section 1 of the California Constitution, or any other law, relating to any acts or
16 omissions of Wells Fargo arising out of Wells Fargo's recording of, monitoring of, listening to,
17 examination of, or analysis of, inbound or outbound telephone calls of any and all kinds, or
18 communications and/or representations relating or incident to the recording of such calls or the
19 uses to which such recordings or any information therein are put, regardless of whether such
20 calls involve one or more land lines, cell phones, cordless phones, or any other type of
21 telephonic communication device, between: (1) persons located or domiciled within the State of
22 California and Wells Fargo and any of its employees or agents; or (2) persons located outside of
23 the State of California and Wells Fargo and any of its employees or agents, where Wells Fargo
24 is placing or receiving such calls from within the State of California, which arose before the
25 Effective Date of this Stipulated Judgment.

26 14. Nothing herein precludes or affects Plaintiff's right to determine and ensure
27 compliance with this Stipulated Judgment, or to seek enforcement or penalties under Section
28 17200 et seq. for any violations of this Stipulated Judgment.

1
2 **ADMINISTRATIVE PROVISIONS**

3 15. This Stipulated Judgment is not based on conduct showing moral turpitude and is not
4 intended to form the basis for any disqualifications contained in the federal or various states'
5 securities laws, or the rules and regulations thereunder. This Stipulated Judgment is made
6 without trial or adjudication of any issue of fact or law and does not contain any injunctive
7 measures against Defendant Wells Fargo or any person or entity described in paragraph 2 of this
8 Stipulated Judgment. Nothing in this Stipulated Judgment is an admission of liability by Wells
9 Fargo of any allegations made in Plaintiff's Complaint, nor a concession by Plaintiff that its
10 claims are not well-founded. This Stipulated Judgment does not represent a plea of nolo
11 contendere by, or a conviction of, Wells Fargo or any person or entity described in paragraph 2
12 of this Stipulated Judgment. This Stipulated Judgment is not a final order of a state securities or
13 insurance commission, or a state authority that supervises securities, banking, savings
14 associations, credit unions or insurance. Nothing herein reduces Wells Fargo's obligations
15 under this Stipulated Judgment or affects Plaintiff's authority to enforce any rights hereunder.

16 16. Nothing herein shall be construed as relieving Wells Fargo of the obligation to
17 comply with all state and federal laws, regulations or rules, nor shall any of the provisions herein
18 be deemed to be permission to engage in any acts or practices prohibited by such laws,
19 regulations or rules.

20 17. The provisions of this Stipulated Judgment do not bar, estop, or otherwise prevent
21 Plaintiff or any other governmental agency from taking any other action against Wells Fargo
22 except as described in paragraph 13.

23 18. The provisions of this Stipulated Judgment are enforceable by Plaintiff before this
24 Court. In any such enforcement action, the Plaintiff may seek relief to enforce this Stipulated
25 Judgment, including injunctive relief, damages, penalties, and any other relief provided by
26 California law, federal law, or authorized by a court of competent jurisdiction.

27 19. This Stipulated Judgment confers no rights or obligations on any third parties or
28 persons not a party to this Stipulated Judgment.

1 20. Unless otherwise indicated, the Effective Date of each provision in this Stipulated
2 Judgment is one-hundred and twenty (120) days from entry of this Stipulated Judgment.

3
4 **RETENTION OF JURISDICTION**

5 21. Jurisdiction is retained for the purpose of enabling any party to this Stipulated
6 Judgment to apply to this Court at any time for such further orders and directions as may be
7 necessary or appropriate for the construction or carrying out of the provisions of this Stipulated
8 Judgment, for the enforcement and compliance herewith, and for the punishment of violations
9 hereof.

10 22. The provisions of this Stipulated Judgment are in addition to all other obligations
11 and duties imposed by law.

12 23. The Clerk shall enter this Stipulated Final Judgment, consisting of nine pages,
13 forthwith.

14
15
16 Dated: 3-28-2016

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18 
19 JUDGE OF THE SUPERIOR COURT,
20 COUNTY OF LOS ANGELES

21 **STEPHANIE M. BOWICK**
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