

## **LEGAL NOTICE BY ORDER OF COURT**

**IF YOU ENTERED INTO A BUYDOWN AGREEMENT OR BUYDOWN DEPOSIT AGREEMENT (BOTH HEREAFTER A “BUYDOWN AGREEMENT”) DURING THE CLASS PERIOD WITH WELLS FARGO IN CONNECTION WITH A RESIDENTIAL REAL ESTATE MORTGAGE LOAN TRANSACTION CONCERNING PROPERTY LOCATED IN THE UNITED STATES, YOU ARE ELIGIBLE FOR A CASH PAYMENT FROM A CLASS ACTION SETTLEMENT.**

**This Notice describes rights you may have in connection with the settlement of a lawsuit.**

*The United States District Court for the Eastern District of New York authorized this Notice.*

*This is not a solicitation from a lawyer. **This is not a legal action against you.***

- Wells Fargo Bank, N.A. (“Wells Fargo”) has agreed to pay \$6,945,095 into a fund from which eligible persons will receive Cash Awards. The fund also will be used to pay settlement administration expenses, any Court-awarded Service Award, and Court-awarded attorneys’ fees and costs.
- The settlement resolves a lawsuit brought against Wells Fargo regarding the use of Buydown Agreements or Buydown Deposit Agreements (together “Buydown Agreements”).
- If you entered into a Buydown Agreement during the Class Period with Wells Fargo in connection with a residential real estate mortgage loan transaction concerning property located in the United States and you fit the description of the Settlement Class (as defined below), then you are eligible to receive a payment.
- Court-appointed lawyers for the Settlement Class (“Class Counsel”) will ask the Court for a payment of up to \$2,315,029.35 from the fund as attorneys’ fees, which is equal to 33.33% of the fund. Class Counsel also will ask the Court to reimburse them for the out-of-pocket expenses they paid to investigate the facts and litigate the case.
- The two sides disagree on whether Plaintiff and the Settlement Class could have won at trial.
- Your legal rights are affected whether you act or don’t act. Read this Notice carefully.

FOR ADDITIONAL INFORMATION REGARDING THIS SETTLEMENT, OR FOR INFORMATION ON HOW TO REQUEST EXCLUSION FROM THE SETTLEMENT CLASS OR FILE AN OBJECTION, PLEASE VISIT THE SETTLEMENT WEBSITE, [www.buydownsettlement.com](http://www.buydownsettlement.com) OR CALL 1-833-916-3596.

**Please do not** call or write the Court, the Court Clerk’s office, Wells Fargo, or Wells Fargo’s Counsel for more information. They will not be able to assist you.

## BASIC INFORMATION

The purpose of this Notice is to let you know that a proposed settlement has been reached in a proposed class action case entitled *Alejandro Carrillo v. Wells Fargo Bank, N.A.*, Case No. 2:18-cv-03095-SJF-SIL, pending in the U.S. District Court for the Eastern District of New York. The plaintiff has alleged that: (1) Wells Fargo violated the federal Truth in Lending Act, 15 U.S.C. § 1601 *et seq.* (“TILA”) by improperly disclosing the interest rate that would be applied to a customer’s loan while their Buydown Agreement was in effect; (2) Wells Fargo’s method of applying interest to a customer’s loan breached the terms of the customer’s Buydown Agreement; and (3) the disclosures Wells Fargo gave customers in connection with their Buydown Agreement were in violation of state consumer protection statutes. Wells Fargo denies Plaintiff’s allegations and denies that it did anything wrong. The Court has not decided who is right.

You have legal rights and options that you may act on before the Court decides whether to approve the proposed settlement. Because your rights will be affected by this settlement, it is extremely important that you read this Notice carefully. This Notice summarizes the settlement and your rights under it.

## YOUR LEGAL RIGHTS AND OPTIONS

<b>SUBMIT TAX INFORMATION AND ACCEPT PAYMENT</b>	You do not need to submit a claim to receive a payment. You will receive a check reflecting your share of the settlement, provided you submit any required tax reporting information like a W-9. Go to the Settlement Benefits Lookup page of the website to learn the amount of your settlement share and the File W-9 Online page to access, fill out, sign, and submit an electronic IRS Form W-9 if one is required.
<b>EXCLUDE YOURSELF BY JUNE 6, 2021</b>	Get no payment from the settlement fund. This is the only option that allows you to ever be part of any other lawsuit against Wells Fargo about the legal claims in this case.
<b>OBJECT BY JUNE 6, 2021</b>	Write to the Court explaining why you don’t like the settlement.
<b>ATTEND A HEARING ON JULY 27, 2021</b>	Ask to speak in Court about the fairness of the settlement.

The Court in charge of this case still has to decide whether to approve the settlement. If it does and any appeals are resolved, benefits will be distributed to those who qualify and do not exclude themselves. Please be patient.

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### **1. WHO IS IN THE SETTLEMENT CLASS?**

The judge in the case has certified two Classes for settlement purposes only:

- **TILA Class.** All persons in the United States (a) who entered into Buydown Agreements with Wells Fargo in residential real estate mortgage transactions; (b) within one year prior to the filing of the Initial Complaint; (c) in which Wells Fargo disclosed in the borrower's loan Closing Disclosure a lower effective interest rate for an initial period followed by a higher interest rate for the remainder of the life of the loan; and (d) as to whom, during the initial period, Wells Fargo amortized the loan at a rate higher than the lowest disclosed effective rate.
- **Breach of Contract Class.** All persons in the United States who during the Class Period entered into Buydown Agreements with Wells Fargo in residential real estate mortgage transactions in which Wells Fargo disclosed a lower effective interest rate for an initial period followed by a higher interest rate for the remainder of the life of the loan but, during the initial period, amortized the loan at a rate higher than the lowest disclosed effective rate.

The Classes together are called the Settlement Class. If you received notice of the settlement directed to you, records indicate that you are a member of the Settlement Class.

If you are not sure whether you are in the Settlement Class, or have any other questions about the Settlement, visit the Settlement Website at [www.buydownsettlement.com](http://www.buydownsettlement.com) or call the toll-free number 1-833-916-3596.

## **2. WHAT IS THIS LAWSUIT ABOUT**

In a class action, one or more people, called class representatives, sue on behalf of people who have similar claims. All of these people are a class, or class members. One court resolves the issues for all class members, except those who exclude themselves from the class.

The Class Representative alleges that Wells Fargo did not properly apply or disclose the terms of the Buydown Agreements it gave to its customers, and by so doing Wells Fargo purportedly violated the federal Truth in Lending Act, 15 U.S.C. § 1601 *et seq.* (“TILA”) and related state consumer protection statutes, and breached the terms of the customer’s Buydown Agreement. This is just a summary of the allegations. The complaint in the lawsuit is posted at [www.buydownsettlement.com](http://www.buydownsettlement.com) and contains all of the allegations. Wells Fargo denies these allegations; however, in order to avoid the expense, inconvenience, and distraction of continued litigation, the Parties have agreed to the settlement described herein.

## **3. WHO IS REPRESENTING ME?**

Alejandro Carrillo sued Wells Fargo and the Court has appointed him to be Class Representative for the Settlement Class.

The Court also approved Beth E. Terrell, Ari Brown, and Adrienne D. McEntee of Terrell Marshall Law Group PLLC, and Daniel A. Schlanger of Schlanger Law Group LLP as Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

## **4. WHAT BENEFITS CAN I RECEIVE FROM THE SETTLEMENT?**

Wells Fargo has agreed to provide monetary compensation to Class Members who do not exercise their right to opt-out of the Settlement. Under the Settlement, Wells Fargo is paying a total of \$6,945,095.00 in compensation to set up a settlement fund to be divided among all Settlement Class Members who do not exclude themselves from the Settlement after any fees, costs, Service Award, and settlement expenses have been deducted. Your share of the settlement will be a minimum of fifty dollars for each Buydown Agreement. You may receive more. You can learn the estimated amount of your settlement check by calling the toll-free number 1-833-916-3596. The amount is only an estimate.

If you do not exclude yourself from the Settlement Class, the Settlement Administrator will mail you a check. You may be required to first provide certain tax related documentation to the Settlement Administrator in order to be eligible to receive your check. You may submit an IRS Form W-9 electronically. Go to the Settlement Benefits Lookup page on the website to learn if you are required to submit a W-9 and access a blank IRS Form W-9, which you may electronically fill out, electronically sign, and electronically submit it to the Settlement Administrator.

If you receive a check, you will have three (3) months from the date of the check to cash the check. If you do not cash the check within 3 months, your check will be void and the funds will be used as the Court deems appropriate, including redistribution to other Class Members or distribution to a charitable organization.

**5. DO I HAVE TO PAY THE LAWYERS REPRESENTING ME?**

No. Class Counsel will ask the Court to approve payment of up to \$2,315,029.35 to them for attorneys' fees, which is 33.33% of the fund. Class Counsel also will ask to be reimbursed for any out-of-pocket expenses. These payments would pay Class Counsel for their time investigating the facts, litigating the case and negotiating the settlement. Class Counsel will also request a service award of up to \$12,500 to the Class Representative in recognition of his service to the Settlement Class. The amount of any fee or service award will be determined by the Court. Class Counsel's contact information is as follows:

Beth E. Terrell Jennifer R. Murray TERRELL MARSHALL LAW GROUP PLLC 936 N. 34th Street Suite 300 Seattle, WA 98103 Tel: 206-816-6603 Bterrell@terrellmarshall.com Jmurray@terrellmarshall.com	Daniel A. Schlanger SCHLANGER LAW GROUP LLP 80 Broad St. Suite 1301 New York, NY 10004 Tel: 212-575-3276 Dschlanger@consumerprotection.net
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**6. WHAT AM I AGREEING TO BY REMAINING IN THE SETTLEMENT CLASS IN THIS CASE?**

Unless you exclude yourself, you will be part of the Settlement Class, and you will be bound by the release of claims in the settlement. This means that if the Settlement is approved, you cannot sue, continue to sue, or be part of any lawsuit against Wells Fargo or the other Released Parties asserting a "Released Claim," as defined below. It also means that the Court's Order approving the settlement and the judgment in this case will apply to you and legally bind you.

The "Released Claims" that you will not be able to assert against Wells Fargo or the Released Parties if you remain a part of the Settlement Class are as follows: "Released Claims" means any and all claims, demands, damages, costs, attorneys' fees, disputes, liabilities, actions, rights, suits or causes of action, losses or remedies of any kind or nature whatsoever, whether based on any federal law, state law, common law, territorial law, foreign law, contract, rule, regulation, any regulatory promulgation (including, but not limited to, any opinion or declaratory ruling), or any legal or equitable theory, right of action or otherwise, whether known or unknown, suspected or unsuspected, asserted or unasserted, foreseen or unforeseen, matured or unmatured, accrued or unaccrued, actual or contingent, liquidated or unliquidated, punitive or compensatory, as of the date of the Final Approval Order, that arise out of, or relate to, or are based upon or in any manner related or connected with, the Released Parties' implementation or use of, or disclosures pertaining to, any Buydown Agreement entered into in connection with a residential real estate transaction during the Class Period including, but not limited, to: (i) claims asserting breach of contract; (ii) claims asserting a quasi-contract theory (*i.e.*, promissory estoppel, unjust enrichment, or quantum meruit); (iii) claims asserted under the federal Truth In Lending Act ("TILA"); (iv) claims asserted under New York General Business Law § 349; (v) claims asserted under any state or federal consumer protection law including, but not limited to any unfair, abusive or deceptive practices act or regulation, whether statutory or recognized at common law; (vi) any and all claims that were or that could have been asserted in the Initial Complaint, the First Amended Complaint, the Second Amended Complaint, or in this

Litigation; (vii) claims asserting that excess interest was assessed, charged or collected, or that the loan was inappropriately amortized in connection with the application, implementation or use of any Temporary Buydown Agreement; and/or (viii) claims that were or could have been asserted as a member/representative of a putative class or sub-class in the Litigation or in any other proceeding or suit purporting to assert claims in any way related to the foregoing. This Agreement does not imply that any such claims exist or are valid.

“Released Parties” means Wells Fargo and each of its respective past, present and future parents, subsidiaries, affiliated companies and corporations, and each of their respective past, present, and future directors, officers, managers, employees, agents, general partners, limited partners, principals, insurers, reinsurers, shareholders, attorneys, advisors, representatives, predecessors, successors, divisions, assigns, or related entities, and each of their respective executors, successors, and legal representatives.

**7. WHAT IF I DO NOT AGREE WITH THE SETTLEMENT?**

If you are a member of the Settlement Class, and you do not exclude yourself from the settlement, you may object to the settlement or any part of the settlement that you think the Court should reject, and the Court will consider your views. To object, you must send your objection to the Court, Settlement Administrator, Class Counsel, and Wells Fargo’s Counsel providing:

1. the case name and case number of this Litigation (*Alejandro Carrillo v. Wells Fargo Bank, N.A.*, Case No. 2:18-cv-03095-SJF-SIL (E.D.N.Y.));
2. your full name, current address, and address of the property associated with your Buydown Agreement;
3. the reasons why you object to the settlement along with any supporting materials;
4. the identity of any lawyer who assisted, provided advice, or represents you as to this case or such objection, if any; and
5. your signature.

**Your objection must be postmarked no later than June 6, 2021.** Objections must be mailed to all of the following addresses:

<b>Settlement Administrator:</b>	<b>The Court:</b>
Buydown Settlement c/o JND Legal Administration P.O. Box 91345 Seattle, WA 98111	Clerk of the Court United States District Court Eastern District of New York 100 Federal Plaza Central Islip, NY 11722
<b>Plaintiff’s Counsel:</b>	<b>Wells Fargo’s Counsel:</b>
Beth E. Terrell Jennifer R. Murray TERRELL MARSHAL LAW GROUP PLLC 936 N. 34 <sup>th</sup> Street, Suite 300 Seattle, WA 98103	Lucia Nale Debra Bogo-Ernst MAYER BROWN LLP 71 S. Wacker Dr. Chicago, IL 60606

## **8. HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT CLASS?**

If you want to exclude yourself from the Settlement Class, sometimes referred to as “opting-out,” you will not be eligible to recover any benefits as a result of this settlement. However, you will keep the right to sue or continue to sue Wells Fargo or Released Parties on your own and at your own expense about any of the Released Claims.

To exclude yourself from the Settlement Class, you must send a letter to the Settlement Administrator identifying:

1. your name, address, telephone number, and account number;
2. the name and case number of this lawsuit (*Alejandro Carrillo v. Wells Fargo Bank, N.A.*, Case No. 2:18-cv-03095-SJF-SIL (E.D.N.Y.));
3. a statement that you wish to exclude yourself from the Settlement Class; and
4. your signature.

If you wish to exclude yourself, you must submit the above information to the following address so that it is postmarked no later than **June 6, 2021**:

Wells Fargo Settlement Administrator:  
Buydown Settlement  
c/o JND Legal Administration  
P.O. Box 91345  
Seattle, WA 98111

*REQUESTS FOR EXCLUSION FROM THE CLASS THAT ARE NOT POSTMARKED ON OR BEFORE JUNE 6, 2021, WILL NOT BE HONORED.*

## **9. WHAT IS THE DIFFERENCE BETWEEN OBJECTING AND ASKING TO BE EXCLUDED?**

Objecting means telling the Court that you do not like something about the settlement. You can object to the settlement only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object to the settlement because it no longer affects you.

## **10. WHAT IF I DO NOTHING AT ALL?**

You will remain a member of the Settlement Class. See Part 4 above.

## **11. WHAT WILL BE DECIDED AT THE FINAL APPROVAL HEARING?**

The Court will hold a hearing to decide whether to approve the settlement and any requests for fees, expenses, and Service Award (“Final Approval Hearing”). The Final Approval Hearing is currently set for Tuesday July 27, 2021 at 9:30 am and will be conducted telephonically. The hearing may be moved to a different date or time without additional notice, so it is a good idea to check [www.buydownsettlement.com](http://www.buydownsettlement.com) and the Court’s docket for updates.

At the Final Approval Hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. The Court will also consider the request by Class Counsel for attorneys' fees and expenses and Service Award for the Class Representative. If there are objections, the Court will consider them at the Final Approval Hearing. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

You may attend the hearing, at your own expense, but you do not have to do so. You cannot speak at the hearing if you exclude yourself from the settlement.

If you have objected to the settlement and want to attend the hearing you must state in your objection that you intend to appear at the Final Approval Hearing either personally or through counsel.

## **12. DOES THIS NOTICE CONTAIN THE ENTIRE SETTLEMENT AGREEMENT?**

No. This is only a summary of the settlement. If the settlement is approved and you do not exclude yourself from the Settlement Class, you will be bound by the release contained in the Settlement Agreement, and not just by the terms of this Notice. Capitalized terms in this Notice are defined in the Settlement Agreement. You can view the full Settlement Agreement online at [www.buydownsettlement.com](http://www.buydownsettlement.com), or you can write to the address below for more information.

Buydown Settlement  
c/o JND Legal Administration  
P.O. Box 91345  
Seattle, WA 98111

## **13. WHERE CAN I GET MORE INFORMATION?**

For more information, you may visit [www.buydownsettlement.com](http://www.buydownsettlement.com), you may call the Wells Fargo Settlement Administrator at 1-833-916-3596, or you may contact Class Counsel as set forth in Section 5, above.

**PLEASE MONITOR THE CASE WEBSITE, [WWW.BUYDOWNSETTLEMENT.COM](http://WWW.BUYDOWNSETTLEMENT.COM), FOR UPDATES AND OTHER IMPORTANT INFORMATION.**

**NOTE: PLEASE DO NOT CALL OR WRITE THE COURT, THE COURT CLERK'S OFFICE, WELLS FARGO, OR WELLS FARGO'S COUNSEL FOR MORE INFORMATION. THEY WILL NOT BE ABLE TO ASSIST YOU.** If you have questions, please call 1-833-916-3596 or visit [www.buydownsettlement.com](http://www.buydownsettlement.com).