

CPM Client Shareholders File Opposition To Wells Fargo Motion Regarding Illegal Sales Practices, Ask For Case To Move Forward On Its Merits

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Wells Fargo shareholder William Sarsfield, a plaintiff in the pending shareholder derivative lawsuit filed against Wells Fargo's officers and directors relating to the illegal sales practices at the Bank, today filed an opposition to Wells Fargo's motion seeking to dismiss the complaint filed in the case.

The shareholder lawsuit seeks damages from Wells Fargo's senior management, including its directors, alleging they breached their fiduciary duties to the Company and its shareholders.

In today's filing, Sarsfield points to evidence uncovered during the suit that the Board, over the course of many years, repeatedly disregarded "red flags" available to them, including internal "Audit & Security" reports describing employee and customer complaints and employee terminations related to sales integrity violations. These reports allegedly date back to 2005 and were provided to Wells Fargo's Board and Audit Committee, but not acted upon.

Federal regulators, beginning in 2010, also issued a series of "written actions" directed to Wells Fargo's senior management to try to focus them on fixing governance and risk management practices, including several different "Matters Requiring Attention" or "MRAs" issued by the OCC that required the Bank to implement a company-wide system for complaint management. An MRA is designed to focus the board's immediate attention on issues requiring the board's immediate oversight to fix. As alleged, the MRAs were largely ignored by the Board.

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Practice Areas

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Sarsfield's opposition also attaches a series of declarations from former Bank employees and customers who describe their own personal hardships from the illegal sales practices.

The motion is set for hearing on May 9, 2017.

Cotchett, Pitre & McCarthy represents the Plaintiff shareholder, William Sarsfield, and is also the Court-appointed lead counsel for Wells Fargo shareholder plaintiffs in the derivative action.