



Class Identification No.:

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA**

LATASHA MCLAUGHLIN, on behalf of herself and
all others similarly situated,

Plaintiff,

v.

WELLS FARGO BANK, N.A.,

Defendant.

Case No. 3:15-cv-02904-WHA

NOTICE OF PENDENCY AND SETTLEMENT OF CLASS ACTION

This Notice is given pursuant to Rule 23 of the Federal Rules of Civil Procedure and by Order of the District Court of the Northern District of California. The purpose of this Notice is to inform you of the pendency of this class action and a proposed settlement that has been reached. You are NOT being sued and this is NOT a solicitation from a lawyer.

BASIC INFORMATION

1. Why Did I Get This Notice?

There is a proposed class action settlement (the "Settlement") involving Wells Fargo Bank, N.A. ("Wells Fargo"). You should read this notice because Wells Fargo's records show that you are a member of one or both of the following two classes (collectively, the "Classes"):

(i) All borrowers with mortgages serviced and owned by Wells Fargo who, between June 23, 2014, and June 23, 2015, have received payoff statements which failed to disclose property insurance claim funds ("Damages Class"); and/or

(ii) All borrowers with mortgages serviced and owned by Wells Fargo wherein Wells Fargo was holding insurance proceeds on June 22, 2016 ("Declaratory Relief Class").

2. What is the Case About?

The Truth In Lending Act, 15 U.S.C. § 1639g ("TILA") requires a lender or mortgage servicer to provide, at the borrower's written request, an accurate statement of the total outstanding balance required to terminate the borrower's loan obligation.

The plaintiff Latasha McLaughlin ("Plaintiff") claims that Wells Fargo violated this section of TILA by issuing payoff statements that did not credit or disclose property insurance claim funds held by Wells Fargo and which were potentially available to be applied to her account balance. Specifically, Plaintiff claims that insurance funds received by Plaintiff and Wells Fargo following damage to

Plaintiff's residential property, and which were held by Wells Fargo at the time Plaintiff requested a payoff statement, should have been reflected on her payoff statement.

The Complaint asserts a claim for violation of TILA and seeks statutory damages of up to \$1 million in the aggregate on behalf of the Damages Class, and an order directing Wells Fargo to include insurance funds on payoff statements, attorneys' fees and costs. Wells Fargo contends that its payoff statements comply with the requirements of TILA and that the statement Plaintiff received was accurate, in part, because a third party claimed an interest in part of the insurance funds.

On October 29, 2015, the Court issued an order holding that to be accurate a payoff statement should have deducted the insurance funds still held by the bank and at least should have added a note that the insurance funds potentially could be used for home repair in the event the loan was not paid off. On June 22, 2016, the Court issued an order certifying the lawsuit to proceed as a class action on behalf of the Damages Class and the Declaratory Relief Class, appointing Plaintiff as representative of the Classes, and appointing the law firms of Wolf Popper LLP and Berman DeValerio as Class Counsel.

WHO IS IN THE CLASSES?

3. Who Is Part Of Each Class?

The Court has decided that the members of the Damages Class are: all borrowers with mortgages serviced and owned by Wells Fargo who, between June 23, 2014 and June 23, 2015, have received payoff statements which failed to disclose property insurance claim funds.

The Court has decided that the members of the Declaratory Relief Class are: all borrowers with mortgages serviced and owned by Wells Fargo wherein Wells Fargo held property insurance claim funds on June 22, 2016.

Members of the Damages Class, and individuals who are members of both the Damages Class and Declaratory Relief Class, have an identification number at the top of this Notice that begins with the letter "A" (e.g., A12345678). Members of the Declaratory Relief Class have an identification number at the top of this notice that begins with the letter "B" (e.g., B12345678).

THE PROPOSED SETTLEMENT

4. Grounds For The Settlement.

Based on Class Counsel's investigation, the current state of the law, the expense, and time necessary to prosecute this Action through trial and possible appeals, the risks and uncertainty of further prosecution of this Action considering the sharply contested legal issues involved, and the relative benefits to be conferred upon the Class Members under the Settlement, the Plaintiff and Class Counsel believe that it is desirable to enter into the Settlement.

5. Monetary Relief To The Damages Class.

Subject to approval by the Court, Wells Fargo will establish a Damages Class Fund in the amount of \$880,000. Upon approval, eligible Damages Class Members will receive settlement checks representing a pro rata share, on a per account basis, of the Damages Class Fund. In other words, accounts with two named borrowers will share in a single pro rata share of the Damages Class Fund. Each account is anticipated to receive at least \$2,500.

6. Practice Change.

Wells Fargo will also revise its template payoff statement letter to disclose property insurance funds held by it directly below the total amount due identified in the letter and to add language specifying that the funds can be applied to the total amount due if they are not used for repairs to the property (the "Practice Change").

7. Request For Attorneys' Fees And Costs And Payment Of Plaintiff

Class Counsel will move the Court for an award of reasonable attorneys' fees and costs incurred in the Action, not to exceed \$1.95 million and \$45,000, respectively, and to award Plaintiff with a service payment in the amount of \$5,000. Plaintiff contends these monies will compensate Plaintiff and Class Counsel for the benefits achieved by: the Practice Change; the establishment of the Damages Class Fund (which represents 88% of total potential damages available under TILA); and Wells Fargo's agreement to pay the costs of Notice and administration, reasonable attorneys' fees and costs, and a service award, as approved by the Court. Wells Fargo may oppose any such motion for reasonable attorneys' fees and costs.

Attorneys' fees and costs and any service award are determined by the Court and would be paid separately by Wells Fargo, and would not diminish the Damages Class Fund in any way. You will not have to personally pay any fees or costs to Class Counsel.

YOUR RIGHTS AND OPTIONS

8. What Happens If I Do Nothing?

If you are a Member of the Damages Class and do nothing, you will be deemed part of the Settlement and be entitled to a monetary payment as detailed above, and you will be releasing all claims asserted on behalf of the Damages Class in the Action. No other claims are being released.

If you are a Member of the Declaratory Relief Class and do nothing, you will be deemed part of the Settlement and you will be releasing all claims asserted on behalf of the Declaratory Relief Class in the Action. No other claims are being released. Declaratory Relief Class Members do not release claims for damages (if any) and are not entitled to a monetary payment.

9. How Do I Request To Be Excluded?

If you are a member of the Damages Class, you may request to be excluded from this Class. This is sometimes called "opting out" of the class. If you exclude yourself, you will receive no money from the proposed Settlement. If you exclude yourself, you will not be legally bound by the Final Approval Order in the Settlement.

To be excluded, you must send a signed written request for exclusion that includes your name, current address, telephone number, and ID number that appears on this Notice, and state "I request exclusion from the Damages Class in the *McLaughlin v. Wells Fargo Class Action*." The request must be postmarked on or before **February 9, 2017** and mailed to the Administrator at the address provided below.

10. How Do I Object To The Proposed Settlement Or Request For Attorneys' Fees And Costs?

You can ask the Court to deny approval by filing an objection. You can't ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

You may object to the proposed settlement in writing. All written objections and supporting papers must (a) clearly identify the case name and number (*McLaughlin v. Wells Fargo Bank, N.A.*, Case No. 3:15-cv-02904-WHA), (b) be submitted to the Court either by mailing them to the Class Action Clerk, United States District Court for the Northern District of California, San Francisco Division, 450 Golden Gate Avenue, San Francisco, California, 94102, or by filing them in person at any location of the United States District Court for the Northern District of California, and (c) be filed or postmarked on or before **February 9, 2017**. You may also appear at the Final Approval Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for paying that attorney. Counsel must file a notice of appearance by **March 2, 2017**.

FINAL APPROVAL HEARING

11. Notice Of Hearing On Final Approval, Attorneys' Fees, And Objections To Settlement.

A Final Approval Hearing will be held before the Honorable William H. Alsup on **March 9, 2017** at 8:00 a.m. at the United States District Court, Northern District of California, located at 450 Golden Gate Avenue, San Francisco, California, 94102. The hearing will be to determine whether the proposed Settlement is fair, reasonable, and adequate, and whether the requests for attorneys' fee and costs and a service award should be approved. You do not need to appear at this hearing. The hearing may be changed without further notice. If you plan to attend the hearing, you should check the settlement website to see if the date has changed.

Upon final approval of the Settlement by the Court, Plaintiff and each Member of the Classes (excluding (i) all Damages Class Members who timely request exclusion from the Class; (ii) Damages Class Members for whom this Notice is returned as undeliverable and who cannot be located with reasonable diligence; and (iii) officers and directors of Wells Fargo since June 23, 2014), on behalf of themselves and their agents, administrators, servants, employees, representatives, assigns, heirs, executors, trustees, joint venturers, partners, successors, predecessors and attorneys, and each of them, will fully release and discharge Wells Fargo and all of its former, present and future direct and indirect parents, affiliates, subsidiaries, successors and predecessors, and all of their respective former, present and future officers, directors, shareholders, managers, general partners, limited partners, employees, servants, agents, principals, attorneys, representatives, insurers, reinsurers, predecessors, successors, divisions, joint ventures, assigns, independent contractors and vendors from any and all actions, causes of action, obligations, costs, expenses, damages,

losses, claims, liabilities, and demands, of whatever character that were asserted in this Action, to wit, violations of the Truth in Lending Act, 15 U.S.C. § 1601 et seq. and Regulation Z, 12 C.F.R. Part 1026 for the failure of Wells Fargo to disclose insurance claim fund balances in payoff statements, except that any Class Member's claims for actual damages as a result of such violations are expressly excluded from this release.

12. Are More Details Available?

For the precise terms of the Settlement, you should review the Class Settlement Agreement and Release. The Agreement, as well as the pleadings and other records in this Action, may be obtained online at www.MortgagePayoffStatementClassAction.com, from the Court's electronic records access service at www.Pacer.gov, or in person at the Courthouse, 450 Golden Gate Ave., San Francisco, California, 94102. If you still have questions about this Notice or the Action, you may contact the Administrator by phone at (877) 351-3539, or Class Counsel at the telephone numbers below. Please do not telephone the Court or the Court Clerk's office to inquire about this Settlement.

ATTORNEYS AND ADMINISTRATOR

13. Who Are The Attorneys?

Attorneys for Plaintiff and the Classes are:

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Attorneys for Wells Fargo are:

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14. Who Is The Settlement Administrator?

McLaughlin v. Wells Fargo Class Action
c/o Garden City Group
P.O. Box 10315
Dublin, OH 43017-3915
Telephone: (877) 351-3539

IF YOU MOVE, PLEASE SEND YOUR CHANGE OF ADDRESS TO THE ADMINISTRATOR.