

EXHIBIT 1

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YVONNE BECKER, ET AL. V. WELLS FARGO & COMPANY, ET AL. SETTLEMENT OF ERISA LITIGATION

June 9, 2022

I. Summary

Gallagher Fiduciary Advisors, LLC (“Gallagher”) was appointed to act as an independent fiduciary of the Wells Fargo 401(k) Plan (the “Plan”) in connection with the proposed settlement dated March 8, 2022 of Yvonne Becker, et al. v. Wells Fargo & Company, et al., 0:20-cv-02016 (D. Minn.) (the “Litigation”) that resolves the ERISA class action claims brought in the Litigation. All terms not otherwise defined herein shall have the meanings set forth in the Settlement.

Gallagher’s responsibilities pursuant to its agreement and the Settlement are to (i) determine whether to approve and authorize the settlement of Released Claims on behalf of the Plan and (ii) determine whether the Settlement satisfies the requirements of the Prohibited Transaction Class Exemption 2003-39 (the “Class Exemption”).

Gallagher engaged in the following activities: (i) we reviewed documents filed with the Court, including the Complaint, the Second Amended Complaint, the Motion to Dismiss and the court order denying the motion, the Motion for Preliminary Approval of Class Action Settlement, the Settlement Agreement and Notice, and the Order granting preliminary approval of the Settlement; (ii) we interviewed Michelle Yau of Cohen Milstein Sellers & Toll PLLC, and Emily Riley of Keller Rohrback, LLP, lead counsel for Plaintiffs; (iii) we interviewed Russell Hirschhorn, Tulio Chirinos and Sydney Juliano of Proskauer Rose LLP, counsel for Defendants, and (iv) we interviewed Robert Meyer, the mediator.

II. Requirements of the Class Exemption

In order for the Class Exemption to apply, the following conditions must be met:

1. Where the litigation has not been certified as a class action by the court, and no federal or state agency is a plaintiff in the litigation, an attorney or



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attorneys retained to advise the plan on the claim, and having no relationship to any of the parties other than the plan, determines that there is a genuine controversy involving the plan.

- This condition has been met because on April 25, 2022, the Court certified the Class as set forth in the Settlement Agreement.
2. The settlement is authorized by a fiduciary (the authorizing fiduciary) that has no relationship to, or interest in, any of the parties involved in the claims, other than the plan, that might affect the exercise of such person's best judgment as a fiduciary.
 - Gallagher has no relationship to, or interest in, any of the parties involved in the Litigation that could affect the exercise of its judgment.
 3. The settlement terms, including the scope of the release of claims; the amount of cash received by the plan; the proposed attorney's fee award of one third of the Settlement; and any other sums to be paid from the recoveries, are reasonable in light of the plan's likelihood of full recovery, the value of claims foregone and the risks and costs of litigation.

On March 13, 2020, Plaintiff Yvonne Becker, a participant in the Wells Fargo & Company 401(k) Plan, filed a complaint in the Northern District of California on behalf of the Plan and similarly-situated Plan participants, alleging a series of claims against Defendants under ERISA. On September 21, 2020, Judge Tigar granted Defendants' motion to transfer venue, and on September 22, 2020, transferred the Action to the District of Minnesota.

Plaintiff Becker alleged that Defendants, fiduciaries of the Plan, breached their ERISA fiduciary duties of prudence and loyalty and violated ERISA's prohibited transactions law by, inter alia, failing to prudently and loyally select and monitor the Plan's investment options. Specifically, Plaintiff Becker alleged that the Employee Benefit Review Committee ("ERBC") selected and retained several Wells Fargo affiliated funds in violation of ERISA. Plaintiff further alleged that Defendants' fiduciary violations of ERISA caused losses to the Class in the form of unnecessarily high fees or underperformance.

Defendants moved to dismiss the original complaint on February 4, 2021. On May 12, 2021, the Court issued an opinion denying



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Defendants' Motion to Dismiss. On June 2, 2021, Plaintiff Becker, joined by Plaintiffs Christopher Nobles and Rosa Ramirez, also participants in the Plan, filed an Amended Class Action Complaint. On September 28, 2021, Plaintiff Becker, Nobles and Ramirez, joined by Valerie Seyler and Jannien Weiner, also participants in the Plan, filed the Second Amended Class Action Complaint (the operative complaint).

The Parties then conducted extensive discovery, including the production of over one hundred thousand documents (spanning 1.5 million pages) from Parties and third parties. They completed several depositions of defense fact witnesses and all five of the Named Plaintiffs. The Court held numerous conferences or motion arguments with the Parties.

In November of 2021, the Parties held their first mediation session with Robert Meyer. The Parties were unable to resolve the case during the mediation session. Document discovery was completed in mid-December of 2021 and the Parties completed several additional depositions in November and December of 2021.

On January 5, 2022, after the second full-day of mediation, the Parties reached an arm's-length, class-wide resolution of this matter, subject to the Court's approval. The principal terms of the Settlement were memorialized in a term sheet executed that day.

The Settlement involves a cash payment to the Plan of \$32.5 million less attorney's fees, legal expenses and cash awards to the named Plaintiffs, arrived at after hard fought negotiations by the parties.

Plaintiffs' counsel will apply to the Court to approve its fee request of 1/3 of the Settlement amount, or \$10,822,500, as well as its litigation costs of \$176,351. Additionally, the Court will be asked to approve an award of \$15,000 to each of the named Plaintiffs. Plaintiffs' counsel's lodestar multiplier is 1.70. The Court will ultimately determine the fairness of the fee request.

- After a thorough review of the pleadings, including the Plan of Allocation filed with the Motion for Preliminary Approval, and interviews with the parties' counsel and the mediator, Gallagher has concluded that the Settlement was achieved at arms' length and is reasonable



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given the uncertainties of a larger recovery for the Class at trial and the value of claims foregone. The fee request is also reasonable in light of the effort expended by Plaintiffs' counsel in the Litigation and the amount of the recovery.

4. The terms and conditions of the transaction are no less favorable to the plan than comparable arms-length terms and conditions that would have been agreed to by unrelated parties under similar circumstances.
 - This condition has been met. The Settlement is at least as favorable as an arms-length transaction agreed to by unrelated parties would likely have been. Counsel for both sides and the mediator confirmed that the Settlement was the product of arms-length negotiations.
5. The transaction is not part of an agreement, arrangement, or understanding designed to benefit a party in interest.
 - Although the transaction will have the incidental effect of releasing the fiduciaries, the Settlement is not designed to benefit those fiduciaries but rather to resolve claims that have not been fully adjudicated and to enable the Plan to recover a portion of its losses.
6. Any extension of credit by the plan to a party in interest in connection with the settlement of a legal or equitable claim against the party in interest is on terms that are reasonable, taking into consideration the creditworthiness of the party in interest and the time value of money.
 - The condition is not applicable in that the Settlement does not require the Plan to extend credit to any party in interest.
7. The transaction is not described in Prohibited Transaction Class Exemption (PTE) 76-1 (relating to delinquent employer contributions to multiemployer and multiple employer collectively bargained plans).
 - Neither the Settlement nor the underlying claims relate to delinquent employer contributions, and the Settlement is therefore not described in PTE 76-1.
8. All the terms of the settlement are specifically described in a written settlement agreement or consent decree.



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- The condition has been met.
- 9.** Assets other than cash may be received by the plan from a party in interest in connection with a settlement in limited, specified circumstances. To the extent assets other than cash are received by the plan in exchange for the release of the plan's or the plan fiduciary's claims, such assets must be specifically described in the written settlement agreement and valued at their fair market value, as determined in accordance with section 5 of the Voluntary Fiduciary Correction (VFC) Program.
- The condition does not apply because the Settlement is being paid in cash.
- 10.** The plan does not pay any commissions in connection with the acquisition of assets.
- This condition will be met in that the Settlement provides for a cash payment, and no commission is indicated under the terms of the Settlement.
- 11.** The authorizing fiduciary acting on behalf of the plan has acknowledged in writing that it is a fiduciary with respect to the settlement of the litigation on behalf of the plan.
- The condition has been met.
- 12.** The plan fiduciary maintains or causes to be maintained for a period of six years the records necessary to enable authorized persons to determine whether the conditions of this exemption have been met.
- This condition will be met.

In light of the above factors, it is fair to conclude that the Settlement on the terms described above meets the requirements of the Class Exemption.

Investment advisory, named and independent fiduciary services are offered through Gallagher Fiduciary Advisors, LLC, an SEC Registered Investment Adviser. Gallagher Fiduciary Advisors, LLC is a single-member, limited-liability company, with Gallagher Benefit Services, Inc. as its single member. Neither Arthur J. Gallagher & Co., Gallagher Fiduciary Advisors, LLC nor their affiliates provide accounting, legal or tax advice.