

**NOTICE OF PENDENCY OF CLASS ACTION,  
PROPOSED SETTLEMENT, AND HEARING**

TO: ALL CONSUMERS ON THE LIST OF 14,210 TRANSACTIONS THAT WELLS FARGO PRODUCED ON OR ABOUT SEPTEMBER 15, 2009, WHO ENTERED INTO MORTGAGE LOAN TRANSACTIONS CONCERNING PROPERTY LOCATED IN MARYLAND WHERE: (1) THE MORTGAGE BROKER IS ALSO IDENTIFIED AS THE MORTGAGE LENDER IN THE OPERATIVE DOCUMENTS RELATING TO THE TRANSACTION; (2) THE MORTGAGE BROKER RECEIVED A FINDER'S FEE AS THAT TERM IS DEFINED IN MD. COM. LAW CODE ANN. §12-801(C); AND (3) WELLS FARGO FUNDED THE MORTGAGE LOAN AT SETTLEMENT

**PLEASE READ THIS NOTICE CAREFULLY IN ITS ENTIRETY  
YOUR RIGHTS MAY BE AFFECTED BY THE SETTLEMENT  
OF THIS LAWSUIT NOW PENDING IN THIS COURT**

NOTICE IS HEREBY GIVEN pursuant to Rule 2-231 of the Maryland Rules of Civil Procedure and an Order of the Circuit Court for Baltimore City, Maryland, to the following Class:

All consumers on the list of 14,210 transactions that Wells Fargo produced on or about September 15, 2009, who entered into mortgage loan transactions concerning property located in Maryland where: (1) the Mortgage Broker is also identified as the mortgage lender in the operative documents relating to the transaction; (2) the Mortgage Broker received a finder's fee as that term is defined in Md. Com. Law Code Ann. §12-801(c); and (3) Wells Fargo funded the mortgage loan at settlement

Excluded from the Settlement Class are all former and present directors, officers and agents as well as all current employees of Wells Fargo Bank, N.A. d/b/a Wells Fargo Home Mortgage ("Wells Fargo" or the "Defendant"). This notice is sent to you in the belief that you are a member of the above-defined Class.

This class action lawsuit alleges that the Defendant engaged in practices that may have violated Maryland law and affected your closing costs. **THIS IS NOT A LAWSUIT AGAINST YOU.**

**I.  
THE LAWSUIT**

This is a proposed Settlement of *Gwendol Denise Taylor, et al. v. Wells Fargo Home Mortgage, Inc.*, Case No. 24-C-02-001635 ("*Taylor*"), which was filed on March 26, 2002. *Taylor* is pending in the Circuit Court for Baltimore City, Maryland.

In the *Taylor* lawsuit, among other claims, Plaintiffs allege that, as a condition of doing business with Wells Fargo, Wells Fargo required many mortgage brokers to act as both the mortgage broker and lender in each mortgage loan transaction. Plaintiffs allege that this practice violates the provisions of Maryland's Finder's Fee Act. Plaintiffs also allege that this arrangement violates Maryland's Consumer Protection Act ("MCPA"), and gave rise to causes of action for civil conspiracy.

The Defendant has denied all of Plaintiffs' claims and denies any wrongdoing and any liability to Plaintiffs or to any class members in any amount.

As a result of protracted settlement discussions (which, from time-to-time involved the involvement of a mediator), involving counsel for the Plaintiffs and counsel for the Defendant, a settlement was reached. The settlement requires approval by the Court, and this Notice advises you of the proposed settlement so that you can consider your legal rights. The settlement applies to all of the claims brought against Wells Fargo in the *Taylor* lawsuit.

The parties arrived at this settlement before any of Plaintiffs' claims, or Defendant's defenses were tried on the merits. Accordingly, there has been no determination or finding of wrongdoing by Wells Fargo in its conduct toward Plaintiffs or other class members.

Counsel for Plaintiffs have investigated the facts and the applicable law regarding the matters

raised in the lawsuit. Plaintiffs' counsel believe that the issues before the Court are complex and that there is at least some uncertainty as to the outcome of the lawsuit. Further, Plaintiffs' counsel believe that the claims raised in the lawsuit have merit, but recognize that there is a risk that the Court may make rulings in the lawsuit that would leave class members no means for recovery without filing their own separate lawsuits. Therefore, Plaintiffs, on behalf of all others similarly situated, have entered into a Settlement Agreement with Wells Fargo made as of January 22, 2010 (the "Settlement Agreement"), which, if approved by the Court, will fully and finally resolve the claims asserted by Plaintiffs against the Defendant and its respective owners, on behalf of themselves and anyone else in the class, as defined below. **THIS NOTICE AFFECTS YOU BECAUSE IT IS BELIEVED THAT YOU ARE A MEMBER OF THE SETTLEMENT CLASS.**

**II.**  
**CLASS ACTION**

The Court has ruled that, for settlement purposes only, this lawsuit may be maintained as a Class Action, subject to final and permanent approval at the conclusion of the settlement process, on behalf of the Class set forth above. If this proposed settlement is not finally approved, or is withdrawn at any time, for reasons detailed in the Settlement Agreement, the parties have agreed to withdraw the conditional class certification and to return the lawsuit to the same status as before the Settlement Agreement was signed.

**III.**  
**COUNSEL FOR THE CLASS**

The Court has appointed Richard S. Gordon of QUINN, GORDON & WOLF, CHTD., 102 West Pennsylvania Avenue, Suite 402, Baltimore, MD 21204 as Lead Counsel for the Class. The Court has also appointed individuals from the following law firms as additional counsel for the Class ("Plaintiffs' Counsel"):

Benjamin H. Carney  
QUINN, GORDON & WOLF, CHTD.  
102 West Pennsylvania Avenue, Suite 402  
Baltimore, MD 21204

Nevett Steele, Jr.  
P.O. Box 128  
211 Central Avenue  
Glyndon, Maryland 21071

Phillip Robinson  
CIVIL JUSTICE, INC.  
520 West Fayette Street  
Baltimore, MD 21201

**IV.**  
**THE PROPOSED SETTLEMENT**

On January 22, 2010, Plaintiffs, and the Defendant, through their respective counsel, entered into a Settlement Agreement that, if approved, will result in the dismissal with prejudice and release of all claims asserted in *Taylor* by Plaintiffs against the Defendant. The Settlement Agreement is subject to final approval by the Court. It contains all the terms of the settlement and is available for your inspection at the Office of the Clerk, Circuit Court for Baltimore City, Civil Division, 111 North Calvert Street, Room 462, Baltimore, Maryland 21202, during normal business hours. The Settlement Agreement may also be accessed at [www.WellsFargoSettlement.com](http://www.WellsFargoSettlement.com).

In summary, the Settlement Agreement provides for the following:

### ***Certification of Settlement Class***

1. For settlement purposes, the Court has certified preliminarily a Class that is defined as: All consumers on the list of 14,210 transactions that Wells Fargo produced on or about September 15, 2009, who entered into mortgage loan transactions concerning property located in Maryland where: (1) the Mortgage Broker is also identified as the mortgage lender in the operative documents relating to the transaction; (2) the Mortgage Broker received a finder's fee as that term is defined in Md. Com. Law Code Ann. §12-801(c); and (3) Wells Fargo funded the mortgage loan at settlement

Excluded from the Settlement Class are all former and present directors, officers and agents as well as all current employees of Wells Fargo.

### ***Settlement Fund***

2. The Defendant has agreed to create a Settlement Fund in the sum of \$7 million to settle this case. If the settlement is approved, the Settlement Fund will provide you and each Class member, by check, a refund of approximately \$492.00 per transaction less a proportionate share for Plaintiffs' Counsel's attorneys' fees, incentive fee paid to the representative Plaintiffs (as described below) and other expenses as awarded by the Court. Only one check will be issued per loan. Checks issued to Class Members will be void if not negotiated within one hundred and twenty (120) calendar days ("Void Date") after its date of issue. Checks that are not negotiated by the Void Date shall not be reissued unless otherwise agreed by both Plaintiffs' Counsel and Wells Fargo Bank or ordered by the Court, but the Agreement and its Release shall in all other respects be fully enforceable against the Class Members.

### ***Allocation of the Unclaimed Settlement Funds and Establishment of a Cy Pres Fund***

3. The parties have agreed that any residue of the Settlement Fund remaining for any reason, including checks that are not negotiated or are returned and remain undeliverable after the Void Date, will be distributed to the charities approved by the Court as follows: (1) the first \$35,000<sup>00</sup> of the *cy pres* fund shall be paid to St. Vincent de Paul of Baltimore; (2) the next \$35,000<sup>00</sup> of the *cy pres* fund, if any, shall be paid to Our Daily Bread; and (3) the balance of the *cy pres* funds, if any, shall be paid to Comprehensive Housing Assistance, Inc. (CHAI).

### ***Cost of Administration***

4. Under the Settlement Agreement, the reasonable cost of notice to Class Members and the administration of the settlement, including the cost of the Settlement Administrator (collectively the "Costs of Administration"), are to be paid from the Settlement Fund to the extent that interest accrues on the Settlement Fund. If the accrued interest on the Settlement Fund is insufficient to pay the entire Costs of Administration, then Wells Fargo will pay the difference. Payment of all such expenses must be approved by the Court.

### ***Attorneys' Fees and Class Representative Award***

5. Plaintiffs' Counsel have prosecuted this litigation against Wells Fargo without receiving any attorneys' fees, and without any assurance of receiving fees, except in the event of a successful judgment or settlement. Plaintiffs' Counsel also have advanced all of the costs necessary to prosecute this litigation. In these circumstances, Plaintiffs' Counsel will ask the Court to award them fees and expenses, paid from the Settlement Fund. As fees, counsel will ask the Court to award a percentage of the value to the Class that their efforts produced, not to exceed thirty-three and a third percent (33 1/3%) of the Settlement Fund plus reasonable out-of-pocket expenses. The Court will hear Plaintiffs' Counsel request for attorneys' fees and expenses at the Final Fairness Hearing as set forth below.

Plaintiffs also intend to apply for an award in the amount of Five Thousand Dollars (\$5,000) as compensation each to Gwendol Taylor and Gail Thompson (collectively, the "Representative Plaintiffs") for their services and expenses for acting as the Class Representatives in the lawsuit. Payment of such an award must be approved by the Court and any such award will be paid out of the Settlement Fund.

### ***Entry of Final Judgment and Release***

6. The Settlement Agreement is subject to approval by the Court. If the settlement is approved, those Class Members who do not timely and validly exclude themselves will be bound by the terms of the settlement and any order of the Court that approves the settlement and dismisses the litigation. If the settlement is approved, the Court will enter a judgment dismissing with prejudice all claims in the *Taylor* litigation against Wells Fargo. Under the terms of the Settlement Agreement, the Class Members will release Wells Fargo, and its respective owners and related parties, with respect to the claims that were raised or could have been raised by Plaintiffs in *Taylor* that arise out of the facts and circumstances giving rise to the *Taylor* lawsuit. The Release is intended to resolve all matters pertaining or related to the origination of your mortgage loan that was funded by Wells Fargo. As set forth in the Settlement Agreement, nothing in the Settlement Agreement releases the Defendant for any claims or matters currently being litigated in two other related cases: (1) *Minter v. Wells Fargo Bank, N.A.*, Case No.: 1:07-cv-3442-WMN (“*Minter*”) and (2) *Petry v. Wells Fargo Bank, N.A.*, Case No.: 1:08-cv-01642-WMN (“*Petry*”), both of which are pending in the United States District Court for the District of Maryland. The parties have also agreed that viable defenses to foreclosure arising out of the origination of any class member’s mortgage loans that may be brought in a foreclosure proceeding brought against the class member are not released, discharged or otherwise covered by the Release.

The full text of the release is contained in the Settlement Agreement, which can be accessed on the internet at [www.WellsFargoSettlement.com](http://www.WellsFargoSettlement.com).

## **V.**

### **REASONS FOR SETTLEMENT**

Plaintiffs, on the one hand, and the Defendant on the other hand, agreed on all of the terms of the proposed settlement through extensive arms-length negotiations between Plaintiffs’ Counsel and counsel for Defendant. The Representative Plaintiffs have entered into the proposed settlement after weighing the benefits of the settlement against the probabilities of success or failure in the lawsuit and against the delays that would be likely if the lawsuit proceeded to trial, and after trial, to appeal.

The Representative Plaintiffs and Plaintiffs’ Counsel have concluded that the proposed settlement provides substantial benefits to the Representative Plaintiffs and the Class; resolves substantial issues without additional prolonged litigation; provides the Class with significant individual benefits, as well as in the aggregate; and is in the best interests of the Class. The Representative Plaintiffs and Plaintiffs’ Counsel have concluded that the proposed settlement is fair, reasonable and adequate.

Although the Defendant denies any wrongdoing, and any liability whatsoever, it believes that it is in its best interest to settle this lawsuit on the terms set forth in the Settlement Agreement in order to avoid further expense and inconvenience in connection with the lawsuit.

## **VI.**

### **RIGHTS AND OPTIONS OF CLASS MEMBERS**

1. You will be a member of the Class unless you request to be excluded (see paragraph 4 below). Your interests as a member of the Class will be represented by the Representative Plaintiffs and the above-listed Plaintiffs’ Counsel. You will not be billed for their services. Plaintiffs’ Counsel will receive a fee only if the Court approves the Settlement Agreement, and the fee award will be set by the Court and paid from the Settlement Fund.

2. If you do nothing and remain a member of the Class, you will be bound by any judgment or other final disposition of this case, including the release of claims as provided in the Settlement Agreement. A summary of the effect of the Settlement Agreement, including the release of claims, is outlined in Sections IV and IX of this notice.

3. You may file an objection to the settlement, and/or seek to appear, by yourself or through counsel, at the final hearing of this case. You also may retain your own counsel to represent you at your own cost, and seek to appear individually or intervene in the case. Please consult Sections VII and VIII for important deadlines and other requirements for objections, appearances, and intervention.

4. You may request exclusion, or “opt-out,” from the Class. If you elect to be excluded from the Class, you will not be bound by any judgment or settlement of the lawsuit, nor will you receive any of the benefits of this class action, including the payment of any money. Rather, you will retain and be free to pursue any claims that you may have on your own behalf. If you wish to exclude yourself from the Class, you must mail a written request for exclusion to the Settlement Administrator at the following address:

Taylor Settlement Administration  
P.O. Box 11943  
Birmingham, AL 35202-1943  
800-370-3548

Requests for exclusion do not need to be in any particular format, except that the request must state that you intend to “opt-out” or request “exclusion” from the Class and must be signed personally and contain the full name, current address, and telephone number of the person requesting exclusion. **The written request for exclusion must be sent by U.S. mail, first class and postage prepaid postmarked on or before March 29, 2010. Only you can request exclusion. No one can request exclusion for another person, except in cases of disability, guardianship or conservatorship.**

#### **VII. FINAL FAIRNESS HEARING**

A fairness hearing will be held on the 14<sup>th</sup> day of April, 2010 at 10 a.m. before the Honorable John M. Glynn, Judge for the Circuit Court for Baltimore City, Maryland, for the purpose of determining whether the proposed settlement is fair, reasonable, and adequate and should be finally approved, whether to award attorneys’ fees and other amounts to Plaintiffs’ Counsel and to the Representative Plaintiffs as provided for in the Settlement Agreement, and whether to enter a final judgment and dismiss the lawsuit. The hearing may be continued or adjourned without further notice other than announcement at the fairness hearing or at any adjournment or continuance thereof. The settlement may be approved with modifications, if any, consented to by Plaintiffs and Defendant jointly without further notice.

**MEMBERS OF THE CLASS WHO DO NOT OBJECT TO THE SETTLEMENT OR ANY OTHER MATTER TO BE CONSIDERED AT THE APPROVAL HEARING NEED NOT ATTEND THE APPROVAL HEARING OR TAKE ANY FURTHER ACTION.**

#### **VIII. RIGHT TO OBJECT TO SETTLEMENT, REQUEST INTERVENTION AND/OR APPEAR AT FAIRNESS HEARING**

If you do not exclude yourself from the Class, you may object to any aspect of the proposed settlement. If you do not exclude yourself from the Class, you also may seek to intervene in the case as a party. Any Class Member who objects to all or part of the proposed settlement and wants the Court to consider his or her objection, or who seeks intervention, must file such objection, or request for intervention, and all supporting briefs or other papers with the Clerk of the Court on or before March 29, 2010 at the following address: Clerk, Circuit Court for Baltimore City, Civil Division, 111 North Calvert Street, Room 462, Baltimore, Maryland 21202.

Any objection to the Settlement Agreement must set forth the full name, current address and telephone number of the person making objection and must include: (a) a written statement of the position that the objector wishes to assert; (b) a written statement of the grounds therefore; and (c) copies of any papers, briefs, or other documents that the objector wishes to submit in support of his/her position. Any request for intervention must be by motion and be otherwise in compliance with the Maryland Rules of Civil Procedure. Copies of the objection and/or intervention and supporting papers

must also be mailed or hand delivered to Plaintiffs' Counsel:

Richard S. Gordon  
Quinn, Gordon & Wolf, Chtd.  
102 W. Pennsylvania Ave.  
Suite 402,  
Baltimore, MD 21204

and to the designated counsel for Wells Fargo:

Donald A. Rea  
McGuireWoods, LLP  
7 Saint Paul Street  
Suite 1000  
Baltimore, MD 21202

Any member of the Class who intends to appear personally (or through separate counsel if a timely and proper Entry of Appearance is filed) at the fairness hearing for any reason whatsoever must file with the Clerk of the Court, at the address listed above, a Notice of Intention to Appear, in no particular form. The notice shall be filed on or before March 29, 2010, and copies of the Notice of Intention to Appear must be mailed or hand delivered to Representative Plaintiffs' Counsel and to designated counsel for Defendant, at the addresses listed above. Any Class Member who does not file and serve a Notice of Intention to Appear will be prohibited from speaking at the fairness hearing concerning this settlement. Any Class Member who does not file objections in the time and manner described above is forever foreclosed from raising any objection to such matters in the event that the settlement is approved. Any Class Member who does not file a request for intervention in the time and manner described above is forever foreclosed from seeking intervention in this lawsuit.

**IF YOU DO NOT OBJECT TO THE SETTLEMENT, AND DO NOT WISH TO BE HEARD ON ANY OTHER MATTER TO BE PRESENTED TO THE COURT AT THE APPROVAL HEARING, YOU NEED TAKE NO FURTHER ACTION IN ORDER TO BE ENTITLED TO PARTICIPATE IN THE SETTLEMENT. HOWEVER, IF YOU HAVE MOVED AND/OR CHANGED YOUR MAILING ADDRESS SINCE ENTERING INTO YOUR MORTGAGE LOAN FUNDED BY WELLS FARGO, YOU WILL NEED TO ADVISE OF THAT FACT BY WRITING PLAINTIFFS' COUNSEL (AT THE ADDRESS BELOW) AND/OR THE SETTLEMENT ADMINISTRATOR (AT THE ADDRESS IN SECTION VI OF THIS NOTICE).**

#### **IX.**

##### **SCOPE OF SETTLEMENT PROPOSAL**

If the settlement is approved, the terms of the Settlement Agreement, including the releases outlined in Section IV of this Notice, will be final and binding upon, and shall inure to the benefit of (a) all members of the Class, except those who request timely and proper exclusion from the Class; (b) any heir, executor, administrator, representative, assignee, or other party standing in the shoes of any member of the Class; (c) Wells Fargo; and (d) all beneficiaries of the release stated in the Settlement Agreement.

#### **X.**

##### **INFORMATION THAT YOU MUST INCLUDE IN ANY DOCUMENT THAT YOU SEND REGARDING THE CASE**

In sending any document to the Court, to Plaintiffs' Counsel, or to Counsel for Defendant, it is important that both your envelope and any document inside contain the following case name and identifying numbers: *Gwendol Denise Taylor, et al. v. Wells Fargo Home Mortgage*, Case No. 24-C-02-001635. In addition, you must include your full name, address, and telephone number at which you can be reached.

**XI.**  
**FOR MORE INFORMATION**

If you have any questions concerning the matters dealt with in this notice, please direct your inquiries in writing to one of the following Plaintiffs' Counsel:

Richard S. Gordon  
Benjamin H. Carney  
QUINN, GORDON & WOLF, CHTD.  
102 West Pennsylvania, Suite 402  
Baltimore, MD 21204

- or -

Nevett Steele, Jr.  
P.O. Box 128  
211 Central Avenue  
Glyndon, Maryland 21071

- or -

Phillip Robinson  
CIVIL JUSTICE, INC.  
520 West Fayette Street  
Baltimore, MD 21201

**XII.**  
**PLEADINGS AND OTHER RECORDS**

The pleadings and other records in this litigation may be examined and copied during regular office hours at the office of the Clerk, Circuit Court for Baltimore City, Civil Division, 111 North Calvert Street, Room 462, Baltimore, Maryland 21202 or by visiting [www.WellsFargoSettlement.com](http://www.WellsFargoSettlement.com).

DO NOT TELEPHONE THE CLERK'S OFFICE OR THE JUDGE'S CHAMBERS.

DATE: February 26, 2010

Clerk of Court  
Circuit Court for Baltimore City, Maryland