

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into by and among Latara Bias, Eric Breaux and Troy Lynne Morrison (collectively, “Plaintiffs”), on behalf of themselves and the class of persons defined herein, and Wells Fargo Bank, N.A. and Wells Fargo & Company (collectively, “Wells Fargo” or “Defendants”). Plaintiffs and Wells Fargo will be referred to in this Agreement as the “Parties.”

I. RECITALS

1.01 On May 6, 2009, Troy Lynne Morrison filed a putative class action complaint against Wells Fargo in the United States District Court for the Eastern District of Louisiana, Case No. 09-3466 (“Morrison Action”).

1.02 On February 10, 2012, Latara Bias, Eric Breaux, and former plaintiff Nan White-Price filed a putative class action complaint against Wells Fargo in the United States District Court for the Northern District of California, Case No. 12-664 (“Bias Action”).

1.03 Both the Morrison Action and the Bias Action sought certification of a nationwide class of Wells Fargo borrowers charged for broker’s price opinions (“BPOs”). The complaint in the Morrison Action included a claim for unjust enrichment, along with claims for breach of contract and conversion. The complaint in the Bias Action asserted claims for violation of California’s Unfair Competition Law or “UCL” (Cal. Bus. & Prof. Code, §§ 17200) and for violation of the Racketeer Influenced and Corrupt Organizations statute, 18 U.S.C. §§ 1961-1968 (“RICO”), unjust enrichment and fraud.

1.04 The Morrison Action was litigated in the Eastern District of Louisiana from May 2009 until May 29, 2012, when the Court transferred it to the Northern District of California, where it was docketed as Case No. 12-2916.

1.05 On November 4, 2013, the Court consolidated the Morrison Action and Bias Action under Case No. 12-664 (together, “the Action”).

1.06 Plaintiffs’ Second Amended Complaint, filed July 24, 2012 (“SAC”) is the operative complaint in the Action. The SAC generally challenges Wells Fargo’s practices in ordering and charging delinquent mortgage borrowers for BPOs. Plaintiffs allege that the fee Wells Fargo assessed borrowers for BPOs ordered through its internal division, Premier Asset Services (“PAS”), was improper, because it was greater than the amount Wells Fargo (through PAS) paid to third party real estate brokers for providing opinions as to the value of properties.

1.07 On May 23, 2013, Wells Fargo filed an answer to the SAC.

1.08 Wells Fargo denied and continues to deny the allegations of any wrongdoing in the SAC and, more generally, denies all of Plaintiffs’ allegations that Wells Fargo’s practices in ordering and charging borrowers for BPOs were in any way improper. Wells Fargo further denies any and all liability with respect to the facts and claims alleged in the Action, and denies that Plaintiffs and/or the members of the Settlement Class (as defined below) have suffered any damage. Nevertheless, Wells Fargo desires to settle the Action on the terms and conditions set forth herein for the purposes of avoiding the burden, expense, and uncertainty of continuing litigation.

1.09 Over the course of the Action, the Parties briefed various motions, including Wells Fargo’s motions to dismiss filed June 15, 2012 and August 7, 2012, Plaintiffs’ motion for class certification filed June 9, 2015, and Wells Fargo’s motion for summary judgment filed April 5, 2016. Wells Fargo’s motion for summary judgment was fully briefed and argued on May 17, 2016, and was pending a decision when this Settlement was reached. In addition, the Parties engaged in extensive discovery, including production by Wells Fargo of electronically

stored information, additional voluminous data, and over 124,000 pages of documents. The Parties exchanged reports from six expert witnesses, and took depositions of the six expert witnesses and over twenty fact witnesses.

1.10 On December 17, 2015, the Court granted-in-part and denied-in-part Plaintiffs' motion for class certification. After issuing an order amending the class definition on March 7, 2016, the Court certified the following class on Plaintiffs' RICO claim only: "All residents of the United States of America who had a residential mortgage serviced by Wells Fargo Bank, N.A., or its subsidiaries or divisions, and who paid for one or more Broker's Price Opinions charged by Wells Fargo (through PAS), for an amount greater than the amount Wells Fargo (through PAS) paid a third party vendor for the corresponding [BPO], from May 6, 2005 through July 1, 2010."

1.11 On March 23, 2016, the Court issued an order approving Plaintiffs' proposed Class notice documents and class notice plan.

1.12 Plaintiffs, through the Class Administrator (as defined below), sent a Notice of Class Action to the Class on or about June 9, 2016, and created a website, <http://www.BiasvWellsFargo.com>, that made available the Court's orders granting-in-part and denying-in-part Plaintiffs' motion for class certification and amending the class period. In addition, the website made available the Court-approved long form Notice of Class Action, along with an exclusion request form.

1.13 Pursuant to the Notice of Class Action, any Class Member who wished to be excluded from the Class was required to request such exclusion in correspondence directed to the Class Administrator postmarked by August 8, 2016. A total of 52 exclusion requests were received by the Class Administrator postmarked by the August 8, 2016 deadline.

1.14 Contested issues of both fact and law exist and remain concerning the allegations and claims made against Wells Fargo.

1.15 In an effort to resolve this dispute, the Parties participated in multiple mediations and settlement conferences over the course of the Action. In April 2014, the Parties participated in a mediation before the Honorable Ronald M. Sabraw of JAMS. In September 2015 and again in September 2016, the Parties participated in mediation before the Honorable Irma E. Gonzalez of JAMS, the latter session resulting in the present settlement.

1.16 Class Counsel (as defined below) have fully analyzed and evaluated the merits of all Parties' contentions and this settlement as it impacts upon all Parties, including the individual members of the Settlement Class. After taking into account the foregoing, along with the substantial risks of continued litigation and the likelihood that the Action—if not settled now—will be protracted and expensive, Class Counsel are satisfied that the terms and conditions of this Agreement are fair, reasonable and adequate, and that the Settlement is in the best interests of the Plaintiffs and Settlement Class.

1.17 In consideration of the covenants and agreements set forth herein, the Plaintiffs, Settlement Class and Wells Fargo, themselves and through their undersigned counsel, agree to the settlement of the Action, subject to Court approval, under the following terms and conditions.

II. DEFINED TERMS

As used in this Agreement, the following terms having the meanings set forth below:

2.01 **“Action”** means *Bias v. Wells Fargo & Company et al.*, No. 12-664-YGR (N.D. Cal.), consolidated with *Morrison v. Wells Fargo Bank, N.A.*, No. 12-2916-YGR (N.D. Cal.).

2.02 **“Agreement”** refers to this Settlement Agreement.

2.03 **“Attorneys' Fees, Costs and Service Award Fund”** means the portion of the Settlement Fund to be allocated to pay, subject to Court approval, Class Counsel's attorneys'

fees, litigation expenses incurred in connection with the Action, and Service Awards for the named Plaintiffs.

2.04 “**Claimant Fund**” means the portion of the Settlement Fund to be distributed to Class Members.

2.05 “**Class Administration Fund**” means the portion of the Settlement Fund to be allocated for payment of costs of providing Notice of Settlement to the Class and administration of the Settlement by the Class Administrator.

2.06 “**Class**” or “**Class Members**” means those persons included in the class definition set forth in the Court’s March 7, 2016, Order, as follows: “All residents of the United States of America who had a residential mortgage serviced by Wells Fargo Bank, N.A., or its subsidiaries or divisions, and who paid for one or more Broker’s Price Opinions charged by Wells Fargo (through PAS), for an amount greater than the amount Wells Fargo (through PAS) paid a third party vendor for the corresponding [BPO], from May 6, 2005 through July 1, 2010.” Excluded from the Class are Defendants, any entity in which a Defendant has a controlling interest or is a parent or subsidiary of, or any entity that is controlled by a Defendant, and any of Defendants’ officers, directors, employees, affiliates, legal representatives, heirs, predecessors, successors, and assigns.

2.07 “**Class Administrator**” refers to Epiq Systems, Inc.

2.08 “**Class Counsel**” refers to: Daniel Alberstone, Roland K. Tellis, and Mark P. Pifko of Baron & Budd, P.C.; David A. Parsiola and Andrew Cvitanovic of Cossich, Sumich, Parsiola and Taylor; and Marguerite Kingsmill and Charles Colvin of Kingsmill Riess, LLC.

2.09 “**Class Representatives**” refers to Latara Bias, Eric Breaux and Troy Lynne Morrison.

2.10 **“Court”** refers to the United States District Court for the Northern District of California.

2.11 **“Defendant”** or **“Defendants”** refers to Wells Fargo Bank, N.A. and Wells Fargo & Company, and each of them.

2.12 **“Effective Date”** means the fifth business day after which all of the following events have occurred:

- a. All Parties, Wells Fargo’s Counsel and Class Counsel have executed this Agreement;
- b. The Court has entered without material change (unless such change is mutually agreed to by the Parties) the Final Approval Order and Final Judgment;
- c. The time to file a motion to alter or amend the Final Judgment under Federal Rule of Civil Procedure 59(e) has expired, without any such motion having been filed, or if such a motion is filed, the final determination of that motion has occurred in a manner as to permit the consummation of the Settlement in accordance with the terms herein; and
- d. The time for appeal or petition for review of the Final Approval Order and Final Judgment has expired, and no appeal or petition for rehearing or review has been timely filed; or the Final Approval Order and Final Judgment are affirmed on appeal or review without change (unless such change is mutually agreed to by the Parties), the court of appeals has issued its mandate, and no other appeal or petition for certiorari or review is pending, and the time period during which a petition for hearing, review, appeal, or certiorari could be taken has finally expired.

2.13 **“Escrow Account”** means an escrow account to be created by the Class Administrator at JP Morgan Chase Bank, National Association or such other national bank as the

Parties agree upon, for the purpose of holding and investing the Settlement Fund as set forth in paragraph 4.01.

2.14 “**Final Approval**” refers to the Court’s entry of the Final Approval Order and Final Judgment granting final approval to the Settlement and determining the amount of any fees, costs and expenses awarded to Class Counsel and any Service Award to Plaintiffs.

2.15 “**Final Approval Hearing**” means the hearing at which the Court decides whether to grant Final Approval of the Settlement.

2.16 “**Final Approval Order**” means the order that the Court enters upon granting Final Approval of the Settlement, in substantially the form of **Exhibit B** to this Agreement (Proposed Final Approval Order and Judgment of Dismissal With Prejudice).

2.17 “**Final Judgment**” means the Final Judgment to be entered by the Court at the Final Approval Hearing or such other time approving this Agreement, as fair, adequate and reasonable in accordance with applicable jurisprudence, confirming the Settlement Class, and issuing such other findings and determinations as the Court or the Parties deem necessary and appropriate to effectuate the terms of this Agreement. The Final Judgment shall be substantially in the form of **Exhibit B** to this Agreement (Proposed Final Approval Order and Judgment of Dismissal With Prejudice).

2.18 “**Notice of Class Action**” means the notices sent to Class Members by Plaintiffs’ counsel, through the Class Administrator, on or about June 9, 2016, and made available on the website <http://www.BiasvWellsFargo.com>.

2.19 “**Notice of Settlement**” means the notice of proposed settlement of class action that the Parties will ask the Court to approve in connection with the motion for Preliminary Approval of the Settlement. The Notice of Settlement shall be substantially in the form of

Exhibits A-1 and **A-2** to this Agreement, and shall include direct notice by mail (**Exhibit A-1**) and by publication notice (**Exhibit A-2**).

2.20 “**Opt-Out**” means a request by a Class Member to be excluded from the Class which was received by the Class Administrator and postmarked by the Opt-Out Deadline. In connection with the post-certification notice and opt-out opportunity, a total of 52 Opt-Out requests were received by the Class Administrator.

2.21 “**Opt-Out Deadline**” means the deadline to submit a request for exclusion, as set by the Court in the Preliminary Approval Order.

2.22 “**Parties**” means Plaintiffs and Wells Fargo.

2.23 “**Plaintiffs**” means Latara Bias, Eric Breaux and Troy Lynne Morrison.

2.24 “**Preliminary Approval**” refers to the Court’s entry of the order preliminarily approving the terms and conditions of this Agreement without material change (unless such change is mutually agreed to by the Parties), including the manner of providing Notice of Settlement to the Settlement Class, and setting the Final Approval Hearing.

2.25 “**Preliminary Approval Hearing**” means the hearing at which the Court decides whether to grant Preliminary Approval of the Settlement.

2.26 “**Preliminary Approval Order**” means the order that the Court enters upon granting Preliminary Approval of the Settlement, in substantially the form of **Exhibit A** to this Agreement.

2.27 “**Released Claims**” means all claims of Plaintiffs and Settlement Class Members which are to be released under this Settlement, as specified in Sections 5.01 and 5.02 of this Agreement.

2.28 **“Released Parties”** and **“Released Defendants”** means Wells Fargo Bank, N.A., Wells Fargo & Company, and each of their present and former parents, subsidiaries, divisions, affiliates, predecessors, successors and assigns, and the present and former directors, officers, employees, principals, investors, agents, insurers, shareholders, attorneys, advisors, consultants, representatives, partners, joint venturers, independent contractors, wholesalers, resellers, distributors, retailers, predecessors, successors, and assigns of each of them.

2.29 **“Releases”** means all of the releases contained in Sections 5.01 and 5.02 of this Agreement.

2.30 **“Releasing Parties”** means Plaintiffs and all Settlement Class Members, and each of their respective heirs, assigns, beneficiaries and successors, and any person claiming through or on behalf of them.

2.31 **“Service Award”** means any payments to the Class Representatives for their service in the Action, which shall be in full and final satisfaction of any and all of the Class Representatives’ individual claims relating to the subject matter of the Action, which they asserted or could have asserted against Wells Fargo.

2.32 **“Settlement”** means the settlement into which the Parties have entered to resolve the Action. The terms of the Settlement are as set forth in this Agreement and the attached exhibits, which are incorporated herein by reference.

2.33 **“Settlement Class”** means all persons in the Class who did not send an Opt-Out request to the Class Administrator post-marked by the Opt-Out Deadline.

2.34 **“Settlement Class Member”** refers to those individuals falling within the definition of the Settlement Class.

2.35 **“Settlement Fund”** refers to the fund to be created by Wells Fargo’s payment of \$50,000,000.00 under the terms of this Agreement. In no event shall Wells Fargo be required to pay more than \$50,000,000.00 in total under this Agreement.

2.36 **“Taxes”** means (i) all taxes or other similar imposts or charges (including any estimated taxes, interest, penalties, or additions to tax) arising with respect to the income earned by the Settlement Fund, including any taxes or tax detriments that may be imposed with respect to any income earned by the Settlement Fund for any period; and (ii) other taxes or tax expenses imposed on or in connection with (A) the Settlement Fund or (B) any payments made to any person or entity from the Settlement Fund.

2.37 **“Wells Fargo”** refers to Wells Fargo Bank, N.A. and Wells Fargo & Company.

2.38 **“Wells Fargo’s Counsel”** refers to Mark D. Lonergan, John Sullivan and Rebecca S. Saelao of Severson & Werson, A Professional Corporation.

2.39 As used herein, the plural of any of the above-defined terms includes the singular thereof and the singular of any defined term includes the plural thereof as the case may be.

III. SETTLEMENT ADMINISTRATION

3.01 **Identification of Class Members.** After extensive discovery and analysis, Plaintiffs identified those persons who appear to be Class Members based upon Wells Fargo’s data on mortgage borrowers.

3.02 **Notice of Settlement.** Upon the Court’s entry of the Preliminary Approval Order, Settlement Class Members will receive Notice of Settlement, as set forth below.

3.03 **Objection.** Any Class Member (other than the Class Representatives and those Class Members who requested exclusion from the Class by the Opt-Out Deadline) may object to the Agreement by submitting an objection to the Class Administrator and the Court. To be valid, an objection must be in writing, include the Class Member’s name, address, telephone number,

signature, and a statement of the nature of the objection, and must be postmarked no later than 30 days after the Notice of Settlement. The Class Administrator will retain copies of all communications from the Class, including all objections to the Settlement. The Class Administrator will provide copies of these documents to Class Counsel and Wells Fargo's Counsel.

3.04 **Obligation of Class Administrator.** On or before five business days after entry of Preliminary Approval Order, Class Counsel and Plaintiffs shall engage the Class Administrator. The Class Administrator shall be responsible for:

- a. **Providing Class Notice.** Within 20 days of the Preliminary Approval Order: (i) preparing, printing and disseminating, by mail to the Class Member addresses provided by Wells Fargo to the Class Administrator, to members of the Settlement Class the Notice of Settlement substantially in the form attached hereto as **Exhibit A-1**; (ii) providing publication notice in the form attached hereto as **Exhibit A-2** once in *Sports Illustrated*, once in *People Magazine*, and once via press release on PR Newswire; and (iii) posting the Notice of Settlement on the website maintained by the Class Administrator, www.BiasvWellsFargo.com.
- b. promptly furnishing to Class Counsel and Wells Fargo's Counsel copies of any objections or other written or electronic communications from Settlement Class Members;
- c. determining eligibility for, and amount of, payments to be made under this Agreement;
- d. keeping track of objections to the settlement, including maintaining the original mailing envelope in which they were mailed;
- e. preparing and mailing settlement checks to Settlement Class Members in accordance with paragraph 4.04 of this Agreement;

- f. arranging for a live operator to be available by telephone to Settlement Class Members;
- g. preparing and mailing reminder postcards to Settlement Class Members who have not cashed their checks by at least half-way before the stale-date deadline on the checks;
- h. paying Service Awards to Plaintiffs and paying Class Counsel their fees, expenses and costs, if and to the extent ordered by the Court;
- i. paying any Taxes due on income generated from the Settlement Fund and performing any and all Tax reporting duties required by federal, state, or local law;
- j. referring to Class Counsel and Wells Fargo's Counsel all inquiries by Settlement Class Members regarding matters not specified herein;
- k. maintaining adequate records of all its activities, including the dates of each mailing of Notices of Settlement, returned mail, and other communications and attempted written or electronic communications with Settlement Class Members;
- l. preparing a report listing all payments to Class Members and providing copies of this report to Class Counsel and Wells Fargo's Counsel for review;
- m. confirming in writing its completion of the administration of the Settlement;
- n. preparing a final report summarizing any objections or disputes filed and the resolution thereof, as well as the number and amount of checks cashed, returned, or not returned and not negotiated;
- o. providing to the Court prior to Final Approval a declaration describing the mailing of Notice of Settlement to the Settlement Class;

p. opening the Escrow Account for the purpose of holding and investing the Settlement Fund as set forth in paragraph 4.01; and,

q. such other tasks as Class Counsel and Wells Fargo's Counsel mutually agree.

3.05 Neither the Parties nor their counsel shall have any responsibility for or liability whatsoever with respect to: (i) any act, omission or determination of the Class Administrator, or any of the Class Administrator's designees or agents, in connection with distributing, administering, or escrowing of the Settlement Fund or otherwise; (ii) any losses suffered by, or fluctuations in the value of, the Settlement Fund; or (iii) the payment or withholding of any Taxes, expenses, and/or costs incurred in connection with the taxation of the Settlement Fund or the filing of any returns. The Class Administrator shall indemnify and hold harmless the Parties out of the Settlement Fund from and against any claims, liabilities, or losses relating to the matters addressed in the preceding sentence.

IV. CREATION AND DISTRIBUTION OF SETTLEMENT FUND

4.01 **Creation of Settlement Fund.** (a) In consideration of the releases provided herein and in full settlement of the Released Claims, Wells Fargo shall cause the payment of \$50,000,000 (the "Settlement Fund") to be transferred to the Class Administrator for deposit into the Escrow Account, within thirty (30) calendar days of the Court's entry of the Preliminary Approval Order. Except in the event the settlement is terminated under paragraph 7.03 or not approved for any reason, no portion of the \$50,000,000 paid by Wells Fargo shall revert to Wells Fargo. In the event that the Settlement is terminated or not approved for any reason, the funds remaining in the Settlement Fund shall be promptly paid to Wells Fargo within thirty (30) calendar days of the occurrence of termination or non-approval and shall upon the occurrence of termination or non-approval be the sole and exclusive property of Wells Fargo. The Settlement

Fund shall be used to pay all distributions to Settlement Class Members, any Service Awards to the Plaintiffs, and all attorneys' fees, costs and expenses awarded to Class Counsel. In no event shall the amount paid by Wells Fargo under the terms of this Settlement exceed \$50,000,000.

4.02 Escrow Account in Custody of Court. The Escrow Account and Settlement Fund deposited therein shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the Settlement Fund shall be distributed by the Class Administrator or returned to Wells Fargo pursuant to the terms of this Settlement. The Settlement Fund, including any portion thereof, shall not be disbursed from the Escrow Account except as provided in this Agreement, or upon Order of the Court.

4.03 Taxes on Settlement Fund. All Taxes arising in connection with income earned by the Settlement Fund, including any Taxes or Tax detriments that may be imposed upon Wells Fargo or any of the other Released Parties with respect to any income earned by the Settlement Fund for any period during which the Settlement Fund does not qualify as a "qualified settlement fund" for federal or state income Tax purposes shall be paid by the Class Administrator from the Settlement Fund.

4.04 Claimant Fund and Monetary Relief to Settlement Class Members. A portion of the Settlement Fund consisting of a minimum of \$33,000,000 shall be allocated as the Claimant Fund. This amount may vary depending on the amounts ultimately approved by the Court for the Attorneys' Fees, Costs and Service Award Fund, and depending on the amount incurred by the Class Administrator as part of the Class Administration Fund, as set forth below. Settlement Class Members shall be entitled to receive a pro rata share of the Claimant Fund, to be determined by dividing the Claimant Fund by the total number of loans made to Settlement Class Members. All payments out of the Claimant Fund shall be made within 30 days after the

Effective Date. Class Members shall receive settlement distribution checks without the need to submit any claim form, documentation, or other proof of claim.

a. Initial Check Distribution. Within 30 days after the Effective Date, the Class Administrator shall mail a check in an amount equal to each Class Member's pro rata share of the Claimant Fund (calculated at the time of mailing) to the most current address in the Class Administrator's records for each Unique Loan Identifier (ULID). If a check mailed to a Settlement Class Member is not cashed within 60 days, the Settlement Class Member shall not be entitled to an allocation under the Settlement. After 60 days of mailing, uncashed checks shall be cancelled and the outstanding amounts from those checks shall revert to the Claimant Fund.

b. Subsequent Check Distribution(s). If there are funds remaining in the Claimant Fund after the 60 day deadline for cashing checks has passed in the prior distribution, each Settlement Class Member who cashed a check shall receive an additional pro rata share of the remaining funds in the Claimant Fund. Within 90 days after the mailing of checks in the prior distribution, the Class Administrator shall mail a check in an amount equal to each Class Member's pro rata share of the amount remaining in the Claimant Fund (calculated at the time of mailing) to the most current address in the Class Administrator's records for each ULID. If necessary, this process shall continue over and over until the Claimant Fund is depleted.

4.05 **Class Administration Fund.** A portion of the Settlement Fund shall be allocated as the Class Administration Fund, in the initial amount of \$3,000,000, for payment of costs of providing Notice of Settlement to the Class and administration of the Settlement by the Class Administrator. Upon Preliminary Approval, up to \$3,000,000 for the Class Administration Fund may be disbursed from the Settlement Fund to the Class Administrator for costs of

administration. In the event that the costs of notice and administration are less than the Class Administration Fund, such remaining funds shall be considered part of the Claimant Fund for distribution to Settlement Class Members. If the cost of notice and administration exceeds \$3,000,000, any additional amount shall be paid from the Settlement Fund.

4.06 Attorneys' Fees, Costs and Service Award Fund.

a. A portion of the Settlement Fund in the sum of \$14,000,000 shall be allocated as the "Attorneys' Fees, Costs and Service Award Fund" to pay—subject to Court approval and after the Effective Date—Class Counsel's attorneys' fees of up to \$12,500,000, as well as litigation expenses incurred in connection with the Action and Service Awards for the Class Representatives in the sum of \$10,000 each, provided however that the litigation expenses and Service Awards shall not exceed the sum total of \$1,500,000. If there are funds remaining in the Attorneys' Fees, Costs and Service Award Fund after distribution of the sums awarded by the Court, such remaining funds shall be considered part of the Claimant Fund for distribution to Settlement Class Members.

b. Service Awards shall be for the Class Representatives' service in the case and are intended to be full and final satisfaction of any and all of their individual claims relating to the subject matter of the Action which they brought or could have asserted against Wells Fargo. Such sums shall be in lieu of any amounts they might otherwise have received under the Settlement as members of the Settlement Class.

c. Provided that Class Counsel's request for an award of attorneys' fees, costs and expenses complies with this section and the other terms of this Agreement, Wells Fargo agrees not to oppose Class Counsel's motion for attorneys' fees, costs and expenses and it

agrees not to appeal the Court's ruling on such an application for attorneys' fees, costs and expenses.

d. Plaintiffs and Class Counsel agree that the amounts awarded by the Court for attorneys' fees, costs and expenses shall compensate Class Counsel, Plaintiffs and the Class for all legal work in the Action up to and including the date of the Final Judgment, as well as for all legal work and costs that may be incurred in the Action after the date of the Final Judgment.

e. Notwithstanding any other provision of this Agreement, the Court's failure to approve, in whole or in part, the attorneys' fees, costs and expenses sought by Class Counsel, or the Service Awards sought by Plaintiffs, shall not be grounds for termination and shall not prevent the Settlement from becoming effective. In the event that the Court declines to approve, in whole or in part, any award of attorneys' fees, costs and expenses sought by or on behalf of Class Counsel, or Service Awards for Plaintiffs, the remaining provisions of this Agreement shall remain in full force and effect.

f. Any attorneys' fees, costs and expenses awarded to Class Counsel and any Service Awards to Plaintiffs shall be paid out of the Settlement Fund by the Class Administrator within 5 days after the Effective Date of the Settlement, and only after the receipt by the Class Administrator of a W-9 from each payee.

V. RELEASE OF WELLS FARGO BY PLAINTIFFS AND THE CLASS

5.01 Release By Settlement Class Members. As of the Effective Date, all Settlement Class Members shall, on behalf of himself or herself and on behalf of his or her respective heirs, assigns, beneficiaries, and successors, automatically be deemed to have fully and irrevocably released and forever discharged Wells Fargo and all Released Parties of and from any and all liabilities, rights, claims, actions, causes of action, demands, damages, costs, attorneys' fees, losses, and remedies, whether known or unknown, existing or potential, suspected or

unsuspected, liquidated or unliquidated, legal, statutory, or equitable, that result from, arise out of, are based upon, or relate to the conduct, omissions, duties or matters that were or could have been alleged in the Action arising out of, or related to, broker's price opinions or Wells Fargo's practices in ordering or charging borrowers fees for broker's price opinions. Such release includes any claims, actions, causes of action, demands, damages, losses, or remedies relating in any way to broker's price opinions, including, but not limited to, claims for violation of RICO; claims for violation of California's UCL; claims for violation of state unfair and deceptive acts and practices statutes; claims based upon the alleged breach of any statute, rule, regulation, servicing guideline or investor guideline, including rules, regulations or guidelines promulgated by the Consumer Finance Protection Bureau, the Department of Housing and Urban Development, the Federal Housing Administration, Fannie Mae, Freddie Mac, or any other state or federal office, body, or government sponsored enterprise or private investor; claims for breach of any mortgage, deed of trust or other contractual provision; claims in tort, such as, without limitation, for negligence, fraud, or misrepresentation; and, any other federal, state, statutory or common law claim relating in any way to broker's price opinions or Wells Fargo's practices in ordering or charging borrowers fees for broker's price opinions.

5.02 Release By Plaintiffs / Class Representatives

a. As of the Effective Date, each of the Plaintiffs, on behalf of himself or herself and on behalf of his or her respective heirs, assigns, beneficiaries, and successors, shall automatically be deemed to have fully and irrevocably released and forever discharged Wells Fargo and all Released Parties of and from any and all liabilities, rights, claims, actions, causes of action, demands, damages, costs, attorneys' fees, losses, and remedies whatsoever, whether known or unknown, existing or potential, suspected or unsuspected, liquidated or unliquidated,

legal, statutory, or equitable. This general release includes, but is not limited to, the release of those claims relating to broker's price opinions that are described in Section 5.01.

b. Plaintiffs expressly understand and acknowledge that it is possible that unknown losses or claims exist. The Parties to this Agreement explicitly took that possibility into account in entering into this Agreement, and a portion of the consideration and the mutual covenants contained herein, having been bargained for between the Parties to this Agreement with the knowledge of the possibility of such unknown losses or claims, was given in exchange for a full accord, satisfaction, and discharge of all such losses or claims. Consequently, Plaintiffs expressly waive all rights under California Civil Code Section 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS/HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM/HER MUST HAVE MATERIALLY AFFECTED HIS/HER SETTLEMENT WITH THE DEBTOR.

Plaintiffs expressly waive and relinquish all rights and benefits afforded by Section 1542 and any similar provision in the applicable law of another jurisdiction, and do so understanding and acknowledging the significance of such specific waiver of Civil Code § 1542.

Notwithstanding the provisions of Civil Code § 1542, and for the purpose of implementing a full and complete release and discharge of Wells Fargo and the other Released Parties, Plaintiffs expressly acknowledge that this Agreement is intended to include in its effect (without limitation) all claims against Wells Fargo and the Released Parties that Plaintiffs do not know or suspect to exist in their favor at the time they execute this Agreement, and that this Agreement contemplates the extinguishment of any such claims against Wells Fargo and the Released Parties.

5.03 **Effect of Release and Incorporation Into Final Judgment.** The Final Judgment will state, among other things, that the “Settlement Agreement, including the releases stated therein, is incorporated by reference into the Final Judgment, and fully and finally resolves all of the claims in the Action.” Further, the Final Judgment will include dismissal of the Action with prejudice.

VI. NO ADMISSION OF LIABILITY.

6.01 **No Admission of Liability.** Wells Fargo disputes the claims alleged in the Action and does not admit any liability or wrongdoing of any kind. Wells Fargo has agreed to enter into this Agreement to avoid the further expense, inconvenience, and distraction of burdensome and protracted litigation, and to be completely free of any further claims that were asserted or could have been asserted in the Action.

6.02 **Prohibited Uses or Inferences.** Neither the Settlement, nor any act performed or document executed pursuant to or in furtherance of the Settlement: (a) is or may be deemed to be, or may be used as, an admission of, or evidence of, the validity of any claim made by the Plaintiffs or Settlement Class Members, or of any wrongdoing or liability of Wells Fargo or any of the Released Parties; or (b) is or may be deemed to be, or may be used as, an admission of, or evidence of, any fault or omission of Wells Fargo or any of the Released Parties in the Action, or in any proceeding in any court, administrative agency or other tribunal.

6.03 **Compromise of Disputed Claims.** The Parties understand and acknowledge that this Agreement constitutes a compromise and settlement of disputed claims. No action taken by the Parties either previously or in connection with the negotiations or proceedings connected with this Agreement shall be deemed or construed to be an admission of the truth or falsity of any claims or defenses heretofore made, or an acknowledgment or admission by any party of any fault, liability or wrongdoing of any kind whatsoever.

6.04 **Agreement as Defense.** In addition to any other defenses Wells Fargo or the Released Parties may have at law, in equity, or otherwise, to the extent permitted by law, this Agreement may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against, any action, suit or other proceeding that may be instituted, prosecuted or attempted in breach of this Agreement or the Releases contained herein.

6.05 Sections 6.01 through 6.03 shall survive termination of this Agreement.

VII. PRELIMINARY AND FINAL APPROVAL

7.01 **Preliminary Approval.** Promptly upon execution of this Agreement, Plaintiffs shall file a motion in the Action seeking Preliminary Approval of the Settlement. Wells Fargo may join Plaintiffs' Preliminary Approval Motion and may file papers in support of that motion. The motion shall request an order:

- a. granting preliminary approval of this Settlement substantially in the form of the Preliminary Approval Order attached as **Exhibit A**;
- b. appointing the Class Representatives;
- c. appointing Class Counsel;
- d. approving the Notice of Settlement substantially in the form attached as **Exhibit A-1** to be mailed to each member of the Settlement Class; and,
- e. approving the Class Administrator and class settlement procedures set forth in this Agreement and the attached exhibits.

7.02 **Motion for Final Approval.** Final approval of the settlement and entry of the Final Judgment, as well as any entitlement to Class Counsel's attorneys' fees and costs and Service Awards to the Class Representatives, shall be decided by the Court at a hearing noticed by Class Counsel and set to be heard approximately 90 days after Preliminary Approval, subject to the Court's availability. Plaintiffs shall request that the Court set a date for the Final Approval

hearing at the time of the hearing for Preliminary Approval. At least 35 days before the Final Approval Hearing, Class Counsel shall file a motion for final approval of the Settlement, for an award of attorneys' fees and costs, and for any Service Awards they seek on behalf of Class Representatives. The motion will request that the Court grant Final Approval of the settlement in a form to be proposed by the Parties, and to enter Final Judgment in accordance with this Agreement. The motion will ask the Court to approve this Agreement as fair, reasonable, adequate, and binding on all members of the Settlement Class; to order attorneys' fees and costs to be paid to Class Counsel out of the Settlement Fund; to issue any Service Awards sought by Plaintiffs; to approve a plan for distribution of residual funds, if any; and, to enter Final Judgment in a form to be approved by the Parties. Wells Fargo may join Plaintiffs' Final Approval Motion, in whole or in part, and may file papers in support of that motion.

7.03 Wells Fargo's Right to Terminate. If the Court declines to approve the Settlement or enter Final Approval; if the Court changes the Settlement Class composition or the terms of the Settlement in any material way that is not acceptable to Wells Fargo after reasonable consultation with Class Counsel; if Final Approval of the Settlement is reversed; or if the terms of the Settlement are changed upon appeal or review in any material way not acceptable to Wells Fargo after reasonable consultation with Class Counsel; or if more than 3,000 Class Members timely request to Opt-Out or be excluded from the Class, then Wells Fargo shall have the right, at its sole discretion, to terminate the Settlement. In that event, anything said or done pursuant to this Agreement, or as part of negotiations leading hereto, shall not be used in any other proceeding for any purpose.

7.04 Court Retains Jurisdiction After Entry of Final Judgment. Without affecting the finality of the Final Judgment in any way, the Court shall retain jurisdiction over:

a. any action necessary to implement the terms of the Final Judgment and/or the Settlement Agreement; and

b. the construction, interpretation, implementation and enforcement of the Final Judgment, until each and every act agreed to be performed by the Parties thereunder has in fact been fully performed.

VIII. MISCELLANEOUS PROVISIONS

8.01 Each Party Is Represented by Counsel. The Parties warrant that each of them has been advised and is represented by legal counsel of their own choice throughout all of the negotiations which preceded the execution of this Agreement, and that they have executed this Agreement after being so advised, and without reliance upon any promise or representation of any person or persons acting for or on behalf of the other, except as expressly set forth herein. The Parties further acknowledge that they and their counsel have had an adequate opportunity to make whatever investigation or inquiry they may deem necessary or desirable in connection with the subject matter of this Agreement prior to the execution of this Agreement. Each Party has read and approved the language of this Agreement, with the assistance of counsel.

8.02 Entire Agreement/Construction And Interpretation. This Agreement embodies the entire agreement and understanding between the Parties and supersedes all prior agreements and understandings relating to the subject matter hereof. No course of prior dealing between the Parties, no usage of the trade, and no extrinsic evidence of any nature shall be used or be relevant to supplement, explain or modify any term used herein. This Agreement is a product of negotiation and preparation by and among each Party and their attorneys. Therefore, each Party expressly waives the provisions of California Civil Code Section 1654, or any similar provision under the laws of other jurisdictions, and acknowledges and agrees that this Agreement

should not be deemed prepared or drafted by one party or the other and shall be construed accordingly.

8.03 **Counterpart Originals.** This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement.

8.04 **Modification Only In Writing.** Neither this Agreement nor any provision hereof may be changed, waived, discharged, or terminated, save and except by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge, or termination is sought.

8.05 **Headings.** Captions, section headings and numbers have been set forth in this Agreement for convenience only and are not to be used in construing this Agreement.

8.06 **Documents.** Within 90 days after the Effective Date of this Agreement, Plaintiffs' counsel will destroy or return to Wells Fargo or its attorneys all originals and copies of documents produced, whether informally or in response to document demands, during the course of the Action, together with all copies of any such documents that have been made and not destroyed, including, without limitation, copies of such documents that were introduced as exhibits during any deposition taken in the Action. In addition, Class Representatives and Class Counsel shall return any confidential information and documents produced in the litigation by Wells Fargo to Wells Fargo's Counsel, or certify that such information and documents have been destroyed.

8.07 **Gender and Plurals.** As used in this Agreement, the masculine, feminine or neuter gender, and the singular or plural number, shall each be deemed to include the others whenever the context so indicates.

8.08 Qualified Settlement Fund. The Parties agree that the account into which the Settlement Fund is deposited is intended to be and will at all times constitute a “qualified settlement fund” within the meaning of Treas. Reg. §1.468B-1 of the Internal Revenue Code of 1986, as amended (the “Code”). The Class Administrator shall timely make such elections as necessary or advisable to carry out the provisions of the Code, this Agreement and the Final Approval Order, including, if necessary, the “relation back election” (as defined in Treas. Reg. §1.468B-1(j)(2)) back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such Treasury regulations promulgated under the Code. It shall be the responsibility of the Class Administrator to cause the timely and proper preparation and delivery of the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

8.09 Tax Reporting. Wells Fargo and/or the Class Administrator may issue Form 1099s to Settlement Class Members and may take other steps to comply with IRS regulations and other Tax laws and regulations if and to the extent Wells Fargo determines in good faith that it is required to do so. Nothing in this Agreement shall be construed to limit or curtail Wells Fargo’s obligations to comply with applicable Tax reporting laws or regulations.

8.10 Tax Consequences. The Parties understand and acknowledge that no Party has warranted or represented any Tax consequences of this Agreement whether to any other Party, to Settlement Class Members, or to any other person or entity, and each Party agrees that it is relying on its own legal and/or Tax advisors and not on any other Party with respect to any Tax consequences of this Agreement.

8.11 **Responsibility for Taxes on Distribution.** Any person or entity that receives a distribution from the Settlement Fund shall be solely responsible for any Taxes or Tax-related expenses owed or incurred by that person or entity by reason of that distribution.

8.12 **Defendant Is Not Responsible.** In no event shall Wells Fargo or any of the other Released Parties have any responsibility or liability for Taxes or Tax-related expenses arising in connection with the payment or distribution of the Settlement Fund to Plaintiffs, Settlement Class Members, Class Counsel or any other person or entity, and the Settlement Fund shall indemnify and hold Wells Fargo and the other Released Parties harmless for all such Taxes and Tax-related expenses (including, without limitation, Taxes and Tax-related expenses payable by reason of any such indemnification).

8.13 **Binding Effect.** This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Releasing Parties and the Released Parties.

8.14 **Cooperation of Parties.** The Parties to this Agreement agree to cooperate in good faith to prepare and execute all documents, to seek Court approval, defend Court approval, and to do all things reasonably necessary to complete and effectuate the Settlement described in this Agreement.

8.15 **Obligation To Meet And Confer.** Before filing any motion in the Court raising a dispute arising out of or related to this Agreement, the Parties shall consult with each other and certify to the Court that they have consulted.

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8.16 **Governing Law.** This Agreement shall be governed and interpreted under California law.

IN WITNESS HEREOF the undersigned, being duly authorized, have caused this Agreement to be executed on the dates shown below.

Dated: October th26, 2016

By: Latara Bias
Latara Bias, individually and on behalf of the Settlement Class

Dated: October th26, 2016

By: Eric Breaux
Eric Breaux, individually and on behalf of the Settlement Class

Dated: October th26, 2016

By: Troy L. Morrison
Troy Lynne Morrison, individually and on behalf of the Settlement Class

Dated: October __, 2016

By: _____

Name: _____

Title: _____

For Wells Fargo Bank, N.A.

Dated: October __, 2016

By: _____

Name: _____

Title: _____

For Wells Fargo & Company

8.16 **Governing Law.** This Agreement shall be governed and interpreted under California law.

IN WITNESS HEREOF the undersigned, being duly authorized, have caused this Agreement to be executed on the dates shown below.

Dated: October __, 2016

By: _____
Latara Bias, individually and on behalf of
the Settlement Class

Dated: October __, 2016

By: _____
Eric Breaux, individually and on behalf of
the Settlement Class

Dated: October __, 2016

By: _____
Troy Lynne Morrison, individually and on
behalf of the Settlement Class

Dated: October 26, 2016

By: Franklin Cotel
Name: Franklin Cotel
Title: SVP, Head of Home Lending
For Wells Fargo Bank, N.A.

Dated: October 26, 2016

By: Franklin Cotel
Name: Franklin Cotel
Title: SVP, Head of Home Lending
For Wells Fargo & Company

APPROVED AS TO FORM:

Dated: October 25, 2016

Baron & Budd, P.C.

By: 
Daniel Alberstone
Counsel for Plaintiffs

Dated: October __, 2016

Cossich, Summich, Parsiola & Taylor, LLC

By: _____
David Parsiola
Counsel for Plaintiffs

Dated: October 25, 2016

Kingsmill Riess, LLC

By: 
Marguerite Kingsmill
Counsel for Plaintiffs

APPROVED AS TO FORM:

Dated: October __, 2016

SEVERSON & WERSON
A Professional Corporation

By: _____
Mark D. Lonergan
Rebecca S. Saelao
Counsel for Wells Fargo Bank, N.A. and
Wells Fargo & Company

APPROVED AS TO FORM:

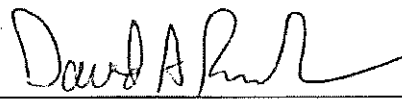
Dated: October __, 2016

Baron & Budd, P.C.

By: _____
Daniel Alberstone
Counsel for Plaintiffs

Dated: October ^h26, 2016

Cossich, Summich, Parsiola & Taylor, LLC

By:  _____
David Parsiola
Counsel for Plaintiffs

Dated: October __, 2016

Kingsmill Riess, LLC

By: _____
Marguerite Kingsmill
Counsel for Plaintiffs

APPROVED AS TO FORM:

Dated: October __, 2016

SEVERSON & WERSON
A Professional Corporation

By: _____
Mark D. Lonergan
Rebecca S. Saelao
Counsel for Wells Fargo Bank, N.A. and
Wells Fargo & Company

APPROVED AS TO FORM:

Dated: October __, 2016

Baron & Budd, P.C.

By: _____

Daniel Alberstone
Counsel for Plaintiffs

Dated: October __, 2016

Cossich, Summich, Parsiola & Taylor, LLC

By: _____

David Parsiola
Counsel for Plaintiffs

Dated: October __, 2016

Kingsmill Riess, LLC

By: _____

Marguerite Kingsmill
Counsel for Plaintiffs

APPROVED AS TO FORM:

Dated: October 24, 2016

SEVERSON & WERSON
A Professional Corporation

By: Rebecca S. Saelao

Mark D. Lonergan
Rebecca S. Saelao
Counsel for Wells Fargo Bank, N.A. and
Wells Fargo & Company