

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: 3 weeks
Date: Monday, September 19, 2016 8:34:09 PM

Yeah. But I'm far too curious to stay away.

Have you seen the comments for tomorrow? Jeff called about something else and referenced them...

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-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Monday, September 19, 2016 3:14 PM
To: Hartmann, Leanne (CFPB)
Subject: 3 weeks

The case team should just all take leave tomorrow.
This message was sent from my Blackberry. Please excuse my typos.

From: [Williams, Natalie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#)
Subject: RE: 3053A
Date: Wednesday, May 25, 2016 8:48:38 AM

I will be there in a few.

-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Wednesday, May 25, 2016 8:46 AM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Williams, Natalie (CFPB); Wells, John (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: 3053A

They arrive at 9 AM. We are in 3053A.

This message was sent from my Blackberry. Please excuse my typos.

From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: (b) (5) Wells Fargo Sales Practices .docx
Date: Tuesday, July 12, 2016 2:02:45 PM

No comments beyond the last email I sent.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, July 12, 2016 2:01 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: (b) (5) Wells Fargo Sales Practices .docx

Here is the current version. Barry have at it!

From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: additional comment
Date: Tuesday, July 12, 2016 10:24:37 AM

Thank you Lawrence.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, July 12, 2016 7:23 AM
To: Naylor, Jonathan (CFPB)
Subject: RE: additional comment

Jonathan,

I will pass this along as well. Thank you for taking the time to provide input!

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Mobile: (b) (6)

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1625 Eye Street, NW
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From: Naylor, Jonathan (CFPB)
Sent: Tuesday, July 12, 2016 10:22 AM
To: Brown, Lawrence (CFPB)
Subject: additional comment

Lawrence

(b) (5)



Jonathan Ward Naylor
Supervisory Examination Manager

(b) (6)

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: AG Meeting
Date: Wednesday, September 14, 2016 8:19:15 PM

Done.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Wednesday, September 14, 2016 2:00 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: AG Meeting

Jeff,

If at all possible, I would like for Barry and Leanne to participate in the AG call in my place. I want to make sure they get recognized for the work they did. I have had my fair share of it and I need to keep working on my hearing outlines.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: another development
Date: Wednesday, September 14, 2016 9:25:08 AM

Hmmmm.

<http://www.charlotteobserver.com/news/business/banking/article101516037.html>

Jonathan Ward Naylor
Supervisory Examination Manager

(b) (6)

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Any earth shattering developments from call?
Date: Tuesday, July 12, 2016 4:57:12 PM

There will be an announcement today that Tolstedt is retiring. Leanne wants to send the update. (b) (4)

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Tuesday, July 12, 2016 4:56 PM
To: Reiferson, Barry (CFPB)
Subject: Any earth shattering developments from call?

This message was sent from my Blackberry. Please excuse my typos.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Approved yet?
Date: Tuesday, July 12, 2016 8:45:09 PM

Not yet. It's in his book tonight. Sometimes he sends the team an email at night when he reads the memo. Other times he doesn't, and we have to inquire the next morning. I suspect you and I will hear at the same time.

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

----- Original Message -----

From: Brown, Lawrence (CFPB)
Sent: Tuesday, July 12, 2016 08:36 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: Approved yet?

Do we have a green light from Rich?
This message was sent from my Blackberry. Please excuse my typos.

From: [Alexis, Anthony \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: are you around?
Date: Wednesday, August 31, 2016 8:54:03 AM

Anthony M. Alexis

Office of Enforcement
Consumer Financial Protection Bureau
Telephone: 202 435 7999
Mobile: (b) (6)
Anthony.Alexis@cfpb.gov

consumerfinance.gov

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From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Are you watching the hearing?
Date: Tuesday, September 20, 2016 11:45:49 AM

Yes, yes it is.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, September 20, 2016 11:43 AM Eastern Standard Time
To: Naylor, Jonathan (CFPB)
Subject: RE: Are you watching the hearing?

It's incredible!

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: Naylor, Jonathan (CFPB)
Sent: Tuesday, September 20, 2016 11:42 AM
To: Brown, Lawrence (CFPB)
Subject: Re: Are you watching the hearing?

Would not miss it for the world. Sitting with Edwin. Susie is in DC.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, September 20, 2016 11:40 AM Eastern Standard Time
To: Naylor, Jonathan (CFPB)
Subject: Are you watching the hearing?

Lawrence D. Brown
Enforcement Attorney

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: Fw: Article LA Times ---Wells Sales Practices
Date: Thursday, June 09, 2016 3:51:19 PM

FYI

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Chow, Edwin (CFPB)
Sent: Thursday, June 09, 2016 03:49 PM
To: Ehrlich, Jeffrey (CFPB); Alexis, Anthony (CFPB)
Cc: Sanford, Paul (CFPB); Naylor, Jonathan (CFPB); Fiene, Laura (CFPB); Franklin, Ben (CFPB)
Subject: Fw: Article LA Times ---Wells Sales Practices

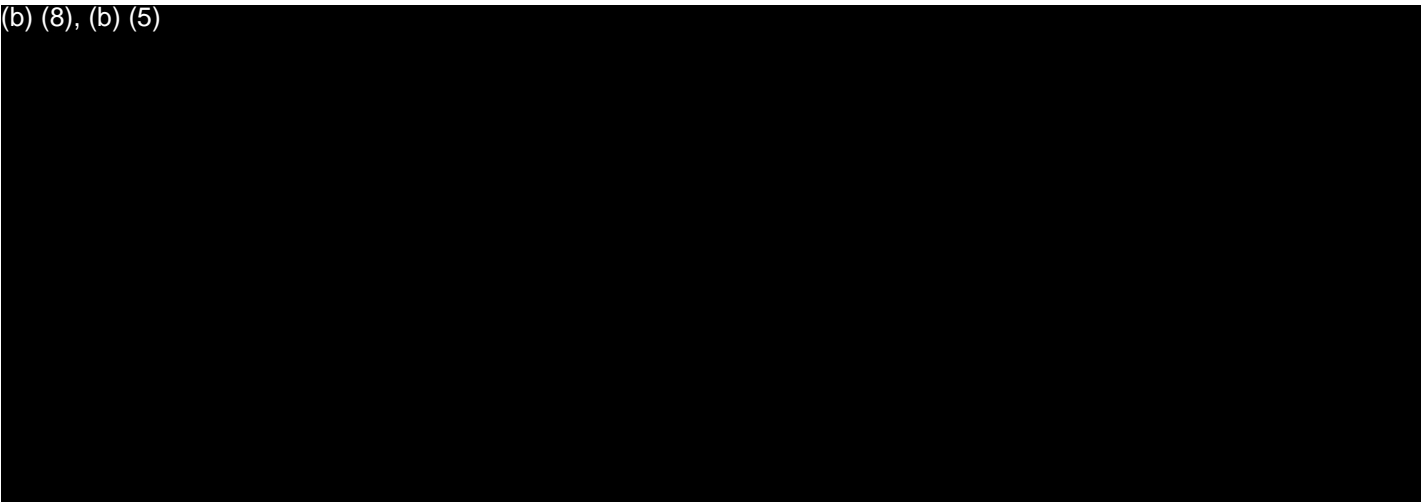
Jeff and Tony,

FYI

Edwin

From: Naylor, Jonathan (CFPB)
Sent: Thursday, June 09, 2016 12:41 PM
To: Chow, Edwin (CFPB); Fiene, Laura (CFPB)
Cc: Franklin, Ben (CFPB); Clark, Mary (Susie)(CFPB)
Subject: Article LA Times ---Wells Sales Practices

(b) (8), (b) (5)



Jonathan Ward Naylor
Supervisory Examination Manager
(b) (6)

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waive any privileges.

From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: article
Date: Friday, July 29, 2016 11:06:09 AM

This relates to my email to Jeff and team yesterday, and tangentially to our discussion in your office the other day:

<https://www.justice.gov/opa/speech/assistant-attorney-general-leslie-r-caldwell-delivers-remarks-new-york-university-law>

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Article--Workers/Consumers
Date: Friday, September 09, 2016 9:53:40 AM

Now you know why they didn't want those numbers.

In the early morning before it became official, Wells had done a good job of spinning it into a 'cross sell' issue. See the first Emily Glaser article. But as folks read your excellent Consent Order it became clear what happened and Wells lost the spin war.

(b) (5)



From: Brown, Lawrence (CFPB)
Sent: Friday, September 09, 2016 6:51 AM
To: Naylor, Jonathan (CFPB)
Subject: RE: Article--Workers/Consumers

Thanks for sending this on! (b) (5)



I hope this achieves deterrence.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: Naylor, Jonathan (CFPB)
Sent: Friday, September 09, 2016 9:49 AM
To: Brown, Lawrence (CFPB)
Subject: Article--Workers/Consumers

Lawrence

This is the best article on what went on imho. You should feel good about helping to stop this and remediating consumers.

<http://www.latimes.com/business/la-fi-wells-fargo-sale-pressure-20131222-story.html>

Jonathan Ward Naylor
Supervisory Examination Manager

(b) (6)

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: (b) (5)
Date: Wednesday, August 31, 2016 11:22:00 AM

I know. (b) (5)

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, August 31, 2016 11:19 AM
To: Wells, John (CFPB)
Subject: (b) (5)

This will get the deal done.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Automatic reply: Meeting on May 4?
Date: Friday, April 22, 2016 10:20:35 AM

Thank you for your message. I am out of the office with limited access to email on Thursday, April 21, and Friday, April 22, 2016. I may be delayed in my response.

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Automatic reply: Wells Fargo Filing 9/8/16 - Attorney Contact Information Request
Date: Wednesday, September 07, 2016 3:05:58 PM

Thank you for your message. I am out of the office with limited access to email until Thursday, September 8. I may be delayed in my response.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: Re: Awaiting marching orders
Date: Wednesday, August 31, 2016 8:51:10 AM

Anyone who wants can join, but we need just you.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Wednesday, August 31, 2016 7:50 AM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: RE: Awaiting marching orders

Let me know if you would like me to include the rest of the case team or if you just want a small group.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: Ehrlich, Jeffrey (CFPB)
Sent: Wednesday, August 31, 2016 8:37 AM
To: Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: Re: Awaiting marching orders

Yes. After 9:45, please.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau

202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Wednesday, August 31, 2016 7:34 AM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: Awaiting marching orders

Gents,

Let me know if you want me to set up an internal call to determine next steps.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: background
Date: Wednesday, September 21, 2016 10:24:29 AM

<http://www.wsj.com/articles/carrie-tolstedt-in-the-eye-of-the-wells-fargo-storm-1474326652>

Does this article on Ms Toldstadt read like someone who didn't have a pulse on everything going on within her area?

This was her Chief Risk Officer, Claudia Russ Andersen, who reported directly to her and shared a long past from NorWest Bank.

<http://www.bloomberg.com/news/articles/2016-09-19/wells-fargo-s-chief-risk-officer-for-retail-bank-takes-leave-itaicf44>

(b) (8)



Jonathan Ward Naylor
Supervisory Examination Manager

(b) (6)



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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: binder has been copied!
Date: Monday, June 27, 2016 2:57:30 PM

I was wrong about the topics for tomorrow. It's 5 and 7. Early July will be topic 8.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Monday, June 27, 2016 2:33 PM
To: Reiferson, Barry (CFPB)
Subject: binder has been copied!

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: binder has been copied!
Date: Monday, June 27, 2016 2:33:45 PM

Thanks. I'll pick up the old set.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Monday, June 27, 2016 2:33 PM
To: Reiferson, Barry (CFPB)
Subject: binder has been copied!

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Call at noon?
Date: Tuesday, August 09, 2016 11:30:25 AM

Are you able to join the call with Anand and Darren at noon? I will be dialing in, likely from my blackberry.

From: [Steven Son](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#)
Subject: Re: Call tomorrow
Date: Thursday, July 14, 2016 4:25:58 PM

Our preferred time for the start of the call would be between 8:00 and 9:00 a.m. (PST). Mike Feuer will try to participate, if scheduling permits. Thanks.

On Thu, Jul 14, 2016 at 1:20 PM, Brown, Lawrence (CFPB) <Lawrence.Brown@cfpb.gov> wrote:

Let me know the preferred time for your side.
This message was sent from my Blackberry. Please excuse my typos.

--

Steven S. Son, Deputy City Attorney
Office of the Los Angeles City Attorney
200 N. Main St., 5th Floor CHE
Los Angeles, CA 90012
Telephone: (213) 978-8036
E-mail: steven.son@lacity.org

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: call with LA
Date: Friday, August 19, 2016 1:17:52 PM

I think 4 pm would work for us, as we discussed.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: [Guidorizzi, Melissa \(CFPB\)](#)
To: [Spicer, Veronica \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Pitts, John \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Call with State AGs re: Wells Fargo Settlement
Date: Friday, September 16, 2016 10:45:39 AM

I'm calling in.

Melissa Baal Guidorizzi

Senior Counsel for Enforcement Policy and Strategy

Office of Enforcement

Consumer Financial Protection Bureau

202 435 9712 (o)

melissa.guidorizzi@cfpb.gov

consumerfinance.gov

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From: Spicer, Veronica (CFPB)
Sent: Friday, September 16, 2016 10:44 AM
To: Brown, Lawrence (CFPB); Guidorizzi, Melissa (CFPB); Pitts, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Call with State AGs re: Wells Fargo Settlement
Importance: High

We only have 50 lines for this call and we may have more participants than that calling in. If you are planning to call in, please let me know and I can conference us in beforehand so we only take up one line.

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-----Original Appointment-----

From: Spicer, Veronica (CFPB)
Sent: Wednesday, September 14, 2016 1:35 PM
To: Spicer, Veronica (CFPB); Ehrlich, Jeffrey (CFPB); Brown, Lawrence (CFPB); Guidorizzi, Melissa (CFPB); Pitts, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Call with State AGs re: Wells Fargo Settlement
When: Friday, September 16, 2016 11:00 AM-12:00 PM (UTC-05:00) Eastern Time (US & Canada).
Where: 888-458-5145, leader passcode (b) (6) (Jeff should use this one), participant passcode (b) (6) (this is for everyone else)

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: RE: Call with the bank this week
Date: Monday, August 15, 2016 4:14:54 PM

CANCEL! L.A. does not need the call.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Ehrlich, Jeffrey (CFPB)
Sent: Monday, August 15, 2016 4:04 PM
To: Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: FW: Call with the bank this week

(b) (5), (b) (8) Please tell the bank that the City Attorney and I want a call Wednesday or Thursday.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Ehrlich, Jeffrey (CFPB)
Sent: Monday, August 15, 2016 3:46 PM
To: (b) (6), (b) (7)(C) 'mike.n.feuer@lacity.org'
Subject: Call with the bank this week

Jerry and Mike,

As I've discussed with Mike, the Bureau has requested a call with the bank to take place either Wednesday or Thursday of this week. The bank had suggested that they'd be ready to talk Friday or Monday, but we told them we need to talk sooner to accommodate the City's litigation timeline.

Mike and I intend to be on the call Wednesday or Thursday; Jerry, we hope that you will join us. (b) (5)

[REDACTED]

Please call me if either of you wish to discuss further.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: call with WF
Date: Wednesday, August 31, 2016 11:03:00 AM

I will be just listening in unless asked a question. Thanks

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: [Steven Son](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Call.
Date: Monday, July 25, 2016 12:31:59 PM

Hi Lawrence - my cell is (b) (6), in case you need to reach me later this week.

Steve

On Fri, Jul 22, 2016 at 11:36 AM, Brown, Lawrence (CFPB) <Lawrence.Brown@cfpb.gov> wrote:

Sounds great

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: [\(202\) 435-7116](tel:(202)435-7116)

Mobile: (b) (6)

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consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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-----Original Message-----

From: Steven Son [mailto:steven.son@lacity.org]
Sent: Friday, July 22, 2016 2:36 PM
To: Brown, Lawrence (CFPB)
Subject: Re: Call.

How about 12 EST?

Sent from my iPhone

> On Jul 22, 2016, at 10:56 AM, Brown, Lawrence (CFPB) <Lawrence.Brown@cfpb.gov> wrote:

>

> I'll have to do it on Monday. Let me know what time works best for you.

>

> Lawrence D. Brown
> Enforcement Attorney

>

> lawrence.brown@cfpb.gov

>

> Phone: [\(202\) 435-7116](tel:(202)435-7116)

> Mobile: (b) (6)

> Fax: [\(202\) 435-7722](tel:(202)435-7722)

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>

> Lawrence Brown

> 1625 Eye Street, NW

> Washington, DC 20006

>

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>

> -----Original Message-----

> From: Steven Son [mailto:steven.son@lacity.org]

> Sent: Friday, July 22, 2016 1:42 PM

> To: Brown, Lawrence (CFPB)

> Subject: Call.

>

> Hi Lawrence. Do you have time for a quick call around 4:00 EST today?

> It's not a rush, so we could do it on Monday as well. Thanks.

>

> Steve

>

> --

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> *****

>

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received this communication in error, please notify us immediately by e-mail and delete the
original message and any attachments without reading or saving in any manner.

--

Steven S. Son, Deputy City Attorney
Office of the Los Angeles City Attorney
200 N. Main St., 5th Floor CHE
Los Angeles, CA 90012
Telephone: (213) 978-8036
E-mail: steven.son@lacity.org

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From: [Guidorizzi, Melissa \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Clearing my docket soon
Date: Thursday, July 28, 2016 3:11:51 PM

(b) (5)

Let me know if you want to have that.

Melissa

Melissa Baal Guidorizzi

Senior Counsel for Enforcement Policy and Strategy
Office of Enforcement
Consumer Financial Protection Bureau
202 435 9712 (o)
melissa.guidorizzi@cfpb.gov
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Thursday, July 28, 2016 3:02 PM
To: Guidorizzi, Melissa (CFPB); Nodler, Gregory (CFPB)
Subject: Clearing my docket soon

Melissa and Greg,

If I'm able to settle the Wells matter, then I will have some capacity to work on some new cases. Let me know if there are particular areas where there is a need and room under the strategic plan.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Compare Version
Date: Tuesday, July 19, 2016 3:48:33 PM

Thank you Lawrence.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, July 19, 2016 12:41 PM
To: Naylor, Jonathan (CFPB)
Subject: Compare Version

Jonathan,

Attached please find a version of the order showing all changes that were made after we sent the order to you for feedback.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Veledar, Alem \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: complaint number is (b) (6), (b) (7)(C)
Date: Monday, March 21, 2016 4:39:52 PM

Lawrence,

I tried calling you earlier today. Below is contact information on file. (b) (7)(E), (b) (5), (b) (8)

[REDACTED]

(b) (5), (b) (6), (b) (7)(C)

[REDACTED]

If you would like to discuss this further, my numbers are: Office: (202) 435-7583 | Mobile: (b) (6), (b) (7)(C)

[REDACTED]

Thanks,
Alem

(b) (6), (b) (7)(C)

[REDACTED]

From: Brown, Lawrence (CFPB)
Sent: Monday, March 21, 2016 3:25 PM
To: Veledar, Alem (CFPB)
Subject: complaint number is (b) (6), (b) (7)(C)

Alem,

Susie Clark suggested that I reach out to you to determine whether the above-mentioned complaint was submitted anonymously. I'm trying to see if that person left any contact information. Let me

know if the person left any way to follow up.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Lawrence Brown
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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Fw: Congrats
Date: Friday, September 16, 2016 10:29:36 PM

I told her it was your case. Likely ruined her night.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

Original Message

From: Morris, Lucy <lmorris@hudco.com>
Sent: Friday, September 16, 2016 9:17 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: Congrats

On Wells, and NPR. You've hit the big time. No, really, a very impressive case. Nice work.

Lucy

Sent from my iPhone

From: [Ward, Thomas \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Consumer Financial Protection Bureau Fines Wells Fargo \$100 Million for Widespread Illegal Practice of Secretly Opening Unauthorized Accounts | Consumer Financial Protection Bureau
Date: Thursday, September 08, 2016 3:29:21 PM

So true. But still; that big of a number is great to have attached to your work, and sends a strong message externally!

Thomas G. Ward
Enforcement Attorney
Desk: 312.610.8966
Mobile: (b) (6)
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Thursday, September 08, 2016 2:29 PM
To: Ward, Thomas (CFPB)
Subject: RE: Consumer Financial Protection Bureau Fines Wells Fargo \$100 Million for Widespread Illegal Practice of Secretly Opening Unauthorized Accounts | Consumer Financial Protection Bureau

Thanks! Only insiders know that sometimes lower penalties amounts are harder fought-(b) (5)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Washington, DC 20006

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-----Original Message-----

From: Ward, Thomas (CFPB)
Sent: Thursday, September 08, 2016 3:26 PM
To: Brown, Lawrence (CFPB)
Subject: RE: Consumer Financial Protection Bureau Fines Wells Fargo \$100 Million for Widespread Illegal Practice of Secretly Opening Unauthorized Accounts | Consumer Financial Protection Bureau

Man; your record here is officially prolific.

Great news and congrats.

Thomas G. Ward
Enforcement Attorney
Desk: 312.610.8966
Mobile: (b) (6)
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-----Original Message-----

From: Brown, Lawrence (CFPB)

Sent: Thursday, September 08, 2016 2:26 PM

To: Ward, Thomas (CFPB)

Subject: Consumer Financial Protection Bureau Fines Wells Fargo \$100 Million for Widespread Illegal Practice of Secretly Opening Unauthorized Accounts | Consumer Financial Protection Bureau

<http://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-fines-wells-fargo-100-million-widespread-illegal-practice-secretly-opening-unauthorized-accounts/>

From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#)
Subject: Conv w/LA
Date: Friday, August 19, 2016 11:54:45 AM

I just spoke with Mike Feuer. Updates:

(b) (5)



John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Ehrlich, Jeffrey \(CFPB\)](#)
Subject: Current stip
Date: Wednesday, August 31, 2016 11:47:34 AM

Could you send us the current stip? Thanks.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Did you want to chat before the call with Supervision?
Date: Thursday, July 14, 2016 1:53:06 PM

On a call--available in about 5 minutes?

From: Brown, Lawrence (CFPB)
Sent: Thursday, July 14, 2016 01:47 PM
To: Wells, John (CFPB)
Subject: Did you want to chat before the call with Supervision?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
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Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Brown, Lawrence \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: Do more heads need to roll at Wells Fargo? - Sep. 9, 2016
Date: Friday, September 09, 2016 11:51:26 AM

<http://money.cnn.com/2016/09/09/investing/wells-fargo-ceo-john-stumpf-scandal-berkshire-hathaway-warren-buffett/index.html>

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Enforcement Attorney

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1625 Eye Street, NW
Washington, DC 20006

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#)
Subject: RE: Dropping off call now
Date: Wednesday, August 17, 2016 1:25:18 PM

Thanks LB.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Wednesday, August 17, 2016 1:25 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: Dropping off call now

Gents,

I am dropping off the call to go into my appointment.

Lawrence
This message was sent from my Blackberry. Please excuse my typos.

From: [Steven Son](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: (b) (5)
Date: Thursday, September 01, 2016 3:45:57 PM

Thanks, Lawrence.

Have you guys been able to speak with Skadden?

On Thu, Sep 1, 2016 at 10:57 AM, Brown, Lawrence (CFPB) <Lawrence.Brown@cfpb.gov> wrote:

Steve,

This is the latest draft we are talking to Mike right now. Please send to him.

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: [\(202\) 435-7116](tel:(202)435-7116)

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--

Steven S. Son, Deputy City Attorney
Office of the Los Angeles City Attorney
200 N. Main St., 5th Floor CHE
Los Angeles, CA 90012
Telephone: (213) 473-6903
E-mail: steven.son@lacity.org

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Edits Natalie missed
Date: Thursday, May 12, 2016 1:45:51 PM

I can

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Thursday, May 12, 2016 12:59 PM
To: Reiferson, Barry (CFPB)
Subject: Edits Natalie missed

Hey Barry,

Let me know if you have time today to incorporate Natalie's edits and the edits attached. If you don't I can advance the ball down the field.

Thanks,

Lawrence

Lawrence D. Brown
Enforcement Attorney

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From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: ehitics line
Date: Wednesday, September 21, 2016 9:52:18 AM

<http://fox6now.com/2016/09/21/wells-fargo-workers-i-called-the-ethics-line-and-was-fired/>

Jonathan Ward Naylor
Supervisory Examination Manager

(b) (6)

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From: [Wilkerson, Antoninette \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: (b) (5)
[REDACTED]
[REDACTED]
Date: Monday, May 23, 2016 10:05:07 AM

Cool, thanks!

-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Monday, May 23, 2016 10:04 AM
To: Wilkerson, Antoninette (CFPB)
Subject: RE: (b) (5)
[REDACTED]
[REDACTED]

single

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722
consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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-----Original Message-----

From: Wilkerson, Antoninette (CFPB)
Sent: Monday, May 23, 2016 10:04 AM
To: Brown, Lawrence (CFPB)
Subject: RE: (b) (5)
[REDACTED]
[REDACTED]

Do you have a preference as to whether or not these are printed single or double-sided?

-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Monday, May 23, 2016 10:02 AM
To: Wilkerson, Antoninette (CFPB)
Subject: (b) (5)
[REDACTED]
[REDACTED]
[REDACTED]

Your message is ready to be sent with the following file or link attachments:

(b) (5)



Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: Re: Emailing: Exhibit 24, Exhibit 25
Date: Wednesday, September 14, 2016 8:11:41 PM

Perfect. Thanks, Barry.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598
Original Message
From: Reiferson, Barry (CFPB)
Sent: Wednesday, September 14, 2016 4:57 PM
To: Ehrlich, Jeffrey (CFPB)
Cc: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: Emailing: Exhibit 24, Exhibit 25

These are the 2006/2008 documents you remember.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Emails
Date: Tuesday, April 12, 2016 2:03:18 PM

The names discussed earlier would be the ones I would start with.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, April 12, 2016 08:23 AM Eastern Standard Time
To: Naylor, Jonathan (CFPB)
Subject: Emails

Jonathan,

(b) (5)



Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: Ext 4-9787
Date: Tuesday, June 28, 2016 8:44:11 AM

No rush, but feel free to dial me in when you're ready at extension 4-9787. I should be at my desk in about 5 minutes.

From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Clark, Mary \(Susie\)\(CFPB\)](#)
Subject: Re: Field Manager assigned to Wells
Date: Monday, March 21, 2016 11:42:39 AM

Actually that's me although the title is SEM.

From: Brown, Lawrence (CFPB)
Sent: Monday, March 21, 2016 11:00 AM Eastern Standard Time
To: Naylor, Jonathan (CFPB); Clark, Mary (Susie)(CFPB)
Subject: Field Manager assigned to Wells

Jonathan and Susie,

We plan to send out the CID to Wells today. I'm supposed get a courtesy copy to the field manager, assistant regional director, Chris Young and Clay Coon. SES indicates that Ben Franklin is the field manager. Is that accurate? I also have Laura Fiene serving as the ARD. Is that accurate?

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: First Thing Tomorrow
Date: Thursday, September 15, 2016 9:28:28 PM

Also, please send copies of any access-request letters and CIAs we executed with any other agency before we filed the consent order. Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, September 15, 2016 9:27 PM
To: Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: First Thing Tomorrow
Importance: High

Team,

Could you please send me, in a single email, copies of all CIDs we sent in our case. (b) (5)

[REDACTED] 'll need to report by midday tomorrow the extent of our investigation. Thanks, and super sorry for the short notice---I wouldn't ask if this weren't urgent. Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: [Ward, Thomas \(CFPB\)](#)
To: [Lee, Donna \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: FOAM meeting- discuss approach
Date: Wednesday, July 06, 2016 10:56:34 AM

Let's use a dial in.
877 704 2983

(b) (6)

From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: follow up---
Date: Friday, September 09, 2016 10:44:51 AM

You're a good man, Lawrence Brown. I daresay, a true believer. Which is the highest compliment I can pay.

From: Brown, Lawrence (CFPB)
Sent: Friday, September 09, 2016 7:41 AM
To: Naylor, Jonathan (CFPB)
Subject: RE: follow up---

(b) (5), (b) (7)(A)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Naylor, Jonathan (CFPB)
Sent: Friday, September 09, 2016 10:28 AM
To: Brown, Lawrence (CFPB)
Subject: follow up---

Lawrence

(b) (5), (b) (8)

Jonathan Ward Naylor
Supervisory Examination Manager

(b) (6)

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From: [Ward, Thomas \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Geesh.
Date: Tuesday, September 13, 2016 12:34:57 PM

<http://fortune.com/2016/09/12/wells-fargo-cfpb-carrie-tolstedt/>

Thomas G. Ward
Enforcement Attorney
Desk: 312.610.8966
Mobile: (b) (6)
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Good grief
Date: Friday, September 16, 2016 1:08:13 PM

Lots happening.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Friday, September 16, 2016 12:46 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: Good grief

I just learned the House is launching its own set of hearings.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [CFPB Executive Secretary](#)
To: [Kirby, Christine \(CFPB\)](#); [Zayas, Alexis "Ali" \(CFPB\)](#); [Morgan, Jameelah \(Contractor\)\(CFPB\)](#); [CFPB digital](#); [Simpson, Sarah \(Contractor\)\(CFPB\)](#); [Boison, Elizabeth \(CFPB\)](#); [Fulton, Kate \(CFPB\)](#); [Harper, Morgan \(CFPB\)](#); [Howard, Jennifer \(CFPB\)](#); [Eskola, David \(CFPB\)](#); [Turner, Austin \(Detaillee\)\(CFPB\)](#); [Williams, Monique \(CFPB\)](#); [Pearl, Joanna \(CFPB\)](#); [Chleco, Gena \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Mayorga, David \(CFPB\)](#); [Dohn, Kristin \(CFPB\)](#)
Subject: Heads up: Wells Fargo Filing 9.8.16
Date: Wednesday, September 07, 2016 3:07:49 PM

Hello,

Exec Sec will be filing materials related to the Wells Fargo matter with OAA tomorrow morning. There will be two attachments. After the documents have been filed, OAA will send the timestamped versions to Digital. Please let us know if you have any questions.

Thank you.

From: [Wilkerson, Antoninette \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Help with copying documents
Date: Monday, June 27, 2016 12:43:23 PM

I am also checking Rashunda's availability to see if she can handle it for you today.

Sent from my BlackBerry 10 smartphone.

From: Brown, Lawrence (CFPB)
Sent: Monday, June 27, 2016 12:37 PM
To: Wilkerson, Antoninette (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: Help with copying documents

Toni,

Can you help me make a copy of a binder of documents with tabs?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Bailey, Rashunda \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Help with copying documents
Date: Monday, June 27, 2016 2:36:36 PM

I can come back up in a few minutes to grab the other binder.

From: Brown, Lawrence (CFPB)
Sent: Monday, June 27, 2016 2:35 PM
To: Bailey, Rashunda (CFPB)
Subject: RE: Help with copying documents

Rashunda,

I have one more binder that needs to be duplicated, but not before the end of the day if you don't have time.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Bailey, Rashunda (CFPB)
Sent: Monday, June 27, 2016 1:15 PM
To: Wilkerson, Antoninette (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Help with copying documents

Lawrence,

I would like to complete this before 4pm today. Is the binder ready?

Thank you,

Rashunda

From: Wilkerson, Antoninette (CFPB)
Sent: Monday, June 27, 2016 12:53 PM

To: Brown, Lawrence (CFPB)
Cc: Bailey, Rashunda (CFPB)
Subject: Re: Help with copying documents

Lawrence,

Rashunda will be able to make this for you today.

Thank you,

Toni

Sent from my BlackBerry 10 smartphone.

From: Brown, Lawrence (CFPB)
Sent: Monday, June 27, 2016 12:37 PM
To: Wilkerson, Antoninette (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: Help with copying documents

Toni,

Can you help me make a copy of a binder of documents with tabs?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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1625 Eye Street, NW
Washington, DC 20006

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From: [Wells, John \(CFPB\)](#)
To: [Naylor, Jonathan \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: hey
Date: Thursday, July 14, 2016 3:56:40 PM

Thanks Jonathan. Likewise. We'll be in touch soon about any potential revisions to the order.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Naylor, Jonathan (CFPB)
Sent: Thursday, July 14, 2016 3:20 PM
To: Wells, John (CFPB); Brown, Lawrence (CFPB)
Subject: hey

I forgot to say thank you for the meeting. It was very helpful to us.

Jonathan Ward Naylor
Supervisory Examination Manager

(b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: (b) [REDACTED]
Date: Wednesday, September 14, 2016 9:53:43 AM
Importance: High

I'm going to need some of them ASAP. (b) (5), (b) (8) [REDACTED]

[REDACTED] Could you help me find those ASAP?

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6) [REDACTED]
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: I hope that you have an opportunity to rest soon
Date: Thursday, June 30, 2016 10:09:56 PM

You too! As tired as I am, I think you have me beat...

From: Brown, Lawrence (CFPB)
Sent: Thursday, June 30, 2016 7:07 PM
To: Hartmann, Leanne (CFPB)
Subject: I hope that you have an opportunity to rest soon

I hope that you have an opportunity to rest soon

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Cc: [Ehrlich, Jeffrey \(CFPB\)](#)
Subject: RE: Inadvertent email re: (b) (6), (b) (7)
Date: Thursday, July 07, 2016 3:21:09 PM

Seems we have enough participation. I can partake as needed or not.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Thursday, July 07, 2016 3:18 PM
To: Wells, John (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Cc: Ehrlich, Jeffrey (CFPB)
Subject: RE: Inadvertent email re: (b) (6), (b) (7)(C)

I am generally available tomorrow. Do you want me to schedule a call?

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Wells, John (CFPB)
Sent: Thursday, July 07, 2016 3:16 PM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Cc: Ehrlich, Jeffrey (CFPB)
Subject: Inadvertent email re: (b) (6), (b) (7)(C)

Hi WFSP team –

(b) (6), (b) (7)(C)
Could one of you hop on a call with me to call Anand today or tomorrow? Thanks,

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Cc: [Ehrlich, Jeffrey \(CFPB\)](#)
Subject: RE: Inadvertent email re: (b) (6), (b) (7)
Date: Thursday, July 07, 2016 3:21:22 PM

Sure, thanks. Just need one other person—you win the prize on the basis of being in the same time zone, LB. This should be quite brief—no more than 15 minutes, and probably less.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: Brown, Lawrence (CFPB)
Sent: Thursday, July 07, 2016 3:18 PM
To: Wells, John (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Cc: Ehrlich, Jeffrey (CFPB)
Subject: RE: Inadvertent email re: (b) (6), (b) (7)(C)

I am generally available tomorrow. Do you want me to schedule a call?

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Wells, John (CFPB)
Sent: Thursday, July 07, 2016 3:16 PM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Cc: Ehrlich, Jeffrey (CFPB)
Subject: Inadvertent email re: (b) (6), (b) (7)(C)

Hi WFSP team –

(b) (6), (b) (7)(C)

Could one of you hop on a call with me to call Anand today or tomorrow? Thanks,

John Wells

Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: interesting
Date: Tuesday, September 13, 2016 8:15:17 PM

martin shkreli is saying, 'thanks' for getting me off the front pages.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, September 13, 2016 5:12 PM
To: Naylor, Jonathan (CFPB)
Subject: Re: interesting

One week from today Stumpf will meet her.
This message was sent from my Blackberry. Please excuse my typos.

From: Naylor, Jonathan (CFPB)
Sent: Tuesday, September 13, 2016 07:56 PM
To: Brown, Lawrence (CFPB)
Subject: RE: interesting

Very true. And contributing to the outrage is the leftover gestalt from the 2008 financial meltdown. So I suspect we'll see some discussions with the Senate Banking Committee with E. Warren, et al

From: Brown, Lawrence (CFPB)
Sent: Tuesday, September 13, 2016 4:41 PM
To: Naylor, Jonathan (CFPB)
Subject: Re: interesting

This bank is under the worst kind microscope right now. I actually think the market is going to correct it with the help of Congress.
This message was sent from my Blackberry. Please excuse my typos.

From: Naylor, Jonathan (CFPB)
Sent: Tuesday, September 13, 2016 07:33 PM
To: Brown, Lawrence (CFPB)
Subject: interesting


Lawrence

Susie fished this out of the Complaints.

(b) (8), (b) (5), (b) (6), (b) (7)(C)

(b) (6), (b) (8), (b) (5), (b) (7)(C)

(b) (6), (b) (8), (b) (5), (b) (7)(C)



And this article in the WSJ is very illuminating

<http://www.wsj.com/articles/wells-fargo-ceo-defends-bank-culture-lays-blame-with-bad-employees-1473784452>

Jonathan Ward Naylor

Supervisory Examination Manager

(202) 494-0796

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: LA City meeting
Date: Wednesday, April 27, 2016 12:07:31 PM

Thanks for the update! Interesting.

From: Reiferson, Barry (CFPB)
Sent: Wednesday, April 27, 2016 09:06 AM
To: Hartmann, Leanne (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: LA City meeting

(b) (5)

[REDACTED]

[REDACTED]

[REDACTED] He did not say much about the state of things but I'm happy to relay the little but when we speak.

Barry

From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: (b) [REDACTED]
Date: Tuesday, July 19, 2016 9:51:56 AM

If you have it handy (b) (5) [REDACTED]
[REDACTED]

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: [Naylor, Jonathan \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: La Times News Article coming out tomorrow/this weekend
Date: Wednesday, June 15, 2016 7:40:04 PM

I looked but only came up with this one.

Looks like the article was fairly benign:

<http://www.latimes.com/business/la-fi-bank-sales-tactics-20160608-snap-story.html>

From: Naylor, Jonathan (CFPB)
Sent: Thursday, June 09, 2016 12:47 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: RE: La Times News Article coming out tomorrow/this weekend

Good.

(b) (5), (b) (8)

From: Reiferson, Barry (CFPB)
Sent: Thursday, June 09, 2016 12:46 PM
To: Naylor, Jonathan (CFPB); Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: RE: La Times News Article coming out tomorrow/this weekend

Thank you. Counsel from Skadden made a similar representation to us today.

Barry Reiferson

Enforcement Attorney

Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Naylor, Jonathan (CFPB)
Sent: Thursday, June 09, 2016 3:42 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: La Times News Article coming out tomorrow/this weekend

Heads Up:

(b) (5), (b) (8), (b) (4), (b) (6), (b) (7)(C)



(b) (5), (b) (8), (b) (4), (b) (6), (b) (7)(C)

From: Reiferson, Barry (CFPB)

Sent: Wednesday, June 08, 2016 11:21 AM

To: Naylor, Jonathan (CFPB); Clark, Mary (Susie)(CFPB); Fiene, Laura (CFPB)

Cc: Coon, Clayton (CFPB); Hendricks, David (CFPB); Hartmann, Leanne (CFPB); Ledbetter, Roshonda; Young, Christopher (CFPB); Vazire, Navid (CFPB); Brown, Lawrence (CFPB)

Subject: Notice of Issuance of CID to Wells Fargo Bank, N.A. on June 8, 2016

Bureau colleagues,

Attached please find a courtesy copy of a civil investigative demand the Office of Enforcement issued to Wells Fargo Bank, N.A. today, June 8, 2016. The CID was sent to Anand Raman at Skadden, counsel to Wells Fargo, via certified mail and electronic mail. Any questions regarding the CID should be directed to me or Leanne Hartmann.

Best,

Barry

Barry Reiferson

Enforcement Attorney

Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Leanne has time to help with post-settlement issues
Date: Wednesday, September 14, 2016 8:18:48 PM

Great. Loop her in to our access-request issues. Thanks.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Wednesday, September 14, 2016 2:40 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: Leanne has time to help with post-settlement issues

Jeff,

Fyi, Leanne has time to help with post-settlement issues and has offered to help.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Let me know when you are available today after 1:00 pm EST
Date: Thursday, July 14, 2016 12:26:31 PM

Sure.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Thursday, July 14, 2016 12:26 PM
To: Wells, John (CFPB)
Subject: FW: Let me know when you are available today after 1:00 pm EST

Can you chat today at 2:00 pm?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Naylor, Jonathan (CFPB)
Sent: Thursday, July 14, 2016 12:23 PM
To: Brown, Lawrence (CFPB)
Subject: Re: Let me know when you are available today after 1:00 pm EST

Me and Susie at 11 am pac time works.

From: Brown, Lawrence (CFPB)

Sent: Thursday, July 14, 2016 10:48 AM Eastern Standard Time

To: Naylor, Jonathan (CFPB)

Subject: Let me know when you are available today after 1:00 pm EST

Jonathan,

I would like to schedule a conference call so we can all discuss the consent order. Please let me know if you have any availability today after 1:00 pm EST.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#)
Subject: Re: Let me know when you guys are free to talk. Or just call me at (b) (6). Thanks!
Date: Tuesday, August 30, 2016 9:20:35 AM

10 min?

From: Brown, Lawrence (CFPB)
Sent: Tuesday, August 30, 2016 09:16 AM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: RE: Let me know when you guys are free to talk. Or just call me at (b) (6). Thanks!

I'm ready whenever.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Ehrlich, Jeffrey (CFPB)
Sent: Tuesday, August 30, 2016 9:14 AM
To: Wells, John (CFPB); Brown, Lawrence (CFPB)
Subject: Let me know when you guys are free to talk. Or just call me at (b) (6). Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: [Guidorizzi, Melissa \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: letter
Date: Tuesday, May 03, 2016 3:06:04 PM

Well done. Thanks for sharing. Good luck! As always, let me know if I can be of any assistance.

Melissa

Melissa Baal Guidorizzi

Senior Counsel for Enforcement Policy and Strategy
Office of Enforcement
Consumer Financial Protection Bureau
202 435 9712 (o)
melissa.guidorizzi@cfpb.gov
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, May 03, 2016 2:50 PM
To: Guidorizzi, Melissa (CFPB)
Subject: letter

Letter attached.

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, May 03, 2016 2:14 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: Wells: Letter I sent a few weeks ago setting expectations for upcoming meeting

Jeff,

(b) (5)



Lawrence

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intended to waive any privileges.

From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: (b) (6), (b) (7)(C)
Date: Tuesday, July 05, 2016 5:38:53 PM

Was that transcript roshonda sent to the wrong email address locked (ie, unable to be opened without info not in the email itself)? I haven't been able to open, but that may not mean anything. Thanks, john

From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Date: Tuesday, September 20, 2016 1:39:47 PM

Best line "Not Gonna Leash This Watchdog!"

From: [Wheeler, Alusheyi \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Date: Wednesday, September 14, 2016 11:32:33 AM

https://www.washingtonpost.com/news/wonk/wp/2016/09/14/and-now-a-case-of-really-bad-republican-timing/?hpid=hp_rhp-moretopstories2_no-name%3Ahomepage%2Fstory

Alusheyi J. Wheeler
Consumer Financial Protection Bureau
Enforcement Attorney
Tel: 202 435 7786
Mob: (b) (6)
Email: Alusheyi.Wheeler@cfpb.gov
consumerfinance.gov

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Hartmann, Leanne \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: Meeting in LA
Date: Thursday, April 21, 2016 4:45:59 PM

I spoke with Steve Son. They sound like good people, even beyond the wealth of information they can provide. We're planning a whole day, either the 4th or the 6th. He will follow up with us next week.

Barry

From: [Williams, Natalie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Meeting with Wells (Aiming for May 25 or May 26)
Date: Wednesday, April 13, 2016 7:58:09 PM

Ok – I don't need to be there but will try to make it if you would like.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 13, 2016 6:55 PM
To: Williams, Natalie (CFPB)
Subject: Meeting with Wells (Aiming for May 25 or May 26)

Natalie,

We would like to meet with the folks from Wells on May 25 or May 26. We are checking with counsel to see if either of those dates will work and will let you know once we hear back from them.

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Steven Son](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: missed call
Date: Monday, March 28, 2016 1:42:39 PM

Lawrence,

I'm going to be in the office for another hour or so. (The office is closed today.) Are you available now? If not, I'm generally available tomorrow before noon (PST).

Thanks,
Steve

On Mon, Mar 28, 2016 at 10:28 AM, Brown, Lawrence (CFPB)
<Lawrence.Brown@cfpb.gov> wrote:

Steve,

I'm sorry I missed your call last Friday. Let me know when you can chat either today or tomorrow.

Thanks,

Lawrence D. Brown

Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

--

Steven S. Son, Deputy City Attorney
Office of the Los Angeles City Attorney
200 N. Main St., 5th Floor CHE
Los Angeles, CA 90012
Telephone: (213) 978-8036
Facsimile: (213) 978-8112
E-mail: steven.son@lacity.org

*****Confidentiality Notice *****

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From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: must read
Date: Tuesday, September 13, 2016 11:41:02 AM

<http://fortune.com/2016/09/12/wells-fargo-cfpb-carrie-tolstedt/?iid=leftrail>

Jonathan Ward Naylor
Supervisory Examination Manager

(b) (6)

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: Re: My two cents
Date: Wednesday, August 31, 2016 9:10:31 PM

Thanks, LB. Whatever success we have on this is attributable to your leadership on this matter. (b) (5)

Unlike those motherfuckers we were talking to, I'll sleep well tonight.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Wednesday, August 31, 2016 5:48 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: My two cents

I think you both are going to cause lots of folks to take Tums this evening. As the line attorney, I come away with this with so much more respect (b) (5)

No other combination of LD and ALD would have achieved what you guys have done here. I will follow the order whatever it is.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Cc: [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Occ
Date: Tuesday, June 28, 2016 8:22:07 PM

Thanks. Sorry Lawrence. Inadvertent. Will forward the occ email.

----- Original Message -----

From: Ehrlich, Jeffrey (CFPB)
Sent: Tuesday, June 28, 2016 08:21 PM
To: Reiferson, Barry (CFPB); Wells, John (CFPB)
Cc: Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: Re: Occ

(b) (5)

A large black rectangular redaction box covering the body of the email.


Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

----- Original Message -----

From: Reiferson, Barry (CFPB)
Sent: Tuesday, June 28, 2016 08:16 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Hartmann, Leanne (CFPB)
Subject: (b)

This is the relevant portion of an email from OCC about our timing. Thoughts on a response?

(b) (5), (b) (8)

A large black rectangular redaction box covering the body of the email.

From: [Spicer, Veronica \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: OCC Access Request
Date: Wednesday, April 27, 2016 11:21:32 AM

I'd go ahead and have the ediscovery people make it (or whoever does that).

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 27, 2016 11:11 AM
To: Spicer, Veronica (CFPB)
Subject: OCC Access Request

Hi Veronica,

(b) (5)



How soon can I have T&I make a duplicate disk for production?

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Clark, Mary "Susie" \(CFPB\)](#)
Subject: RE: OCC Letter to Wells
Date: Thursday, July 21, 2016 1:01:43 PM

Thank you Lawrence.

From: Brown, Lawrence (CFPB)
Sent: Thursday, July 21, 2016 9:39 AM
To: Naylor, Jonathan (CFPB); Clark, Mary "Susie" (CFPB)
Subject: OCC Letter to Wells

Attached (b) (8)

Lawrence D. Brown
Enforcement Attorney

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From: [Williams, Natalie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: OCC
Date: Tuesday, April 05, 2016 11:56:16 AM

Ya think?

From: Brown, Lawrence (CFPB)
Sent: Tuesday, April 05, 2016 11:48 AM
To: Williams, Natalie (CFPB)
Subject: OCC

Apparently, Tom and Stephanie dealt with this same individual from the OCC. She is a difficult personality.

Lawrence D. Brown
Enforcement Attorney

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: OCC
Date: Thursday, June 30, 2016 6:47:25 PM

As I discussed with Barry this afternoon, I'd like to schedule a call with the OCC for tomorrow. (b) (5)
[REDACTED] I'd be happy to do the talking. I'm free all day, so schedule it for whenever works for you all. I don't think it's necessary for everyone to be on---probably just whoever is currently managing that relationship. Thanks!

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: One more thing to note for Steve
Date: Wednesday, July 27, 2016 12:24:42 PM

What does this relate to?

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Wednesday, July 27, 2016 12:11 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: One more thing to note for Steve

(b) (5)

Lawrence D. Brown
Enforcement Attorney

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: order
Date: Tuesday, July 19, 2016 11:04:34 AM

Great. Good by me to fire away.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, July 19, 2016 11:03 AM
To: Wells, John (CFPB)
Subject: RE: order

Yes. This draft incorporate the changes that you approved at our meeting.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Wells, John (CFPB)
Sent: Tuesday, July 19, 2016 11:02 AM
To: Brown, Lawrence (CFPB)
Subject: order

(b) (5)



John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Wells, John \(CFPB\)](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: order
Date: Wednesday, August 17, 2016 1:28:17 PM

Can someone send me the final draft we sent Skadden? (For our press folks.) Thanks!

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: (b) (5), (b) (7)(E)
Date: Wednesday, July 13, 2016 7:33:14 AM


Any way you cut it, the number is big.

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Brown, Lawrence (CFPB)
Sent: Wednesday, July 13, 2016 06:49 AM
To: Ehrlich, Jeffrey (CFPB)
Subject: (b) (5), (b) (8)

Jeff,

Attached is a spreadsheet that I worked on a bit today (b) (5), (b) (7)(E)



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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: Re: Pleading 5th Amendment
Date: Wednesday, September 14, 2016 7:52:43 PM

Let's talk in person (and by phone) tomorrow.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

Original Message

From: Brown, Lawrence (CFPB)
Sent: Wednesday, September 14, 2016 6:23 PM
To: Ehrlich, Jeffrey (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Pleading 5th Amendment

Jeff,

Do you think Stumpf will plead the 5th on the 20th now that the criminal probes are public?

Lawrence

This message was sent from my Blackberry. Please excuse my typos.

From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Pleading 5th Amendment
Date: Thursday, September 15, 2016 11:52:42 AM

I'm at my desk if there's anything I can do now.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Wednesday, September 14, 2016 6:23 PM
To: Ehrlich, Jeffrey (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Pleading 5th Amendment

Jeff,

Do you think Stumpf will plead the 5th on the 20th now that the criminal probes are public?

Lawrence

This message was sent from my Blackberry. Please excuse my typos.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Cc: [Wells, John \(CFPB\)](#)
Subject: Re: (b)
Date: Thursday, September 15, 2016 3:26:42 PM

Perfect. Could you attach that email to a clean email, rather than forwarding it? Thanks.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

Original Message

From: Reiferson, Barry (CFPB)
Sent: Thursday, September 15, 2016 3:21 PM
To: Ehrlich, Jeffrey (CFPB); Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Cc: Wells, John (CFPB)
Subject: FW: (b)

See below. We were later authorized to share it with the LACA.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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-----Original Message-----

From: Raman, Anand S [<mailto:Anand.Raman@skadden.com>]
Sent: Wednesday, June 22, 2016 7:11 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Welch, Darren M; Van Saanen, Marisa B
Subject: (b)

Barry --(b) (4)

Best regards -- Anand

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

=====

From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Quick call to touch base on next steps?
Date: Friday, August 19, 2016 12:09:21 PM

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Clark, Mary \(Susie\)\(CFPB\)](#)
Subject: RE: Quick update
Date: Thursday, June 30, 2016 3:39:52 PM

Great, Susie and I will call in. Can you set up the invites?

From: Brown, Lawrence (CFPB)
Sent: Thursday, June 30, 2016 12:37 PM
To: Naylor, Jonathan (CFPB)
Subject: RE: Quick update

I am available at that time.

Lawrence D. Brown
Enforcement Attorney

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From: Naylor, Jonathan (CFPB)
Sent: Thursday, June 30, 2016 3:36 PM
To: Brown, Lawrence (CFPB)
Subject: Re: Quick update

How about 745 am pac time.

From: Brown, Lawrence (CFPB)
Sent: Thursday, June 30, 2016 03:34 PM Eastern Standard Time
To: Naylor, Jonathan (CFPB)
Subject: RE: Quick update

She is certainly welcome to join. Feel free to circulate an invitation. I'll forward it on to my other colleagues who will be in a better position to talk about what happened in the last 5 weeks.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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1625 Eye Street, NW

Washington, DC 20006

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From: Naylor, Jonathan (CFPB)
Sent: Thursday, June 30, 2016 3:33 PM
To: Brown, Lawrence (CFPB)
Subject: RE: Quick update

Great. I would like to invite Susie.
In the morning (pac time is best.)

From: Brown, Lawrence (CFPB)
Sent: Thursday, June 30, 2016 12:31 PM
To: Naylor, Jonathan (CFPB)
Subject: Quick update

Jonathan,

I returned to the office on Monday (b) (6) It's quite a fire drill around here
on the sales practices matter. (b) (5), (b) (4)
If you have questions or
would like more detail, then please let me know where you are available to chat tomorrow.

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Rapid Response Required
Date: Thursday, September 15, 2016 7:32:43 AM

Check for me.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Thursday, September 15, 2016 6:57 AM
To: Ehrlich, Jeffrey (CFPB)
Subject: Re: Rapid Response Required

I think others on the team may. I have a physical copy (b) (6)

This message was sent from my Blackberry. Please excuse my typos.

From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, September 15, 2016 06:49 AM
To: Brown, Lawrence (CFPB)
Subject: Re: Rapid Response Required

Thanks. (b) (7)(E), (b) (5), (b) (8)

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Thursday, September 15, 2016 6:47 AM
To: Ehrlich, Jeffrey (CFPB)
Subject: Re: Rapid Response Required

I can start looking at about 8.

This message was sent from my Blackberry. Please excuse my typos.

From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, September 15, 2016 05:39 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Cc: Wells, John (CFPB)
Subject: Rapid Response Required

Team,

(b) (5)

This is pretty urgent. Thanks.

Also, I appreciate all that your doing to continue to support this effort. There's a lot going on that I'd like to be able to tell you about over the phone. Can we talk this afternoon? I promise it'll be fun!

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Wells, John \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RC is on board.
Date: Thursday, June 30, 2016 3:27:48 PM

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: [Reiferson, Barry \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Recall: DRAFT WF Complaint
Date: Wednesday, June 29, 2016 9:05:43 PM

Trying to avoid confusion as to which draft to review. These high pressure, unrealistic performance expectations are making me uncomfortable.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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-----Original Message-----

From: Ehrlich, Jeffrey (CFPB)
Sent: Wednesday, June 29, 2016 9:05 PM
To: Reiferson, Barry (CFPB); Wells, John (CFPB)
Cc: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: Re: Recall: DRAFT WF Complaint

Great shame.

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

----- Original Message -----

From: Reiferson, Barry (CFPB)
Sent: Wednesday, June 29, 2016 08:53 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: Recall: DRAFT WF Complaint

Reiferson, Barry (CFPB) would like to recall the message, "DRAFT WF Complaint".

From: [Brown, Lawrence \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: resume at Sales Integrity Referral Database
Date: Tuesday, May 10, 2016 3:48:25 PM

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Scope of troublesome practices in California alone
Date: Wednesday, April 13, 2016 6:45:11 PM

That is an amazing number from just one state.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 13, 2016 04:17 PM Eastern Standard Time
To: Naylor, Jonathan (CFPB)
Subject: Scope of troublesome practices in California alone

Jonathan,

I've been talking with the folks at the LA City Attorney's Office under a common interest agreement. (b) (5)



Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Alexis, Anthony \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Cc: [Goldblatt, Stefanie Isser \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Pearl, Joanna \(CFPB\)](#)
Subject: Re: (b) (7)(A)
Date: Monday, September 12, 2016 12:18:16 PM

Ok, let's chat tomorrow.

From: Ehrlich, Jeffrey (CFPB)
Sent: Monday, September 12, 2016 12:17 PM Eastern Standard Time
To: Alexis, Anthony (CFPB); Brown, Lawrence (CFPB)
Cc: Goldblatt, Stefanie Isser (CFPB); Wells, John (CFPB); Pearl, Joanna (CFPB)
Subject: RE: (b) (7)(A)

(b) (7)(A)

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Alexis, Anthony (CFPB)
Sent: Monday, September 12, 2016 12:16 PM
To: Ehrlich, Jeffrey (CFPB); Brown, Lawrence (CFPB)
Cc: Goldblatt, Stefanie Isser (CFPB); Wells, John (CFPB); Pearl, Joanna (CFPB)
Subject: Re: (b) (7)(A)

(b) (7)(A)

From: Ehrlich, Jeffrey (CFPB)
Sent: Monday, September 12, 2016 11:30 AM Eastern Standard Time
To: Brown, Lawrence (CFPB)
Cc: Goldblatt, Stefanie Isser (CFPB); Wells, John (CFPB); Pearl, Joanna (CFPB); Alexis, Anthony (CFPB)
Subject: (b) (7)(A)

LB,

(b) (7)(A)

Please work with Stef to respond. Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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intended to waive any privileges.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: (b) [REDACTED]
Date: Tuesday, August 09, 2016 12:45:47 PM

He just called. (b) (5), (b) (8), (b) (4) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

That could push us into the week after next.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: [Polzien, Darcie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: SF Office Physical Address
Date: Tuesday, April 19, 2016 11:40:18 AM

Book you hotel early, or you'll end up at Club Quarters or in a bad neighborhood! And don't discount The Fairmont, just because Jeff doesn't like to climb the hill -- you can always take the bus or cable car up!

From: Brown, Lawrence (CFPB)
Sent: Tuesday, April 19, 2016 08:34 AM
To: Polzien, Darcie (CFPB)
Subject: RE: SF Office Physical Address

Thanks so much! I look forward to seeing everyone in SF. We are going to be taking testimony from a good number of folks this summer.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Polzien, Darcie (CFPB)
Sent: Tuesday, April 19, 2016 11:31 AM
To: Brown, Lawrence (CFPB)
Subject: Re: SF Office Physical Address

Hi Lawrence,

Your question is not trivial at all, and the regional office addresses are ridiculously hard to find on the wiki.

We are at 301 Howard St, Ste 1200, San Francisco, CA 94105

We will look forward to having you here this summer! Please keep me posted about your dates. I telework on Thursdays, but someone else should be in the office to host you if you decide to come on a Thursday.

Feel free to contact me with any questions, trivial or not.

Thanks,
Darcie

From: Brown, Lawrence (CFPB)
Sent: Tuesday, April 19, 2016 08:13 AM
To: Polzien, Darcie (CFPB)
Subject: SF Office Physical Address

Hi Darcie,

I apologize for the trivial question, but can you send me the address for the SF office? I'm working on trying to schedule some investigational hearings this summer.

Thanks,

Lawrence D. Brown
Enforcement Attorney

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Signed letter from Bureau granting your access request
Date: Monday, September 19, 2016 3:42:24 PM

No problem. I'll ask my law clerk to send it - I'm out of the office for a couple of weeks.

--- Originally sent by lawrence.brown@cfpb.gov on Sep 19, 2016 8:03 PM ---

This message was sent securely using ZixCorp.

Steve,

Our paralegal did not scan a copy of the Bureau's signed letter granting your office's access request. Would you mind sending us a copy of the signed version that you received?

Thanks,

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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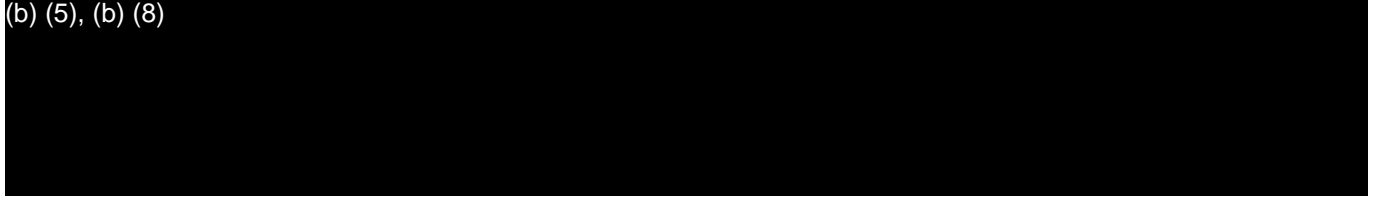
This message was secured by ZixCorp(R).

From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Thank You
Date: Friday, September 02, 2016 12:59:16 PM

Lawrence

I had a chance to get briefed on the final iteration of the CFPB CO and appreciate your efforts. Especially after our conference call.

(b) (5), (b) (8)



Please pass my appreciation to John Wells.

PS: Careful now, 'true believer fever' it's contagious... :)

From: [RC](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#); [Alexis, Anthony \(CFPB\)](#)
Cc: [Bleicken, David \(CFPB\)](#); [D'Angelo, Chris \(CFPB\)](#); [Howard, Jennifer \(CFPB\)](#); [Smith, Daniel \(CFPB\)](#)
Subject: This May Get Some Attention
Date: Tuesday, August 02, 2016 4:31:10 PM

Re the pending Wells Fargo matter

<http://www.latimes.com/business/la-fi-finance-column-20160721-snap-story.html>

RC

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: Today
Date: Friday, July 15, 2016 8:48:35 AM

Hi team -

I'm going to be in the car this morning, until about noon Pacific, and will be teleworking this afternoon. I am planning to dial in to listen to the call with the OCC, but there is some chance I won't have cell reception. In that case, I will follow up with Lawrence or Barry this afternoon for a recap.

Thanks,
Leanne

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: Re: Tolstedt
Date: Tuesday, July 12, 2016 7:26:01 PM

In about 18 hours, we'll try to impress upon them how serious this is.

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Reiferson, Barry (CFPB)
Sent: Tuesday, July 12, 2016 07:20 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: Tolstedt

The Chairman's quote doesn't make it sound like she's being pushed out.

<http://www.bloomberg.com/news/articles/2016-07-12/wells-fargo-retail-head-tolstedt-to-exit-be-succeeded-by-mack>

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#)
Subject: Re: Too quiet
Date: Wednesday, August 31, 2016 5:00:05 PM

Likewise. But we should put our heads together first (although looking at their edits I don't think it will take long) and Jeff may not be available before that.

----- Original Message -----

From: Brown, Lawrence (CFPB)
Sent: Wednesday, August 31, 2016 04:47 PM
To: Wells, John (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: Re: Too quiet

5:30 works for me.

This message was sent from my Blackberry. Please excuse my typos.

----- Original Message -----

From: Wells, John (CFPB)
Sent: Wednesday, August 31, 2016 04:32 PM
To: Brown, Lawrence (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: Re: Too quiet

Wish there had been--we might get some movement.

----- Original Message -----

From: Brown, Lawrence (CFPB)
Sent: Wednesday, August 31, 2016 04:08 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: Too quiet

Has a call been placed to RC?

This message was sent from my Blackberry. Please excuse my typos.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: Re: (b) (5), (b) (6)
Date: Sunday, July 17, 2016 10:58:48 AM

Let's discuss this tomorrow before you do anything. Thanks.

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Brown, Lawrence (CFPB)
Sent: Friday, July 15, 2016 12:43 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: (b) (5), (b) (8)

Gents,

We reached out to (b) (5), (b) (8) We haven't touched bases with them since. I thought now might be a good time to provide an update. Agree?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [UPS Quantum View](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: UPS Ship Notification, Tracking Number 1Z17Y36E1398800747
Date: Friday, July 15, 2016 9:39:45 AM



You have a package coming.

Scheduled Delivery Monday, 07/18/2016
Date:

This message was sent to you at the request of CONSUMER FINANCIAL PROTECTION to notify you that the shipment information below has been transmitted to UPS. The physical package may or may not have actually been tendered to UPS for shipment. To verify the actual transit status of your shipment, click on the tracking link below.

Shipment Details

From:	CONSUMER FINANCIAL PROTECTION
Tracking Number:	1Z17Y36E1398800747
Ship To:	JENNIFER LAROCHE OCC - Treasury (E&C Division) 400 7th Street, SW WASHINGTON, DC 202190004 US
Number of Packages:	1
Scheduled Delivery:	07/18/2016
Weight:	4.0 LBS
Reference Number 1:	Enforcement



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[Contact UPS](#)



From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: waiting for you to join call
Date: Thursday, June 30, 2016 9:36:26 AM

In the office?

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Thursday, June 30, 2016 9:34 AM
To: Reiferson, Barry (CFPB)
Subject: waiting for you to join call

1-877-773-8970, (b) (6)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: (b) (5)
Date: Thursday, July 14, 2016 2:37:43 PM

Seriously.

(b) (5)

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Thursday, July 14, 2016 2:37 PM
To: Wells, John (CFPB)
Subject: RE: (b) (5)

Good lord

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Wells, John (CFPB)

Sent: Thursday, July 14, 2016 2:33 PM

To: Brown, Lawrence (CFPB)

Subject: RE: (b) (5)

They won't be able to say; it's not knowing what they don't know. This is horrible.

John Wells

Office of Enforcement

Consumer Financial Protection Bureau

202-435-9319

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From: Brown, Lawrence (CFPB)

Sent: Thursday, July 14, 2016 2:32 PM

To: Wells, John (CFPB)

Subject: (b) (5)

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells
Date: Tuesday, August 02, 2016 2:02:52 PM

I could do 5.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

Original Message
From: Brown, Lawrence (CFPB)
Sent: Tuesday, August 2, 2016 2:01 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: Fw: Wells

Can you participate in 5 pm call?
This message was sent from my Blackberry. Please excuse my typos.

----- Original Message -----
From: Raman, Anand S [<mailto:Anand.Raman@skadden.com>]
Sent: Tuesday, August 02, 2016 01:52 PM
To: Brown, Lawrence (CFPB)
Cc: Welch, Darren M <Darren.Welch@skadden.com>
Subject: Wells

Hi Lawrence -- I wanted to see if we could set up a call to follow up on yesterday morning's conversation. I expect that one or more company representatives may join me on the call, and we wanted to see if you could arrange to have Jeff be on the call as well. I don't think we need to block out a lot of time, and was hoping we might be able to do the call at 5 PM today. If that does not work could you let me know your availability tomorrow ? Thanks very much -- Anand

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Wells, John \(CFPB\)](#)
Subject: FW: Wells
Date: Thursday, June 30, 2016 5:41:13 PM

FYI --- I don't think we do anything with this, but see below.

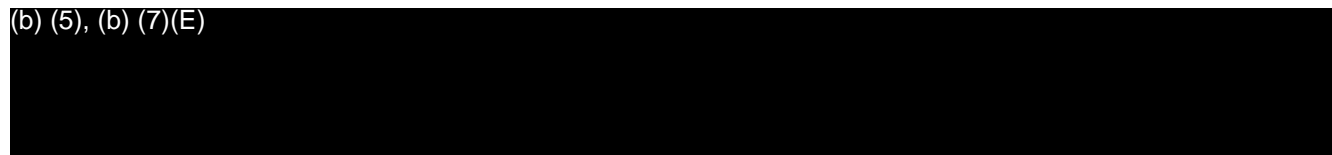
Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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-----Original Message-----

From: Petersen, Cara (CFPB)
Sent: Thursday, June 30, 2016 5:35 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: RE: Wells

(b) (5), (b) (7)(E)



Cara Petersen
Litigation Deputy
Office of Enforcement
Consumer Financial Protection Bureau
Tel: 202.435.7493
Mob: (b) (6)
consumerfinance.gov

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-----Original Message-----

From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, June 30, 2016 5:34 PM
To: Petersen, Cara (CFPB)
Subject: Re: Wells

I'd like to see it. Thanks.

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

----- Original Message -----

From: Petersen, Cara (CFPB)
Sent: Thursday, June 30, 2016 04:56 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: RE: Wells

(b) (5), (b) (7)(E)

Cara Petersen
Litigation Deputy
Office of Enforcement
Consumer Financial Protection Bureau
Tel: 202.435.7493
Mob: (b) (6)
consumerfinance.gov

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-----Original Message-----

From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, June 30, 2016 4:09 PM
To: Petersen, Cara (CFPB)
Subject: Re: Wells

(b) (5), (b) (7)(E)

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

----- Original Message -----

From: Petersen, Cara (CFPB)
Sent: Thursday, June 30, 2016 04:07 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: Wells

(b) (5), (b) (7)(E)

So, there's that.

From: [Guidorizzi, Melissa \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Wells CIDs
Date: Monday, September 26, 2016 5:44:45 PM

Lawrence,

(b) (5)

Can you please send me final copies of those?

Let me know if you have any questions.

Melissa

From: [Steven Son](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo - 4:00 (EST) call.
Date: Friday, August 19, 2016 3:38:45 PM

Hi folks,

The dial-in number and access code info for today's call is:

Telephone: 888-430-4580

Code: (b)

Thanks,
Steve

--

Steven S. Son, Deputy City Attorney
Office of the Los Angeles City Attorney
200 N. Main St., 5th Floor CHE
Los Angeles, CA 90012
Telephone: (213) 473-6903
E-mail: steven.son@lacity.org

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells Fargo -- call today
Date: Friday, July 08, 2016 9:11:05 AM

Either's fine, thanks.

From: Brown, Lawrence (CFPB)
Sent: Friday, July 08, 2016 08:35 AM
To: Wells, John (CFPB)
Subject: FW: Wells Fargo -- call today

I can do either one. Do you have a preference?

Lawrence D. Brown
Enforcement Attorney

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From: Welch, Darren M [mailto:Darren.Welch@skadden.com]
Sent: Friday, July 08, 2016 8:29 AM
To: Brown, Lawrence (CFPB)
Cc: Wells, John (CFPB); Raman, Anand S
Subject: Wells Fargo -- call today

Lawrence – To follow up on your email about a short call today, would you be available to talk to Anand and me at 3 or 3:30?

Thanks,
Darren

Darren M. Welch
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7804 | F: 202.661.8267
darren.welch@skadden.com

Skadden

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From: [Steven Son](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Fwd: Wells Fargo -- call today at 1
Date: Wednesday, August 17, 2016 12:09:03 PM

FYI.

----- Forwarded message -----

From: **Welch, Darren M** <Darren.Welch@skadden.com>
Date: Wed, Aug 17, 2016 at 6:56 AM
Subject: Wells Fargo -- call today at 1
To: "steven.son@lacity.org" <steven.son@lacity.org>

Steve – I got the message that you called me yesterday afternoon asking if Anand and I would be on the call today at 1:00 ET. Yes, I'll be joining, and Anand is on vacation but he plans to join as well.

Regards,

Darren

Darren M. Welch
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: [202.371.7804](tel:202.371.7804) | F: [202.661.8267](tel:202.661.8267)
darren.welch@skadden.com

Skadden

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=====

--

Steven S. Son, Deputy City Attorney
Office of the Los Angeles City Attorney
200 N. Main St., 5th Floor CHE
Los Angeles, CA 90012
Telephone: (213) 473-6903
E-mail: steven.son@lacity.org

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: FW: Wells Fargo - Confidential
Date: Thursday, April 07, 2016 4:03:32 PM

Of these three times, I'd prefer 11am tomorrow or 3pm on Tuesday. Thanks.

From: Raman, Anand S [mailto:Anand.Raman@skadden.com]
Sent: Thursday, April 07, 2016 12:56 PM
To: Brown, Lawrence (CFPB)
Cc: david.j.rice@wellsfargo.com; Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Matthew.J.Hoefling@wellsfargo.com; Welch, Darren M
Subject: RE: Wells Fargo - Confidential

How about tomorrow at 11 a.m. or 3 p.m. or Tuesday at 3 p.m.?

From: Brown, Lawrence (CFPB) [mailto:Lawrence.Brown@cfpb.gov]
Sent: Thursday, April 07, 2016 2:59 PM
To: Raman, Anand S (WAS)
Cc: david.j.rice@wellsfargo.com; Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells Fargo - Confidential

My apologies for the late reply. I was a bit tied up today. Please send me a few dates and times that work for you both and I'll pick one.

Lawrence D. Brown
Enforcement Attorney

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From: Raman, Anand S [mailto:Anand.Raman@skadden.com]
Sent: Thursday, April 07, 2016 12:18 PM
To: Brown, Lawrence (CFPB)
Cc: david.j.rice@wellsfargo.com
Subject: Wells Fargo - Confidential

(b) (4)

[REDACTED]

Best regards -- Anand

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

=====

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Cc: [Wells, John \(CFPB\)](#)
Subject: Re: Wells Fargo -- Confidential
Date: Thursday, September 15, 2016 3:28:07 PM

Please send as an attachment to a clean email, rather than forwarding. Thanks.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Reiferson, Barry (CFPB)
Sent: Thursday, September 15, 2016 3:24 PM
To: Ehrlich, Jeffrey (CFPB); Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Cc: Wells, John (CFPB)
Subject: FW: Wells Fargo -- Confidential

FYI

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Raman, Anand S [mailto:Anand.Raman@skadden.com]
Sent: Thursday, June 30, 2016 5:46 PM
To: Reiferson, Barry (CFPB)
Cc: 'steven.son@lacity.org'
Subject: Wells Fargo -- Confidential

Barry – this will confirm that Wells Fargo (b) (4)
-- Anand

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Subject: FW: RE: Wells Fargo - tomorrow's call.
Date: Tuesday, August 16, 2016 5:53:53 PM

This message was sent securely using ZixCorp.

Although neither of them "accepted" our calendar invite, based on what our assistant said.
(Our assistant sent out the e-mail invite.)

--- Originally sent by steven.son@lacity.org on Aug 16, 2016 2:49 PM ---

I spoke with Darren's assistant. She told me that both Anand and Darren are confirmed for tomorrow's call.

This message was secured by [ZixCorp](#)^(R).

From: [Mike Feuer](#)
To: [Wells, John \(CFPB\)](#)
Cc: [\(b\) \(6\), \(b\) \(7\) Ehrlich, Jeffrey \(CFPB\); Brown, Lawrence \(CFPB\); steven.son@lacity.org](#)
Subject: Re: Wells Fargo -- update re CFPB consent order
Date: Thursday, September 01, 2016 8:22:34 PM

Excellent. This is a fine result, and we very much appreciate our partnership with all involved.

Ideally, in the not too distant future, we'll discuss possible opportunities for our next adventure together...

Mike

On Thu, Sep 1, 2016 at 5:09 PM, Wells, John (CFPB) <John.Wells@cfpb.gov> wrote:

Gentlemen –

The bank has informed us they've completed their review and they agree to the consent order, so we have a deal. They anticipate sending us the stipulation this evening. Thanks,

John

From: Wells, John (CFPB)
Sent: Thursday, September 01, 2016 5:40 PM
To: 'mike.feuer@lacity.org'; [\(b\) \(6\), \(b\) \(7\)](#)
Cc: Ehrlich, Jeffrey (CFPB)
Subject: Wells Fargo -- update re CFPB consent order

We've just spoken with Wells Fargo. They've informed us that they'll agree to the version of the consent order we sent them earlier today. They are performing a final review now to ensure there aren't issues that weren't previously spotted, but anticipate sending us a signed stipulation later tonight. Assuming that happens, we should be able to go forward with entering the order and announcement as planned. We'll update you when we receive the signed stipulation or there's any other development. Thanks,

John Wells

Office of Enforcement

Consumer Financial Protection Bureau

[202-435-9319](tel:202-435-9319)

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From: [Williams, Natalie \(CFPB\)](#)
To: [Snyder, David \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells Fargo
Date: Thursday, May 05, 2016 8:45:27 PM

Thanks david. Clay was somewhat involved.

From: Snyder, David (CFPB)
Sent: Thursday, May 05, 2016 08:29 PM
To: Williams, Natalie (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: Re: Wells Fargo

Hi Natalie,

This doesn't sound familiar, but I'll search my emails in the am. Who was involved in Supervision?
Clay?

Thanks,
Dave

From: Williams, Natalie (CFPB)
Sent: Thursday, May 05, 2016 06:11 PM Eastern Standard Time
To: Snyder, David (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: Wells Fargo

David –

(b) (5)



Thanks,

Natalie

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From: [Williams, Natalie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells Fargo Bank, N.A. -- confidential
Date: Tuesday, April 19, 2016 9:49:16 AM


(b) (5)



-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Tuesday, April 19, 2016 8:12 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Williams, Natalie (CFPB)
Subject: FW: Wells Fargo Bank, N.A. -- confidential

See attached letter, (b) (5)



Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722
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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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-----Original Message-----

From: Welch, Darren M [<mailto:Darren.Welch@skadden.com>]
Sent: Monday, April 18, 2016 6:34 PM
To: Brown, Lawrence (CFPB)
Cc: Raman, Anand S
Subject: Wells Fargo Bank, N.A. -- confidential

Dear Lawrence -- Please see attached.
Best regards,
Darren

Darren M. Welch
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111

T: 202.371.7804 | F: 202.661.8267
darren.welch@skadden.com

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

=====

From: [Clark, Mary "Susie" \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Wells Fargo Consent Order
Date: Tuesday, September 06, 2016 1:55:49 PM

Lawrence,

I just read the consent order that Director Cordray will sign this week. Kudos to you and your entire team for all the hard work to get this order to a place where both parties can sign it. And thank you for making sure we can substantiate that consumer redress is appropriate and complete. It is so important that this order will be public and I anticipate a big public outcry over the bank's practices.

Congratulations on a job well done.

Susie Clark

Examiner
Supervision/West Region
Consumer Financial Protection Bureau
Consumerfinance.gov

Cell: (b) (6)
mary.clark@cfpb.gov

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From: [Mayorga, David \(CFPB\)](#)
To: [Fulton, Kate \(CFPB\)](#); [Vahey, Moira \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Eskola, David \(CFPB\)](#)
Subject: RE: Wells Fargo on Thursday?
Date: Tuesday, September 06, 2016 11:02:17 AM

The messaging is still being debated.

David Mayorga
Office of Communications | External Affairs
Consumer Financial Protection Bureau
E: david.mayorga@cfpb.gov
O: 202.435.7159 | C: (b) (6)

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-----Original Message-----

From: Fulton, Kate (CFPB)
Sent: Tuesday, September 06, 2016 10:14 AM
To: Mayorga, David (CFPB); Vahey, Moira (CFPB); Wells, John (CFPB); Brown, Lawrence (CFPB); Eskola, David (CFPB)
Subject: Re: Wells Fargo on Thursday?

Thanks all.

Would it be possible for me to get a copy of this as it stands? I think the practice is that SEFL FO gets it during pre-clearance, in part to that we can meet our obligation to notify CSBS 48 hours before something becomes public.

Thanks!

Kate

-----Original Message-----

From: Mayorga, David (CFPB)
To: Vahey, Moira (CFPB)
To: Fulton, Kate (CFPB)
To: Wells, John (CFPB)
To: Brown, Lawrence (CFPB)
To: Eskola, David (CFPB)
Subject: RE: Wells Fargo on Thursday?
Sent: Sep 6, 2016 10:00 AM

+ Dave E who's handling consolidating edits that came in over the weekend. The presser is going into clearance today.

David Mayorga
Office of Communications | External Affairs Consumer Financial Protection Bureau
E: david.mayorga@cfpb.gov
O: 202.435.7159 | C: (b) (6)

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From: Vahey, Moira (CFPB)
Sent: Tuesday, September 06, 2016 9:27 AM
To: Fulton, Kate (CFPB); Wells, John (CFPB); Brown, Lawrence (CFPB)
Cc: Mayorga, David (CFPB)

Subject: RE: Wells Fargo on Thursday?

+ David who is handling the rollout. I believe it is on track for Thursday.

From: Fulton, Kate (CFPB)
Sent: Tuesday, September 06, 2016 7:51 AM
To: Wells, John (CFPB); Brown, Lawrence (CFPB)
Cc: Vahey, Moira (CFPB)
Subject: Wells Fargo on Thursday?

Good Morning All,

Is this matter stills scheduled for Thursday? If so, is there a draft presser? I'll need to send the CSBS notification by noon.

Thanks!

Kate M. Fulton
Senior Counsel
Office: (202) 435-9688 | Mobile: (b) (6)

Consumer Financial Protection Bureau
consumerfinance.gov

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From: [Guidorizzi, Melissa \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo Sales Practices No. 16-1667-02: Notice of Issuance of CID
Date: Tuesday, March 22, 2016 12:12:38 PM

Thank you so much for keeping me in the loop! (b) (6)
You have this well in hand but if you need anything from me you are on the top of the list for when I get back.

Melissa

Melissa Baal Guidorizzi
Senior Counsel for Enforcement Policy and Strategy
Office of Enforcement
Consumer Financial Protection Bureau
202 435 9712 (o)
melissa.guidorizzi@cfpb.gov
consumerfinance.gov

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-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Tuesday, March 22, 2016 11:54 AM
To: Guidorizzi, Melissa (CFPB)
Subject: FW: Wells Fargo Sales Practices No. 16-1667-02: Notice of Issuance of CID

CID attached.

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-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Monday, March 21, 2016 1:58 PM
To: Litigation_Review_Inbox
Cc: Ehrlich, Jeffrey (CFPB); Williams, Natalie (CFPB)
Subject: Wells Fargo Sales Practices No. 16-1667-02: Notice of Issuance of CID

Attached please find the CID that we issued today in the Wells Fargo Sales Practices investigation. The team also provided a courtesy copy of the CID to our colleagues in supervision.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722
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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo scandal: Elizabeth Warren wants answers - Sep. 12, 2016
Date: Monday, September 12, 2016 1:26:17 PM

It has become water cooler conversation to people uninvolved. Big news.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Monday, September 12, 2016 1:26 PM
To: Reiferson, Barry (CFPB)
Subject: RE: Wells Fargo scandal: Elizabeth Warren wants answers - Sep. 12, 2016

These guys lived with the trash so long they just didn't realize how bad it stinks. I saw one article destroy the 1% spin.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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-----Original Message-----

From: Reiferson, Barry (CFPB)
Sent: Monday, September 12, 2016 1:22 PM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells Fargo scandal: Elizabeth Warren wants answers - Sep. 12, 2016

Wow. Just, wow.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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-----Original Message-----

From: Brown, Lawrence (CFPB)

Sent: Monday, September 12, 2016 1:21 PM

To: Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)

Subject: Wells Fargo scandal: Elizabeth Warren wants answers - Sep. 12, 2016

<http://money.cnn.com/2016/09/12/investing/wells-fargo-hearing-senate-ceo-testify-elizabeth-warren/>

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From: [Victoria Butler](#)
To: [Wells, John \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Cc: [Jean Stasio](#); [Anthony Bradlow](#); [Woods, Phil](#); richard.bischoff@texasattorneygeneral.gov; Patrick.Madigan@iowa.gov
Subject: Re: Wells Fargo Settlement
Date: Tuesday, September 13, 2016 2:28:29 PM

Hello. Just following up to be sure you received this email and to see if it is possible to set up a time to talk today or tomorrow. I'm also copying my colleagues in NC, TX and IA, who may also be interested in joining a call to discuss the settlement.

Victoria Butler
Director, Consumer Protection Division
Office of the Florida Attorney General, Pam Bondi

3507 East Frontage Road, Suite 325
Tampa, FL 33607
813-287-7950
Fax 813-281-5515
:
107 West Gaines St.
Tallahassee, FL 32399
850-414-3300



▼ Victoria Butler---09/12/2016 05:27:02 PM---Good afternoon. I received your contact information from Jim Sugarman who is a litigation deputy

From: Victoria Butler/OAG
To: John.Wells@cfpb.gov, Lawrence.Brown@cfpb.gov
Date: 09/12/2016 05:27 PM
Subject: Wells Fargo Settlement

Good afternoon. I received your contact information from Jim Sugarman who is a litigation deputy with CFPB in DC. My office has received a number of inquiries regarding this settlement and its impact on Floridians and would be very interested in talking with someone at CFPB about the settlement terms. I think there are a number of other states who would also benefit from a briefing from your office. Would it be possible for you to coordinate a call or direct me to someone who could coordinate a call with me and possibly a few other colleagues from other state AG offices? I appreciate any help you can provide in this. Thank you.

Victoria Butler
Director, Consumer Protection Division

Office of the Florida Attorney General, Pam Bondi

3507 East Frontage Road, Suite 325

Tampa, FL 33607

813-287-7950

Fax 813-281-5515

:

107 West Gaines St.

Tallahassee, FL 32399

850-414-3300



From: [Lohr, Douglas \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Frgo Meet and Confer
Date: Wednesday, March 30, 2016 9:40:59 AM

OK, great. I will read it over and will talk to you all tomorrow!

From: Brown, Lawrence (CFPB)
Sent: Wednesday, March 30, 2016 9:40 AM
To: Lohr, Douglas (CFPB)
Subject: RE: Wells Frgo Meet and Confer

Everyone will be participating by phone. I don't know whether there will be any technical issues for this CID. The CID is very short.

Lawrence D. Brown
Enforcement Attorney

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From: Lohr, Douglas (CFPB)
Sent: Wednesday, March 30, 2016 9:39 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells Frgo Meet and Confer

Excellent. I am working from home tomorrow, do you mind if I call in? Any data issues you are concerned about?

From: Brown, Lawrence (CFPB)
Sent: Wednesday, March 30, 2016 9:38 AM
To: Lohr, Douglas (CFPB)
Cc: Calvarese, Joe (CFPB)
Subject: RE: Wells Frgo Meet and Confer

Doug,

Welcome to the team! The meet and confer is via telephone. I will send you the CID shortly.

Lawrence D. Brown
Enforcement Attorney

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From: Lohr, Douglas (CFPB)
Sent: Wednesday, March 30, 2016 9:37 AM
To: Brown, Lawrence (CFPB)

Cc: Calvarese, Joe (CFPB)
Subject: Wells Frgo Meet and Confer

Lawrence, I am your ESS for this matter and would be happy to join the Meet and Confer tomorrow. Can you please send me the CID and the invite for my calendar. Will this be via phone?

Doug Lohr
Consumer Financial Protection Bureau
e-Law Litigation Support Specialist | Enforcement
Office: 202-435-9046 | Mobile: (b) (6)
Email: douglas.lohr@cfpb.gov
consumerfinance.gov

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From: [Lubash, Andrew\(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells production disk
Date: Thursday, July 14, 2016 4:50:15 PM

LA's are the ones who coordinate mailing things. You should ask your LA.

From: Brown, Lawrence (CFPB)
Sent: Thursday, July 14, 2016 4:46 PM
To: Lubash, Andrew(CFPB)
Subject: Fw: Wells production disk

Can you help?

This message was sent from my Blackberry. Please excuse my typos.

From: Lohr, Douglas (CFPB)
Sent: Thursday, July 14, 2016 04:30 PM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells production disk

Do you all have a contact here at 1625 that can send this production CD out for you? I will leave it on the table inside my office, 4061.

Thanks

Doug

From: Brown, Lawrence (CFPB)
Sent: Thursday, July 14, 2016 7:50 AM
To: Lohr, Douglas (CFPB)
Subject: RE: Wells production disk

Roshonda Ledbetter.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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1625 Eye Street, NW
Washington, DC 20006

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From: Lohr, Douglas (CFPB)
Sent: Wednesday, July 13, 2016 4:30 PM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells production disk

Also, who is your paralegal? They will be the ones sending the CD out to OCC.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, July 13, 2016 4:27 PM
To: Lohr, Douglas (CFPB)
Subject: Wells production disk

Doug,

Has the disk gone out to the OCC? They asked for the tracking number once it does go out.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Brown, Lawrence \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Wells resume at 550
Date: Wednesday, May 04, 2016 4:25:35 PM

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
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From: [Bateman, Kristin \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Sales Practices (City Attorney's complaint filed against Wells)
Date: Monday, April 11, 2016 10:12:28 AM

Great!

(b) (5)



-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Monday, April 11, 2016 10:05 AM
To: Bateman, Kristin (CFPB)
Subject: Wells Sales Practices (City Attorney's complaint filed against Wells)

Hi Kristin,

I wanted to forward you the complaint that the LA City Attorney filed against Wells Fargo relating to its sales practices. (b) (5)



Wells has retained Skadden to represent it in connection with the Bureau's investigation.

(b) (5)



Lawrence D. Brown
Enforcement Attorney

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Sales Practices: A second DVD for the OCC for the second production
Date: Tuesday, May 31, 2016 11:52:33 AM

Got it – thanks!

From: Brown, Lawrence (CFPB)
Sent: Saturday, May 28, 2016 1:09 PM
To: Hartmann, Leanne (CFPB)
Subject: FW: Wells Sales Practices: A second DVD for the OCC for the second production

fyi

Lawrence D. Brown
Enforcement Attorney

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From: Brown, Lawrence (CFPB)
Sent: Monday, May 16, 2016 11:15 AM
To: Lohr, Douglas (CFPB)
Subject: Wells Sales Practices: A second DVD for the OCC for the second production

Doug,

Would you produce another DVD for the second production of documents uploaded to Relativity in the Wells Sales Practices investigation? We'll send it to the same address and use the same format as the first production.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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From: [Lohr, Douglas \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Sales Practices: Complaint databases
Date: Thursday, May 05, 2016 1:50:21 PM

(b) (5) I'll let you know when I have it together.

From: Brown, Lawrence (CFPB)
Sent: Thursday, May 05, 2016 1:49 PM
To: Lohr, Douglas (CFPB)
Subject: RE: Wells Sales Practices: Complaint databases

Doug,

(b) (5)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
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1625 Eye Street, NW
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From: Lohr, Douglas (CFPB)
Sent: Thursday, May 05, 2016 1:28 PM
To: Brown, Lawrence (CFPB)
Subject: FW: Wells Sales Practices: Complaint databases

From: Lohr, Douglas (CFPB)
Sent: Wednesday, May 04, 2016 9:24 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells Sales Practices: Complaint databases

(b) (5)



Doug

From: Brown, Lawrence (CFPB)
Sent: Wednesday, May 04, 2016 8:52 AM
To: Lohr, Douglas (CFPB)
Subject: Wells Sales Practices: Complaint databases

Hey Doug,

I wanted to see if you were able to make any progress uploading the complaint databases to Relativity?

Thanks,

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Sales: Draft CID attached for review
Date: Monday, March 21, 2016 10:19:21 AM

(b) (5)

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Monday, March 21, 2016 9:08 AM
To: Ehrlich, Jeffrey (CFPB)
Cc: Williams, Natalie (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Ledbetter, Roshonda (CFPB)
Subject: Wells Sales: Draft CID attached for review

Jeff,

Attached for your review please find a draft CID for Wells Fargo related to sales practices. (b) (5)

(b) (5)

(b) (5)

Let us know if you have any questions.

Thanks,

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Melcher, Glenn \(CFPB\)](#)
To: [Calvarese, Joe \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Sales: Draft CID
Date: Monday, March 21, 2016 8:59:18 AM

Nor I. Looks fine. (b) (5)

[REDACTED]

Thanks for sending it by us.

Glenn Melcher

Special Counsel for eDiscovery
Office of Enforcement
Consumer Financial Protection Bureau
Telephone: 202 435 9762
Mobile: (b) (6)
Glenn.Melcher@cfpb.gov

consumerfinance.gov

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From: Calvarese, Joe (CFPB)
Sent: Monday, March 21, 2016 8:40 AM
To: Brown, Lawrence (CFPB); Melcher, Glenn (CFPB)
Subject: RE: Wells Sales: Draft CID

Good morning Lawrence,

Sorry for the delay in responding. Thanks for sending this our way. The CID looks good to me... I do not have any comments or suggestions at this time. Thanks,

joe

From: Brown, Lawrence (CFPB)
Sent: Monday, March 21, 2016 8:37 AM
To: Melcher, Glenn (CFPB); Calvarese, Joe (CFPB)
Subject: FW: Wells Sales: Draft CID

Gents,

I plan to send this up to Jeff Ehrlich at 10:00 am. Let me know if you had any suggestions.

Thanks,

Lawrence D. Brown

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From: Brown, Lawrence (CFPB)
Sent: Friday, March 18, 2016 10:28 AM
To: Melcher, Glenn (CFPB); Calvarese, Joe (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells Sales: Draft CID

Glenn and Joe,

Attached please find a draft CID for the Wells Fargo sales practices investigation. Let us know if you all have any suggestions.

Thanks,

Lawrence

From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: FW: Wells Sales: Mod Letter Attached for execution
Date: Wednesday, April 13, 2016 1:00:52 PM

(b) (5)



Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Ehrlich, Jeffrey (CFPB)
Sent: Wednesday, April 13, 2016 12:59 PM
To: Brown, Lawrence (CFPB)
Cc: Williams, Natalie (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells Sales: Mod Letter Attached for execution

I've made a few non-substantive changes, so here's a revised, signed copy. Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 13, 2016 10:46 AM
To: Ehrlich, Jeffrey (CFPB)
Cc: Williams, Natalie (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells Sales: Mod Letter Attached for execution

Jeff,

Attached for your review and signature please find a mod letter for the CID we issued in the Wells Sales Practices investigation. I'm also attaching the letter from Skadden setting forth proposed modifications to the CID. Let us know if you have any questions.

Thanks,

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells Sales (b) (8), (b) (7)
Date: Tuesday, March 22, 2016 8:28:44 AM

I think that edit makes sense. Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, March 22, 2016 7:56 AM
To: Ehrlich, Jeffrey (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells Sales: (b) (8), (b) (7)(E),

Jeff,

David Rice had minor edits (b) (8), (b) (5), (b) (7)(E) If you approve, then I will sign it and send it over to David Rice for execution.

Lawrence

From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: wells story
Date: Thursday, September 08, 2016 7:45:54 PM

Wells is losing control of the 'spin'

This morning they had it couched as 'cross selling' and now the number of employees and accounts has taken a life of its own.

<http://money.cnn.com/2016/09/08/investing/wells-fargo-created-phony-accounts-bank-fees/>

Jonathan Ward Naylor
Supervisory Examination Manager

(b) (6)

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From: [Buchko, Vanessa \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Wells
Date: Tuesday, September 13, 2016 4:49:51 PM

Congratulations on a fantastic result!! Wow.

I received a voicemail from Jason Pladencol (sp?) who said he was from the Minnesota AG's office and had questions about the restitution piece of the settlement. His number is (b) (6). I'm not sure how we usually deal with these calls, so I figured I'd pass the info along to you.

Vanessa Buchko
Enforcement Attorney
Supervision, Fair Lending and Enforcement

Tel: 202 435 9593
Mob: (b) (6)
Fax: 202 435 7722
consumerfinance.gov

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From: [O'Malley, Gabriel \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Ernst, Jeffrey \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: Wells
Date: Tuesday, September 20, 2016 2:50:02 PM

If you haven't seen, take a look:

[http://www.npr.org/sections/thetwo-way/2016/09/20/494738797/you-should-resign-watch-sen-elizabeth-warren-grill-wells-fargo-ceo-john-stumpf?](http://www.npr.org/sections/thetwo-way/2016/09/20/494738797/you-should-resign-watch-sen-elizabeth-warren-grill-wells-fargo-ceo-john-stumpf?utm_source=facebook.com&utm_medium=social&utm_campaign=npr&utm_term=nprnews&utm_content=20160920)
[utm_source=facebook.com&utm_medium=social&utm_campaign=npr&utm_term=nprnews&utm_content=20160920](http://www.npr.org/sections/thetwo-way/2016/09/20/494738797/you-should-resign-watch-sen-elizabeth-warren-grill-wells-fargo-ceo-john-stumpf?utm_source=facebook.com&utm_medium=social&utm_campaign=npr&utm_term=nprnews&utm_content=20160920)

Gabriel O'Malley
Assistant Deputy Enforcement Director For Litigation
Supervision, Enforcement, Fair Lending & Equal Opportunity
Consumer Financial Protection Bureau
(202) 435-9747
gabriel.o'malley@cfpb.gov

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From: [Brown, Lawrence \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Wells: 372 to 499 (cross selling incentives)
Date: Wednesday, April 27, 2016 1:22:19 PM

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Williams, Natalie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells: Any other edits
Date: Wednesday, April 06, 2016 2:00:24 PM

No more edits from me 😊

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 06, 2016 1:03 PM
To: Williams, Natalie (CFPB)
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: Wells: Any other edits

Natalie,

(b) (5)

If this look good, then I'll sign it digitally and send it to Mr. Raman and cc Mr. Rice.

Thanks,

Lawrence

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: Re: Wells: Call at 10 a.m.
Date: Monday, August 22, 2016 8:07:15 AM

We're tied up, so brief us afterward if there's anything we didn't expect. Thanks, LB.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Monday, August 22, 2016 8:01 AM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: Wells: Call at 10 a.m.

Gents,

Let me know if either of you want to participate on the call today at 10:00 a.m. (b) (5)

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov


Lawrence Brown
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Washington, DC 20006

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From: [Brown, Lawrence \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Wells: call note
Date: Tuesday, April 19, 2016 1:13:32 PM

Left Anand detailed voicemail.

(b) (5), (b) (8)



Lawrence D. Brown
Enforcement Attorney

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Cc: [Hartmann, Leanne \(CFPB\)](#)
Subject: Re: Wells: Call with Skadden
Date: Tuesday, August 09, 2016 12:24:54 PM

We've known about the article. (b) (5) Thanks.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Tuesday, August 9, 2016 12:23 PM
To: Wells, John (CFPB); Ehrlich, Jeffrey (CFPB)
Cc: Hartmann, Leanne (CFPB)
Subject: Wells: Call with Skadden

Gents,

Skadden called to give us a heads up that WSJ will soon publish an article related to sales practices issues at the bank. They think the article is premised on customer complaints. The article will mention ongoing federal investigations. They have no idea how the paper became aware of those investigations. Separately, they expect to get us an ETA on the revised consent order soon. It is working its way through the bank.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells: Chat about order at 9:30?
Date: Thursday, August 25, 2016 9:31:23 AM

I'm available now if that still works.

From: Brown, Lawrence (CFPB)
Sent: Thursday, August 25, 2016 09:24 AM
To: Wells, John (CFPB)
Subject: Wells: Chat about order at 9:30?

John,

Let me know if you can discuss finalizing the order at 9:30 this morning. I have a call at 10:15 am, but will be free during this window.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: CID 2.0 (b) (8), (b) (5)
Date: Wednesday, April 13, 2016 1:33:46 PM

Ok

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Hartmann, Leanne (CFPB)
Sent: Wednesday, April 13, 2016 1:33 PM
To: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Wells: CID 2.0 (b) (8), (b) (5)

(b) (7)(A)

I'll jump in/comment when I emerge from my hearing.

From: Reiferson, Barry (CFPB)
Sent: Wednesday, April 13, 2016 10:02 AM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: CID 2.0 (b) (5), (b) (8)

I'm happy to take the lead or be second. I'm tied up for a couple days but can get to it.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 13, 2016 12:23 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: CID 2.0 (b) (5), (b) (8)

Leanne and Barry,

(b) (5)

Lawrence D. Brown
Enforcement Attorney

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: CID 2.0
Date: Friday, May 13, 2016 10:03:48 AM

No. Send it when ready.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Friday, May 13, 2016 10:00 AM
To: Ehrlich, Jeffrey (CFPB)
Subject: Wells: CID 2.0

Jeff,

If you have not already signed off on CID 2.0, then I have some last minute edits based on some additional information we received last evening. Have you reviewed the CID?

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#)
Subject: Re: Wells: Compare 6 - Banks's edits.doc
Date: Monday, August 29, 2016 8:59:39 AM

On way in--5 min.

From: Brown, Lawrence (CFPB)
Sent: Monday, August 29, 2016 08:58 AM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: Wells: Compare 6 - Banks's edits.doc

Gents,

The attached document shows the bank's latest round of edits.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: Re: Wells: Consent Order & Stip Update
Date: Friday, July 01, 2016 8:19:59 AM

Excellent! Thanks.

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Brown, Lawrence (CFPB)
Sent: Friday, July 01, 2016 08:17 AM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: Wells: Consent Order & Stip Update

Gents,

I will be sending you a draft consent order and stip this afternoon.

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Wells, John \(CFPB\)](#)
Subject: RE: Wells: Consent Order
Date: Wednesday, August 31, 2016 10:51:51 AM

Consider calling him to see whether they can talk soon.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, August 31, 2016 9:38 AM
To: Raman, Anand S (Anand.Raman@skadden.com); Welch, Darren M (Darren.Welch@skadden.com)
Cc: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Consent Order

Anand and Darren,

Attached please find an updated order and a redline showing approved edits that we would like to discuss at 11:00 am.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
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Lawrence Brown
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From: [Williams, Natalie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Draft Access Letter from CFPB to OCC
Date: Monday, May 09, 2016 9:39:04 AM

That is fine.

From: Brown, Lawrence (CFPB)
Sent: Monday, May 09, 2016 9:11 AM
To: Williams, Natalie (CFPB)
Subject: Wells: Draft Access Letter from CFPB to OCC

Natalie,

Attached please find a draft access request. Let me know if this looks ok to go to Jeff.

Lawrence D. Brown
Enforcement Attorney

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From: [Williams, Natalie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells: Draft responses to questions related to OCC's access request
Date: Thursday, April 14, 2016 1:26:20 PM

Can't read it until I land. Abt to take off

From: Brown, Lawrence (CFPB)
Sent: Thursday, April 14, 2016 11:30 AM
To: Williams, Natalie (CFPB)
Subject: Wells: Draft responses to questions related to OCC's access request

Natalie,

Attached for your review please find draft responses to questions related to OCC's access request.

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells: draft stip
Date: Friday, August 19, 2016 9:12:49 AM

Might as well be now--(b) (5)

From: Brown, Lawrence (CFPB)
Sent: Friday, August 19, 2016 08:49 AM
To: Wells, John (CFPB)
Subject: Wells: draft stip

John,

We still haven't provided one to the bank for review. When should we do so?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Steven Son](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Michael Bostrom](#)
Subject: Re: Wells: Executed CIA
Date: Monday, March 21, 2016 7:22:04 PM

Lawrence,

I sent you the fully executed common interest agreement through ZixCorp.

Thanks,
Steve

On Fri, Mar 18, 2016 at 11:43 AM, Brown, Lawrence (CFPB) <Lawrence.Brown@cfpb.gov> wrote:

Steve,

Attached please find the CIA executed by Jeff Ehrlich. Please sign and email an executed copy to me at your convenience.

Thanks,

Lawrence D. Brown

Enforcement Attorney

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--

Steven S. Son, Deputy City Attorney
Office of the Los Angeles City Attorney
200 N. Main St., 5th Floor CHE
Los Angeles, CA 90012
Telephone: (213) 978-8036
Facsimile: (213) 978-8112
E-mail: steven.son@lacity.org

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Wells, John \(CFPB\)](#)
Subject: RE: Wells: Executed Stip and Current Version of Consent Order
Date: Friday, September 02, 2016 8:47:29 AM

(b) (5), (b) (8)

Will send to the Box now.

-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Friday, September 02, 2016 8:21 AM
To: Ehrlich, Jeffrey (CFPB)
Cc: Wells, John (CFPB)
Subject: Wells: Executed Stip and Current Version of Consent Order

Jeff,

Attached please find the executed stipulation and the consent order. (b) (5), (b) (8)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722
consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#)
Subject: Re: Wells: Executed Stip and Current Version of Consent Order
Date: Wednesday, September 07, 2016 8:25:05 AM

Nope.

----- Original Message -----

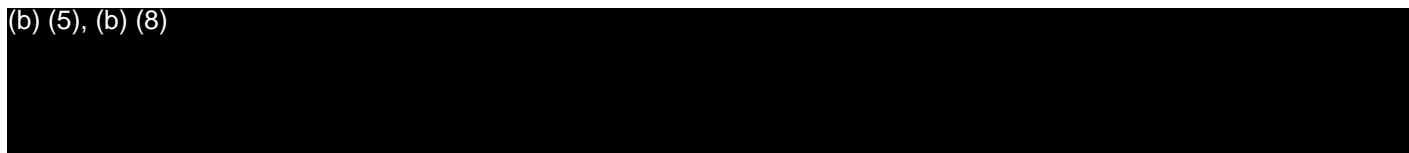
From: Brown, Lawrence (CFPB)
Sent: Tuesday, September 06, 2016 09:08 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: Fw: Wells: Executed Stip and Current Version of Consent Order

See below. I think we do not care, right?
This message was sent from my Blackberry. Please excuse my typos.

----- Original Message -----

From: Guidorizzi, Melissa (CFPB)
Sent: Tuesday, September 06, 2016 05:02 PM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells: Executed Stip and Current Version of Consent Order

(b) (5), (b) (8)



Just checking.

Thanks,
Melissa

Melissa Baal Guidorizzi
Senior Counsel for Enforcement Policy and Strategy
Office of Enforcement
Consumer Financial Protection Bureau
202 435 9712 (o)
melissa.guidorizzi@cfpb.gov
consumerfinance.gov

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-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Tuesday, September 06, 2016 3:46 PM
To: Guidorizzi, Melissa (CFPB)
Subject: RE: Wells: Executed Stip and Current Version of Consent Order

Feel free to share it with them with a notice that it won't be public until Thursday.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Mobile: (b) (6)

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Lawrence Brown
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Washington, DC 20006

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-----Original Message-----

From: Guidorizzi, Melissa (CFPB)

Sent: Tuesday, September 06, 2016 3:38 PM

To: Brown, Lawrence (CFPB)

Subject: RE: Wells: Executed Stip and Current Version of Consent Order

(b) (5)

Melissa

Melissa Baal Guidorizzi

Senior Counsel for Enforcement Policy and Strategy Office of Enforcement Consumer Financial Protection Bureau

202 435 9712 (o)

melissa.guidorizzi@cfpb.gov

consumerfinance.gov

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-----Original Message-----

From: Brown, Lawrence (CFPB)

Sent: Tuesday, September 06, 2016 11:02 AM

To: Guidorizzi, Melissa (CFPB)

Subject: FW: Wells: Executed Stip and Current Version of Consent Order

The deal is done and will be announced on the 8th.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

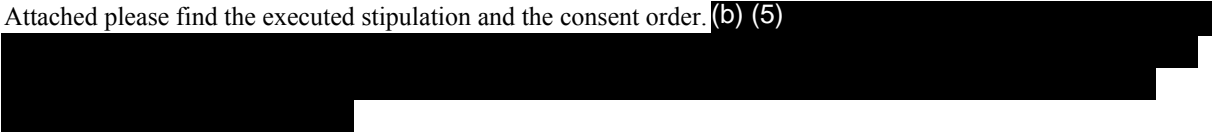
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-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Friday, September 02, 2016 8:21 AM
To: Ehrlich, Jeffrey (CFPB)
Cc: Wells, John (CFPB)
Subject: Wells: Executed Stip and Current Version of Consent Order

Jeff,

Attached please find the executed stipulation and the consent order. (b) (5)



Lawrence D. Brown
Enforcement Attorney

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From: [Williams, Natalie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#)
Subject: RE: Wells: (b) (5), (b) (8)
Date: Wednesday, May 18, 2016 10:07:43 AM

Good -- see you next week.

-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Wednesday, May 18, 2016 9:59 AM
To: Ehrlich, Jeffrey (CFPB); Williams, Natalie (CFPB)
Subject: Wells: (b) (5), (b) (8)

Jeff and Natalie,

(b) (5), (b) (8) Let me know if you have any questions.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: Re: Wells: Huddle regarding responses to CIDs
Date: Tuesday, July 05, 2016 11:14:55 AM

Works for me!

From: Brown, Lawrence (CFPB)
Sent: Tuesday, July 05, 2016 08:09 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: Huddle regarding responses to CIDs

That time works for me. Let's see if it's a good time for Leanne.

Lawrence D. Brown
Enforcement Attorney

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From: Reiferson, Barry (CFPB)
Sent: Tuesday, July 05, 2016 11:09 AM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: Huddle regarding responses to CIDs

I'm available, though I have a few calls this afternoon (as does Leanne). Maybe 2:30 edt?

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, July 05, 2016 8:51 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Huddle regarding responses to CIDs

Are you both available sometime today to chat about the bank's responses to the CIDs. This morning, I'm working on figuring out what is still outstanding. (b) (5)

[REDACTED]

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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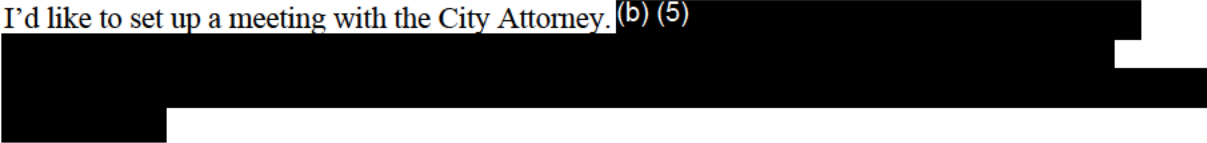
From: [Williams, Natalie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: In-Person Meeting with City Attorney
Date: Friday, April 08, 2016 10:41:42 AM

Let me know what they say about the letter today.

From: Brown, Lawrence (CFPB)
Sent: Friday, April 08, 2016 10:41 AM
To: Williams, Natalie (CFPB)
Subject: Wells: In-Person Meeting with City Attorney

Natalie,

I'd like to set up a meeting with the City Attorney. (b) (5)



Lawrence D. Brown
Enforcement Attorney

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells: Investigation Plan
Date: Friday, July 08, 2016 8:06:51 AM

Thanks.

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Brown, Lawrence (CFPB)
Sent: Friday, July 08, 2016 07:52 AM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: Investigation Plan

Done. You will find it at the path below:

(b) (7)(E)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ehrlich, Jeffrey (CFPB)
Sent: Friday, July 08, 2016 7:44 AM
To: Brown, Lawrence (CFPB); Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Re: Wells: Investigation Plan

Thanks, LB. Please save this in the designated place on the z:drive, as the Blueprint provides.

Jeff Ehrlich

Office of Enforcement

Tel: 202 435 7598

Mob: (b) (6)

From: Brown, Lawrence (CFPB)

Sent: Friday, July 08, 2016 07:25 AM

To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)

Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)

Subject: Wells: Investigation Plan

Jeff and John,

Attached please find the investigation plan for the sales practices matter.

Thanks,

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

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Lawrence Brown

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Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Wells, John \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: Re: Wells: Latest update from Skadden
Date: Wednesday, August 17, 2016 9:22:21 AM

That's a start. Thanks.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Wednesday, August 17, 2016 9:21 AM
To: Ehrlich, Jeffrey (CFPB)
Cc: Wells, John (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: Wells: Latest update from Skadden

Jeff,

Skadden expects to send us a revised order on Thursday.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Washington, DC 20006

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#)
Subject: RE: Wells: Limit to Skadden, right?
Date: Wednesday, September 07, 2016 3:39:19 PM

Just Skadden.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, September 07, 2016 3:37 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: Wells: Limit to Skadden, right?

Should I limit the list of attorneys to the folks at Skadden or also include the bank's in-house folks?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Williams, Natalie \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: Re: Wells: May 17 or May 25 in the morning
Date: Thursday, May 12, 2016 2:28:16 PM

Yes. 25 is better for me.

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Williams, Natalie (CFPB)
Sent: Thursday, May 12, 2016 01:18 PM
To: Brown, Lawrence (CFPB); Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: May 17 or May 25 in the morning

Jeff wants and should be there. he is in sf next week so I think we have to do the 25th

From: Brown, Lawrence (CFPB)
Sent: Thursday, May 12, 2016 2:12 PM
To: Ehrlich, Jeffrey (CFPB); Williams, Natalie (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: May 17 or May 25 in the morning

All,

Wells Fargo would like to come in on the morning of May 17. Alternatively, they offered the morning of May 25. I don't think Leanne could make it on the 17th. (b) (5), (b) (8). Does anyone else have any conflicts on either of those days? Finally, Skadden is willing to host if we're unable to get conference room space on short notice. They will have at least six people attending from their side.

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Williams, Natalie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: Re: Wells: Meet and confer for CID 2.0
Date: Wednesday, May 18, 2016 3:08:52 PM

That is fine

From: Brown, Lawrence (CFPB)
Sent: Wednesday, May 18, 2016 02:49 PM
To: Williams, Natalie (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Meet and confer for CID 2.0

Natalie,

I just spoke with Anand who indicated that he is tied up getting ready for the presentation on May 25. He will be best prepared to discuss CID 2.0 at the meeting or shortly thereafter, which would be a few days after the 10 day window. I told him that I would check with you and Jeff about treating our conversation today as the beginning of the meet and confer so he's within the 10 day requirement. Let me know if that sounds ok to you and if we need to get Jeff to approve.

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: Re: Wells: Meeting before the meeting
Date: Monday, July 25, 2016 12:52:51 PM

Sure.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Monday, July 25, 2016 12:46 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: Wells: Meeting before the meeting

Gents,

Should I put something on the calendar for the team to discuss the upcoming meeting with the folks from the bank?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells: Meeting with City Attorney in LA
Date: Friday, April 08, 2016 12:48:03 PM

It's an easy trip for me and I'm happy to go just about any time. Wednesday, May 4, could be a good date for a meeting since Barry and I will already be in LA (b) (7)(A) and presumably could meet with the City Attorney in the morning and fly back later that afternoon?

The current dates that do NOT work for me are as follows:

(b) (7)(A)
(b) (6)
(b) (7)(A)
(b) (6)

From: Brown, Lawrence (CFPB)
Sent: Friday, April 08, 2016 7:51 AM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: Wells: Meeting with City Attorney in LA

Leanne and Barry,

Natalie has signed off on a trip to Los Angeles to have an in-person meeting with our partners in the City Attorney's Office. I would need to participate by phone (b) (6). Let me know if there are any ideal dates for such a meeting and we can get it set up. (b) (5)

Lawrence D. Brown
Enforcement Attorney

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells: Meeting with City Attorney in LA
Date: Friday, April 08, 2016 10:54:48 AM

It would be helpful if I can get back to you on that next week.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Friday, April 08, 2016 10:51 AM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: Wells: Meeting with City Attorney in LA

Leanne and Barry,

Natalie has signed off on a trip to Los Angeles to have an in-person meeting with our partners in the City Attorney's Office. I would need to participate by phone (b) (6). Let me know if there are any ideal dates for such a meeting and we can get it set up. (b) (5)

[REDACTED]

Lawrence D. Brown
Enforcement Attorney

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells: (b) (7)(E), (b) (5), (b) (8)
Date: Thursday, September 15, 2016 8:28:22 AM

Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598
Original Message
From: Brown, Lawrence (CFPB)
Sent: Thursday, September 15, 2016 8:16 AM
To: Ehrlich, Jeffrey (CFPB)
Subject: Wells: (b) (7)(E), (b) (5), (b) (8)

Jeff,

The native version is in color but is missing the bates labeling. The bates labeled version is in black and white.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells: Questions from the bank
Date: Tuesday, September 06, 2016 5:15:52 PM

(b) (5)

[REDACTED]

Announcement will be thursday. We can't tell them exact time. We can give them a preview of the press release before it goes live but can't promise any particular amount of lead time.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, September 06, 2016 01:14 PM
To: Wells, John (CFPB)
Subject: Wells: Questions from the bank

John,

Below are the questions from the bank:

1. When can they have a signed consent order?
2. What is the exact time (including time zone) of the announcement?
3. Would it be possible to get a copy of the press release a few hours before published not to editorialize, but to point out any inaccuracy?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Fax: (202) 435-7722

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1625 Eye Street, NW
Washington, DC 20006

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From: [Guidorizzi, Melissa \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Quick update
Date: Monday, July 25, 2016 2:04:00 PM

Thank you so much for keeping me in the loop!

Melissa Baal Guidorizzi

Senior Counsel for Enforcement Policy and Strategy
Office of Enforcement
Consumer Financial Protection Bureau
202 435 9712 (o)
melissa.guidorizzi@cfpb.gov
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Monday, July 25, 2016 1:37 PM
To: Guidorizzi, Melissa (CFPB)
Subject: Wells: Quick update

Melissa,

Last week, we provided the attached draft order to the bank. We meet with the bank and counsel on Wednesday. (b) (8)

The City Attorney, OCC, and Bureau are working together to coordinate a resolution of the issues. Let me know if you have questions.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Williams, Natalie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: Re: Wells: (b) (5)
Date: Tuesday, May 10, 2016 3:08:06 PM

Sounds good


From: Brown, Lawrence (CFPB)
Sent: Tuesday, May 10, 2016 06:42 AM
To: Williams, Natalie (CFPB)
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: Wells: (b) (5)

Natalie,

(b) (5)



I have attached that policy and procedure to this email. (b) (5)



Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Brown, Lawrence \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Wells: Resume 418
Date: Tuesday, May 03, 2016 3:44:21 PM

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
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1625 Eye Street, NW
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From: [Brown, Lawrence \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Wells: resume at 230
Date: Friday, May 13, 2016 3:54:36 PM

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
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consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Revised Consent Order + Redline
Date: Thursday, September 01, 2016 3:30:24 PM

Argh -probably just a few minutes too late to have you do it only once. I'm around now.

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-----Original Message-----

From: Reiferson, Barry (CFPB)
Sent: Thursday, September 01, 2016 12:14 PM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: Revised Consent Order + Redline

I'm free now.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Thursday, September 01, 2016 2:22 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: FW: Wells: Revised Consent Order + Redline

Barry and Leanne,

This is the very latest. Can fill you both in by phone if you are available to talk in about 10 minutes.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Lawrence Brown
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Washington, DC 20006

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-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Thursday, September 01, 2016 2:21 PM
To: Alexis, Anthony (CFPB)
Cc: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: Wells: Revised Consent Order + Redline

Tony,

Attached please find an updated order and redline that you can send back to Craig.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Fax: (202) 435-7722
consumerfinance.gov

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1625 Eye Street, NW
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Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Williams, Natalie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells: revised letter to Raman
Date: Wednesday, April 06, 2016 10:05:15 AM

(b) (5)



From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 06, 2016 10:03 AM
To: Williams, Natalie (CFPB)
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells: revised letter to Raman

(b) (5)



Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Williams, Natalie (CFPB)
Sent: Wednesday, April 06, 2016 9:57 AM
To: Brown, Lawrence (CFPB)
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells: revised letter to Raman

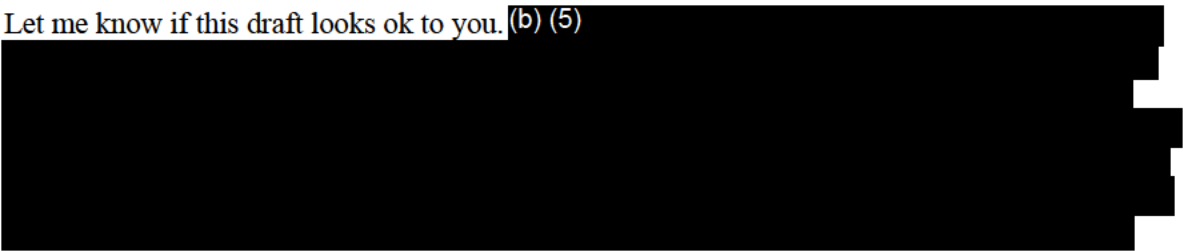
(b) (5)



From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 06, 2016 9:51 AM
To: Williams, Natalie (CFPB)
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: Wells: revised letter to Raman

Natalie,

Let me know if this draft looks ok to you. (b) (5)



(b) (5)



Thanks,

Lawrence

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Some last nits from Barry
Date: Thursday, August 25, 2016 1:31:50 PM

The changes in this one are fine by me. (b) (5)

Thanks,

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: Brown, Lawrence (CFPB)
Sent: Thursday, August 25, 2016 1:14 PM
To: Wells, John (CFPB)
Subject: Wells: Some last nits from Barry

John,

Barry submitted some last potential edits to me. (b) (5)

Let me know what you think.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Steve's availability for call with OCC
Date: Thursday, July 14, 2016 4:05:18 PM

He really meant 10-12 eastern?

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Thursday, July 14, 2016 4:05 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Steve's availability for call with OCC

Team,

Steve is available tomorrow between 10:00 am and 12:00 pm. His superiors may want to participate in the call as well, which might narrow that window a bit more. To keep the ball rolling it might make sense just to send an invite for 11:00 am EST on Friday.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Stip + Redline of Order (shows approved edits to last approved Bureau draft0
Date: Monday, August 29, 2016 10:30:07 AM

Thanks LB. (b) (5)

[REDACTED]

[REDACTED]

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Monday, August 29, 2016 10:24 AM
To: Wells, John (CFPB)
Subject: Wells: Stip + Redline of Order (shows approved edits to last approved Bureau draft0

John,

Attached please find the draft stip and revised order. I created a redline that shows all accepted edits to the Bureau's last approved draft. I flagged with comment bubbles edits that I made after our meeting this morning.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722
consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Ledbetter, Roshonda](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: transcript
Date: Wednesday, July 06, 2016 9:11:11 AM

It was locked. So he could not open it.

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Tuesday, July 05, 2016 7:42 PM
To: Ledbetter, Roshonda
Subject: Wells: transcript

Hi Roshonda,

Was the transcript that was inadvertently sent outside locked? Could Mr. Hartman even open it?

Thanks,

Lawrence

This message was sent from my Blackberry. Please excuse my typos.

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells: Update
Date: Wednesday, April 20, 2016 4:02:10 PM

Thanks for the update, Lawrence! (b) (5)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Also, did Anand give you a date for the DC meeting? (I realize there was a lot of information to cover today, so no worries if not, just didn't want to let it totally fall off the radar.)

I'm out tomorrow and Friday but happy to talk just about any time next week.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 20, 2016 11:27 AM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: Wells: Update

Leanne and Barry,

(b) (5), (b) (8)

[REDACTED]

Let me know if you all want to schedule a half hour call to talk to check in.

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Update
Date: Wednesday, May 04, 2016 2:42:14 PM

I'm sorry to hear that.

No worries. My calendar is pretty open until 3pm Pacific, so call any time.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, May 04, 2016 11:42 AM
To: Hartmann, Leanne (CFPB)
Subject: Re: Wells: Update

My apologies for the delay, (b) (6)

This message was sent from my Blackberry. Please excuse my typos.

From: Hartmann, Leanne (CFPB)
Sent: Wednesday, May 04, 2016 02:16 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: Re: Wells: Update

Finally free. Call whenever you're available.

Thanks!

From: Brown, Lawrence (CFPB)
Sent: Wednesday, May 04, 2016 10:18 AM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells: Update

No problem, just email when you are free,

Lawrence D. Brown
Enforcement Attorney

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From: Hartmann, Leanne (CFPB)
Sent: Wednesday, May 04, 2016 1:18 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: Re: Wells: Update

Actually, do you mind if we push it back to 2pm? Just get home and realized I have another call at 1:30 Eastern.

From: Hartmann, Leanne (CFPB)
Sent: Wednesday, May 04, 2016 10:09 AM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)

Subject: Re: Wells: Update

Sounds good. I will be reachable on bb, as I'm working from home the rest of today. (b) (6)

From: Brown, Lawrence (CFPB)
Sent: Wednesday, May 04, 2016 09:46 AM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells: Update

Leanne,

I will give you a shout at 1:30 EST.

Lawrence D. Brown
Enforcement Attorney

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From: Hartmann, Leanne (CFPB)
Sent: Wednesday, May 04, 2016 10:31 AM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: Re: Wells: Update

Hi Lawrence -

Thanks for the update! Barry and I are both traveling back from LA today, though that is a much quicker trip for me. Could we set a call for tomorrow, if that works with your schedules? I'm free late afternoon your time (say, 4pm?), as Jesse and James will be back in the SF office (b) (7)(A) in the morning Pacific time. Otherwise I can chat after about 1:30pm Eastern/10:30am Pacific - not sure whether Barry could join then or not.

Thanks!

From: Brown, Lawrence (CFPB)
Sent: Wednesday, May 04, 2016 07:06 AM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: Wells: Update

Leanne and Barry,

(b) (5)



(b) (5)



We can discuss sometime today if you are both free. Let me know if you all want to huddle up sometime today.

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Updated letter to Mr. Raman
Date: Wednesday, April 06, 2016 1:29:01 PM

No worries – taking very little time of mine! ☺ Thanks for getting it through the various levels of editing...

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 06, 2016 10:05 AM
To: Hartmann, Leanne (CFPB)
Subject: RE: Wells: Updated letter to Mr. Raman

I just sent it out. Sorry it's taking up so much time...

Lawrence D. Brown
Enforcement Attorney

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From: Hartmann, Leanne (CFPB)
Sent: Wednesday, April 06, 2016 12:17 PM
To: Brown, Lawrence (CFPB)
Subject: FW: Wells: Updated letter to Mr. Raman

Good morning/afternoon, Lawrence. Do you want to circulate the latest version, and I can take a look? (No rush, but I'm at my desk when it's ready!) Thanks!

From: Williams, Natalie (CFPB)
Sent: Wednesday, April 06, 2016 8:30 AM
To: Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: Updated letter to Mr. Raman

(b) (5)

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 06, 2016 10:19 AM
To: Williams, Natalie (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Updated letter to Mr. Raman

Natalie,

Attached please find the updated letter—all changes tracked.

Lawrence

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From: [Williams, Natalie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells: Updated mod letter
Date: Wednesday, April 13, 2016 9:34:19 AM

We have been in meetings - will look at it during my next break.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 13, 2016 08:21 AM
To: Williams, Natalie (CFPB)
Subject: FW: Wells: Updated mod letter

Natalie,

Let me know if this version is good to go to Jeff.

Lawrence D. Brown
Enforcement Attorney

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From: Brown, Lawrence (CFPB)
Sent: Monday, April 11, 2016 1:32 PM
To: Williams, Natalie (CFPB)
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: Wells: Updated mod letter

Natalie,

I updated the attached mod letter. Let us know if you any other edits before we send it to Jeff for signature.

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Williams, Natalie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells: Updated mod letter
Date: Wednesday, April 13, 2016 10:53:00 AM

This is fine

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 13, 2016 08:21 AM
To: Williams, Natalie (CFPB)
Subject: FW: Wells: Updated mod letter

Natalie,

Let me know if this version is good to go to Jeff.

Lawrence D. Brown
Enforcement Attorney

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From: Brown, Lawrence (CFPB)
Sent: Monday, April 11, 2016 1:32 PM
To: Williams, Natalie (CFPB)
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: Wells: Updated mod letter

Natalie,

I updated the attached mod letter. Let us know if you any other edits before we send it to Jeff for signature.

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Lohr, Douglas \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Working through production format issues
Date: Wednesday, April 27, 2016 4:11:10 PM

Will do

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 27, 2016 3:59 PM
To: Lohr, Douglas (CFPB)
Cc: (b) (6), (b) (7) Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); (b) (6), (b) (7)(C)
Subject: Wells: Working through production format issues

Doug,

(b) (5), (b) (6)
[REDACTED] She would like to participate in any call you have with him.

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: WF meeting
Date: Monday, May 16, 2016 12:25:33 PM

Lawrence,

Hope all is well.

Do we have a time and duration for the meeting with Anand?

Thanks,

Barry

Barry Reiferson

Enforcement Attorney

Office: 212-328-7020 | Mobile: (b) (6)

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From: [Lubash, Andrew\(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: WF Sales Practices
Date: Tuesday, July 05, 2016 9:21:18 AM

Also,

I'm not sure if you're expecting more productions from them, but if you could have them mail it to my attention (4083-B), that should hopefully ensure it doesn't get lost once it gets here. I handle all incoming productions for the field team.

Best,

Andrew Lubash
Project Assistant Fellow
Office of Enforcement
Consumer Financial Protection Bureau
Mobile: 202.306.0705 | Office: (b) (6)

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From: [Ahmad, Rumana \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: WF Transfer completed
Date: Monday, September 19, 2016 1:10:23 PM

Hi Lawrence-

Wells Fargo transferred the \$100M into the Civil Penalty Fund today.

Best,
Rumana

From: [Guidorizzi, Melissa \(CFPB\)](#)
To: [Alexis, Anthony \(CFPB\)](#); [Pearl, Joanna \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Petersen, Cara \(CFPB\)](#); [Morris, Deborah \(CFPB\)](#); [Rubenstein, David \(CFPB\)](#)
Cc: [Donoghue, Kristen \(CFPB\)](#); [Meyers, Karen \(CFPB\)](#)
Subject: FW: WFC case
Date: Tuesday, September 13, 2016 10:23:59 AM

All,

I received some very positive feedback from our Deposits Program Manager, Gary Stein, yesterday. Seems that the case was popular even in the banking community. I am hoping that this feedback will help balance some of the concerns about "industry" reaction in our future work.

Congratulations again to the team!

Melissa

Melissa Baal Guidorizzi

Senior Counsel for Enforcement Policy and Strategy
Office of Enforcement
Consumer Financial Protection Bureau
202 435 9712 (o)
melissa.guidorizzi@cfpb.gov
consumerfinance.gov

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From: Stein, Gary (CFPB)
Sent: Monday, September 12, 2016 11:19 AM
To: Guidorizzi, Melissa (CFPB)
Subject: WFC case

BTW, forgot to mention: I have had a number of bankers reach out to me to express gratitude for the CFPB's action against WFC and disgust that such a situation occurred. While many were from community banks, not all were. I don't recall an action like this we have taken getting so much applause and so little pushback. But perhaps it is early. In any event, nicely done!

If you have not seen it yet, check out this AB article and be sure to read the comments:
<http://www.americanbanker.com/news/law-regulation/why-arent-exec-heads-rolling-at-wells-fargo-1091219-1.html#comments>

Gary Stein | Acting Assistant Director and Deposits Markets Program Manager
Office of Deposits, Liquidity Lending, and Reporting Markets
Consumer Financial Protection Bureau
T: (202) 435-7509 | M: (b) (6)
gary.stein@cfpb.gov | www.consumerfinance.gov

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From: [Wells, John \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: WFSP
Date: Monday, July 18, 2016 1:11:59 PM

Great, thanks.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: Reiferson, Barry (CFPB)
Sent: Monday, July 18, 2016 1:12 PM
To: Wells, John (CFPB); Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: WFSP

She has conducted searches for us in preparation for hearings. (b) (5)

[REDACTED]

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Wells, John (CFPB)
Sent: Monday, July 18, 2016 1:10 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: WFSP

Does Roshonda need Relativity access for this one? (I'm responding to a question about cleaning up some of our permissions.) Thanks,

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Will send RFPA soon
Date: Thursday, May 12, 2016 4:40:00 PM

Have one from last time.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Thursday, May 12, 2016 4:40 PM
To: Reiferson, Barry (CFPB)
Subject: Will send RFPA soon

This message was sent from my Blackberry. Please excuse my typos.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Wells, John \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: WSJ has connected the dots.
Date: Thursday, September 08, 2016 9:45:50 AM

<http://www.wsj.com/articles/wells-fargo-to-be-subject-of-enforcement-action-over-cross-selling-sales-practices-1473297485>

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: [Lohr, Douglas \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: You can handle the call on your own
Date: Wednesday, April 27, 2016 4:13:50 PM

If there are any questions I will ping you, no worries!

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 27, 2016 4:07 PM
To: Lohr, Douglas (CFPB)
Subject: You can handle the call on your own

Doug,

You can visit with (b) (6), (b) (7)(C) and (b) (6), (b) (7)(C) without me. (b) (5)
(b) (6), (b) (7)(C) If you would prefer to have one of us on the call, then we'll be there at your request.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: depo@ftrinc.net
To: [Brown, Lawrence \(CFPB\)](#)
Cc: depo@ftrinc.net
Subject: ZRE: Permission to release copies courtesy copies of transcripts
Date: Tuesday, July 05, 2016 2:20:26 PM

Received.

Thanks,

Production Department
For The Record, Inc.
10760 Demarr Road
White Plains, Maryland 20695
301-870-8025 or 800-921-5555
301-870-8333 (fax)

--- Original Message ---

Sent to: depo@ftrinc.net;

CC's to:

Roshonda.Ledbetter@cfpb.gov;Anand.Raman@skadden.com;Darren.Welch@skadden.com;Barry.Reiferson@cfpb.gov

Signed by: zixvpmgateway@zixvpm.cfpb.gov

On behalf of: lawrence.brown@cfpb.gov

On: July 05, 2016 at: 13:27:22 (Eastern Daylight Time)

Subject: Permission to release copies courtesy copies of transcripts

Dear For The Record,

It's my understanding that Mr. Raman and Mr. Welch (copied here) may wish to purchase copies of the transcripts for (b) (6), (b) (7)(C) [REDACTED] We have no objections to them purchasing and obtaining their own copies of those transcripts.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov<<mailto:lawrence.brown@cfpb.gov>>

Phone: (202) 435-7116

Mobile: (b) (6) [REDACTED]

Fax: (202) 435-7722
consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: # of people disciplined
Date: Friday, July 01, 2016 10:20:23 AM

Okay

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Friday, July 01, 2016 10:20 AM
To: Ehrlich, Jeffrey (CFPB)
Subject: # of people disciplined

You may want to disclose that number

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: FW: [PRESS] CNBC: Wells Fargo to end sales goals for retail bankers
Date: Tuesday, September 13, 2016 11:11:20 AM

!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Van Dyke, Laura (CFPB)
Sent: Tuesday, September 13, 2016 11:10 AM
To: Agarwal, Abhishek (CFPB); Alag, Sartaj (CFPB); Alexis, Anthony (CFPB); Auchterlonie, Sarah (CFPB); Blatnik, Edward (CFPB); Bleicken, David (CFPB); Block, Michael (CFPB); Boison, Elizabeth (CFPB); Borzekowski, Ron (CFPB); Brown, Amy (CFPB); 'Bulletin News'; Cameron, Matt (CFPB); Canan, Stacy (CFPB); Case, Whitney (CFPB); CFPB_Daily Briefing Book; Chandler, Jocelyn (CFPB); Chea, Keo (CFPB); Chieco, Gena (CFPB); Cochran, Kelly (CFPB); Conrad, Derek (CFPB); Corbett, Elizabeth (CFPB); Criado, Alicia (CFPB); Cumpiano, Flavio (CFPB); D'Angelo, Chris (CFPB); Deutsch, Rebecca (CFPB); Donoghue, Kristen (CFPB); Dully, Crystal (CFPB); Duong, Nhu-Han (CFPB); Ehrlich, Jeffrey (CFPB); Eisenhower, Nora (CFPB); Ellis, Elizabeth (CFPB); English, Leandra (CFPB); Erdmann, Craig (CFPB); Eskola, David (CFPB); Ficklin, Patrice (CFPB); France, Elizabeth (CFPB); Frotman, Seth (CFPB); Fulford, Martha (CFPB); Galicia, Catherine (CFPB); Gilford, Samuel (CFPB); Gragan, David (CFPB); Griffin, Mary (CFPB); Hand, Delicia (CFPB); Harper, Morgan (CFPB); Hassouni, Lauren (CFPB); Hayes, Stephen (CFPB); Hillebrand, Gail (CFPB); Holland, Megan (CFPB); Howard, Jennifer (CFPB); Hrdy, Alice (CFPB); Hunt, Wanda (CFPB); Johnson, Christine (CFPB); Konwinski, Lisa (CFPB); Korn, Jonathan (CFPB); Kunapuli, Deepika (CFPB); Langer, Jeffrey (CFPB); Lee, Swan (CFPB); Limon, Noerena (CFPB); Lipsett, Christopher (CFPB); Logan, Amanda (CFPB); Manna, Meredith (CFPB); Markus, Kent (CFPB); Martin, Angela (CFPB); Martinez, Zixta (CFPB); Martinovich, Alicia (CFPB); Mayorga, David (CFPB); Molyneaux, Terri (CFPB); More, Isabella (CFPB); Morris, Deborah (CFPB); Mosen, Lea (CFPB); Muniz, Brenda (CFPB); Nakamura, Kent (CFPB); Nassar, Shaba (CFPB); O'Brien, Brian "Patrick" (CFPB); Olstad, Per (CFPB); Pandolfo, Anthony (CFPB); Parker Rose, Cheryl (CFPB); Pearl, Joanna (CFPB); Petersen, Cara (CFPB); Peterson, Christopher (Detail) (CFPB); Petraeus, Hollister (CFPB); Pierce, Michael (CFPB); Pippin, Matthew (CFPB); Pitts, John (CFPB); Pope, David (CFPB); Quan, Dan (CFPB); Raso, Connor (CFPB); Raso, Jane (CFPB); RC; Rubenstein, David (CFPB); Russell, Jessica (CFPB); Sanford, Paul (CFPB); Sapir, Amanda (CFPB); Sheehan, Timothy (CFPB); Silberman, David (CFPB); Smith, Daniel (CFPB); Sokolov, Dan (CFPB); Standarowski, Derek (CFPB); Stern, Gena (CFPB); Stockett, Jennifer (CFPB); Stone, Bayard "Corey" (CFPB); Suskind, Walter (CFPB); Swartz, Jeff (CFPB); Szybala, Julia (CFPB); Thibos, Megan (CFPB); Thompson, Diane (CFPB); Thompson, Shelley (CFPB); Tindall, Anne (CFPB); Tosini, Suzanne (CFPB); Truong, To-Quyen (CFPB); Twohig, Peggy (CFPB); Vaeth, Chris (CFPB); Vahey, Moira (CFPB); Van Dyke, Laura (CFPB); VanMeter, Stephen (CFPB); Vasan, Ashwin (CFPB); Wade-Gery, William (CFPB); Welbeck, Katherine (CFPB); White, Evan (CFPB); Williams, Richard (CFPB); Winseck, Brian (CFPB); Young, Christopher (CFPB); Zorc, Anne (CFPB); Minor, John (CFPB); McNamara, John (CFPB); Ploch, Amanda (CFPB); McNamara, John (CFPB); Weldon, Lauren (CFPB); McPartland, Kristin (CFPB); Ober, James (Intern) (CFPB)
Subject: [PRESS] CNBC: Wells Fargo to end sales goals for retail bankers

CNBC: Wells Fargo to end sales goals for retail bankers

[Wells Fargo](#), the largest U.S. bank by market capitalization, said on Tuesday it would eliminate all product sales goals in retail banking, starting next year.

The move comes days after the Consumer Financial Protection Bureau (CFPB) and two other regulators fined the bank \$185 million over abusive sales practices.

The bank paid another \$5 million to customers for creating more than two million fake accounts for products like credit and debit cards to meet aggressive sales targets.

Customers should know that Wells Fargo retail bankers are always focused on their best interests, Chief Executive John Stumpf said in a statement on Tuesday.

The enforcement action caught the attention of U.S. presidential candidate Hillary Clinton, who on Friday applauded the CFPB, censuring Wells Fargo for what she called "outrageous behavior."

On Monday, five lawmakers wrote a letter to U.S. Senate Banking Committee Chairman Richard Shelby calling for an investigation.

Credit rating agency Moody's Investors Service also commented, saying the "embarrassing episode" would have a negative impact on Wells Fargo's outstanding debt.

Wells Fargo said it had fired 5,300 employees involved in the sales practices described by the settlement.

Wells Fargo CEO Chief Executive John Stumpf will appear on CNBC's "Mad Money" on Tuesday at 6:00 p.m. ET.

<http://www.cnbc.com/2016/09/13/wells-fargo-to-eliminate-product-sales-goals-for-retail-bankers.html>

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: Re: [PRESS] MarketWatch: Thousands of complaints suggest account issues are not limited to Wells Fargo
Date: Tuesday, September 13, 2016 12:39:42 PM

Keep it short.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Reiferson, Barry (CFPB)
Sent: Tuesday, September 13, 2016 12:38 PM
To: Ehrlich, Jeffrey (CFPB); Brown, Lawrence (CFPB)
Subject: RE: [PRESS] MarketWatch: Thousands of complaints suggest account issues are not limited to Wells Fargo

LB sent a sample. On it.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Ehrlich, Jeffrey (CFPB)
Sent: Tuesday, September 13, 2016 12:33 PM
To: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: Fw: [PRESS] MarketWatch: Thousands of complaints suggest account issues are not limited to Wells Fargo

Let's get moving. (b) (7)(A)

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Van Dyke, Laura (CFPB) <Laura.VanDyke@cfpb.gov>
Sent: Tuesday, September 13, 2016 12:19 PM
To: Agarwal, Abhishek (CFPB); Alag, Sartaj (CFPB); Alexis, Anthony (CFPB); Auchterlonie, Sarah (CFPB); Blatnik, Edward (CFPB); Bleicken, David (CFPB); Block, Michael (CFPB); Boison, Elizabeth (CFPB); Borzekowski, Ron (CFPB); Brown, Amy (CFPB); 'Bulletin News'; Cameron, Matt (CFPB); Canan, Stacy (CFPB); Case, Whitney (CFPB); CFPB_Daily Briefing Book; Chandler, Jocelyn (CFPB); Chea, Keo (CFPB); Chieco, Gena (CFPB); Cochran, Kelly (CFPB); Conrad, Derek (CFPB); Corbett, Elizabeth (CFPB); Criado, Alicia (CFPB); Cumpiano, Flavio (CFPB); D'Angelo, Chris (CFPB); Deutsch, Rebecca (CFPB); Donoghue, Kristen (CFPB); Dully, Crystal (CFPB); Duong, Nhu-Han (CFPB); Ehrlich, Jeffrey (CFPB); Eisenhower, Nora

(CFPB); Ellis, Elizabeth (CFPB); English, Leandra (CFPB); Erdmann, Craig (CFPB); Eskola, David (CFPB); Ficklin, Patrice (CFPB); France, Elizabeth (CFPB); Frotman, Seth (CFPB); Fulford, Martha (CFPB); Galicia, Catherine (CFPB); Gilford, Samuel (CFPB); Gragan, David (CFPB); Griffin, Mary (CFPB); Hand, Delicia (CFPB); Harper, Morgan (CFPB); Hassouni, Lauren (CFPB); Hayes, Stephen (CFPB); Hillebrand, Gail (CFPB); Holland, Megan (CFPB); Howard, Jennifer (CFPB); Hrdy, Alice (CFPB); Hunt, Wanda (CFPB); Johnson, Christine (CFPB); Konwinski, Lisa (CFPB); Korn, Jonathan (CFPB); Kunapuli, Deepika (CFPB); Langer, Jeffrey (CFPB); Lee, Swan (CFPB); Limon, Noerena (CFPB); Lipsett, Christopher (CFPB); Logan, Amanda (CFPB); Manna, Meredith (CFPB); Markus, Kent (CFPB); Martin, Angela (CFPB); Martinez, Zixta (CFPB); Martinovich, Alicia (CFPB); Mayorga, David (CFPB); Molyneaux, Terri (CFPB); More, Isabella (CFPB); Morris, Deborah (CFPB); Mosena, Lea (CFPB); Muniz, Brenda (CFPB); Nakamura, Kent (CFPB); Nassar, Shaba (CFPB); O'Brien, Brian Patrick (CFPB); Olstad, Per (CFPB); Pandolfo, Anthony (CFPB); Parker Rose, Cheryl (CFPB); Pearl, Joanna (CFPB); Petersen, Cara (CFPB); Peterson, Christopher (Detailee)(CFPB); Petraeus, Hollister (CFPB); Pierce, Michael (CFPB); Pippin, Matthew (CFPB); Pitts, John (CFPB); Pope, David (CFPB); Quan, Dan (CFPB); Raso, Connor (CFPB); Raso, Jane (CFPB); RC; Rubenstein, David (CFPB); Russell, Jessica (CFPB); Sanford, Paul (CFPB); Sapir, Amanda (CFPB); Sheehan, Timothy (CFPB); Silberman, David (CFPB); Smith, Daniel (CFPB); Sokolov, Dan (CFPB); Standarowski, Derek (CFPB); Stern, Gena (CFPB); Stockett, Jennifer (CFPB); Stone, Bayard Corey (CFPB); Suskind, Walter (CFPB); Swartz, Jeff (CFPB); Szybala, Julia (CFPB); Thibos, Megan (CFPB); Thompson, Diane (CFPB); Thompson, Shelley (CFPB); Tindall, Anne (CFPB); Tosini, Suzanne (CFPB); Truong, To-Quyen (CFPB); Twohig, Peggy (CFPB); Vaeth, Chris (CFPB); Vahey, Moira (CFPB); Van Dyke, Laura (CFPB); VanMeter, Stephen (CFPB); Vasani, Ashwin (CFPB); Wade-Gery, William (CFPB); Welbeck, Katherine (CFPB); White, Evan (CFPB); Williams, Richard (CFPB); Winseck, Brian (CFPB); Young, Christopher (CFPB); Zorc, Anne (CFPB); Minor, John (CFPB); McNamara, John (CFPB); Ploch, Amanda (CFPB); McNamara, John (CFPB); Weldon, Lauren (CFPB); McPartland, Kristin (CFPB); Ober, James (Intern)(CFPB)

Subject: [PRESS] MarketWatch: Thousands of complaints suggest account issues are not limited to Wells Fargo

MarketWatch: Thousands of complaints suggest account issues are not limited to Wells Fargo

Steve Goldstein

September 13, 2016

The news that Wells Fargo secretly created over two million accounts generated outrage across the country.

Wells Fargo said it regrets and takes responsibility for “any instances where customers may have received a product that they did not request.” It’s refunded \$2.6 million, or an average of \$25, to customers who were impacted.

But a look at a database of customer complaints finds that issues of account openings and closings are not limited to that bank — raising at least the possibility that the practice could go on elsewhere. The database, from the Consumer Financial Protection Bureau, shows over 30,000 complaints on the issue of “account opening, closing or management.”

Two senators, in a letter on Monday to CFPB Director Richard Cordray, [asked whether the agency has looked into the question of whether the practice goes on at other institutions.](#)

The complaints are against lenders big and small, and, not surprisingly, there are thousands of complaints lodged against the major institutions. Under the “account opening, closing or management” heading, Bank of America had the highest number of complaints, at 4,901, followed by Wells Fargo at 4,450, J.P. Morgan Chase at 3,169 and Citi at 2,260, a MarketWatch analysis has found.

Representatives of Bank of America and Citi declined to comment, and J.P. Morgan had not returned a message.

It’s important to stress that a customer complaint doesn’t mean the bank is at fault. And there’s a vast array of issues that could be included under the category heading of account openings, closings and management. The CFPB database only occasionally has a “customer narrative” that explains the issue at hand.

One common issue seems to arise when a customer closes an account, but then a check written from it is cashed. The bank honors that check, which forces the account to be reopened. Another source of customer anger is when an account is closed by the bank for inactivity or negative balances.

There was one telling “narrative,” however, about Wells Fargo.

A customer last year reported an incident in which a teller tried to get the person to reopen a savings account previously opened without permission. “I may not have looked like it because I was dressed in shopping gear, but I work for a bank myself and I know a little about deceptive practices that some individuals use to meet their sales goals. If I did not have inside knowledge, I may have once again fallen victim to these deceptive practices.”

That particular complaint was labeled “closed with explanation” by the CFPB.

<http://www.marketwatch.com/story/thousands-of-complaints-suggest-account-issues-not-limited-to-wells-fargo-2016-09-12>

From: [Pearl, Joanna \(CFPB\)](#)
To: [Enforcement Team CFPB](#)
Subject: FW: [PRESS] WATCH Reuters Video interview with Tony Alexis
Date: Monday, September 12, 2016 1:30:41 PM

Joanna Pearl

Office of Enforcement
Consumer Financial Protection Bureau
202 435 7411
joanna.pearl@cfpb.gov
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Van Dyke, Laura (CFPB)
Sent: Monday, September 12, 2016 10:08 AM
Subject: [PRESS] WATCH Reuters Video interview with Tony Alexis

Reuters Video: Wells Fargo to pay \$190 mln to settle customer fraud case

<http://www.reuters.com/video/2016/09/09/wells-fargo-to-pay-190-mln-to-settle-cus?videoId=369808642&videoChannel=5&channelName=Business>

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: FW: [PRESS] WSJ: The Mess At Wells Fargo: Winners and Losers In Washington
Date: Tuesday, September 13, 2016 5:04:19 PM

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Van Dyke, Laura (CFPB)
Sent: Tuesday, September 13, 2016 5:03 PM
To: Agarwal, Abhishek (CFPB); Alag, Sartaj (CFPB); Alexis, Anthony (CFPB); Auchterlonie, Sarah (CFPB); Blatnik, Edward (CFPB); Bleicken, David (CFPB); Block, Michael (CFPB); Boison, Elizabeth (CFPB); Borzekowski, Ron (CFPB); Brown, Amy (CFPB); 'Bulletin News'; Cameron, Matt (CFPB); Canan, Stacy (CFPB); Case, Whitney (CFPB); CFPB_Daily Briefing Book; Chandler, Jocelyn (CFPB); Chea, Keo (CFPB); Chieco, Gena (CFPB); Cochran, Kelly (CFPB); Conrad, Derek (CFPB); Corbett, Elizabeth (CFPB); Criado, Alicia (CFPB); Cumpiano, Flavio (CFPB); D'Angelo, Chris (CFPB); Deutsch, Rebecca (CFPB); Donoghue, Kristen (CFPB); Dully, Crystal (CFPB); Duong, Nhu-Han (CFPB); Ehrlich, Jeffrey (CFPB); Eisenhower, Nora (CFPB); Ellis, Elizabeth (CFPB); English, Leandra (CFPB); Erdmann, Craig (CFPB); Eskola, David (CFPB); Ficklin, Patrice (CFPB); France, Elizabeth (CFPB); Frotman, Seth (CFPB); Fulford, Martha (CFPB); Galicia, Catherine (CFPB); Gilford, Samuel (CFPB); Gragan, David (CFPB); Griffin, Mary (CFPB); Hand, Delicia (CFPB); Harper, Morgan (CFPB); Hassouni, Lauren (CFPB); Hayes, Stephen (CFPB); Hillebrand, Gail (CFPB); Holland, Megan (CFPB); Howard, Jennifer (CFPB); Hrdy, Alice (CFPB); Hunt, Wanda (CFPB); Johnson, Christine (CFPB); Konwinski, Lisa (CFPB); Korn, Jonathan (CFPB); Kunapuli, Deepika (CFPB); Langer, Jeffrey (CFPB); Lee, Swan (CFPB); Limon, Noerena (CFPB); Lipsett, Christopher (CFPB); Logan, Amanda (CFPB); Manna, Meredith (CFPB); Markus, Kent (CFPB); Martin, Angela (CFPB); Martinez, Zixta (CFPB); Martinovich, Alicia (CFPB); Mayorga, David (CFPB); Molyneaux, Terri (CFPB); More, Isabella (CFPB); Morris, Deborah (CFPB); Mosen, Lea (CFPB); Muniz, Brenda (CFPB); Nakamura, Kent (CFPB); Nassar, Shaba (CFPB); O'Brien, Brian "Patrick" (CFPB); Olstad, Per (CFPB); Pandolfo, Anthony (CFPB); Parker Rose, Cheryl (CFPB); Pearl, Joanna (CFPB); Petersen, Cara (CFPB); Peterson, Christopher (Detail) (CFPB); Petraeus, Hollister (CFPB); Pierce, Michael (CFPB); Pippin, Matthew (CFPB); Pitts, John (CFPB); Pope, David (CFPB); Quan, Dan (CFPB); Raso, Connor (CFPB); Raso, Jane (CFPB); RC; Rubenstein, David (CFPB); Russell, Jessica (CFPB); Sanford, Paul (CFPB); Sapir, Amanda (CFPB); Sheehan, Timothy (CFPB); Silberman, David (CFPB); Smith, Daniel (CFPB); Sokolov, Dan (CFPB); Standarowski, Derek (CFPB); Stern, Gena (CFPB); Stockett, Jennifer (CFPB); Stone, Bayard "Corey" (CFPB); Suskind, Walter (CFPB); Swartz, Jeff (CFPB); Szybala, Julia (CFPB); Thibos, Megan (CFPB); Thompson, Diane (CFPB); Thompson, Shelley (CFPB); Tindall, Anne (CFPB); Tosini, Suzanne (CFPB); Truong, To-Quyen (CFPB); Twohig, Peggy (CFPB); Vaeth, Chris (CFPB); Vahey, Moira (CFPB); Van Dyke, Laura (CFPB); VanMeter, Stephen (CFPB); Vasan, Ashwin (CFPB); Wade-Gery, William (CFPB); Welbeck, Katherine (CFPB); White, Evan (CFPB); Williams, Richard (CFPB); Winseck, Brian (CFPB); Young, Christopher (CFPB); Zorc, Anne (CFPB); Minor, John (CFPB); McNamara, John (CFPB); Ploch, Amanda (CFPB); McNamara, John (CFPB); Weldon, Lauren (CFPB); McPartland, Kristin (CFPB); Ober, James (Intern) (CFPB)
Subject: [PRESS] WSJ: The Mess At Wells Fargo: Winners and Losers In Washington

WSJ: The Mess At Wells Fargo: Winners and Losers In Washington

Fallout could complicate efforts to curb the powers of the Consumer Finance Protection Bureau
John Carney

September 13, 2016

The fallout from [alleged cross-selling misdeeds](#) at [Wells Fargo](#) & Co. may radiate across the banking sector. But there could be one big beneficiary: the Consumer Financial Protection Bureau.

The uproar over Wells Fargo's sales practices could undercut efforts to curb the CFPB's powers, according to a note from Cowen and Company analyst Jaret Seiberg. "Progressives will argue that the Wells Fargo's case demonstrates that the CFPB needs more power and more funding rather than less," he wrote.

One potential casualty: the Financial CHOICE Act that is [scheduled for consideration by the House Financial Services Committee this week](#). The CHOICE Act, introduced by Financial Services Committee Chairman Jeb Hensarling (R-Texas), is the most sweeping effort to date [to revise the regulatory infrastructure created by the Dodd-Frank](#) Wall Street Reform and Consumer Protection Act of 2010.

The Choice Act would curtail the CFPB's authority to ban bank products and services it deems abusive, and require the bureau to obtain permission before collecting personal information on consumers. It would also replace the CFPB's single director with a five-member bi-partisan commission and change its name to the Consumer Financial Opportunity Commission.

According to Mr. Seiberg, "it is hard to see the CFPB losing power in the wake of this enforcement action."

<http://blogs.wsj.com/moneybeat/2016/09/13/the-mess-at-wells-fargo-winners-and-losers-in-washington/>

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: 9am start
Date: Tuesday, June 28, 2016 7:57:24 AM

I am here.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, June 28, 2016 7:57 AM
To: Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Wells, John (CFPB)
Subject: RE: 9am start

I am in the office now. Feel free to give me a call when you arrive.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Ehrlich, Jeffrey (CFPB)
Sent: Monday, June 27, 2016 5:32 PM
To: Reiferson, Barry (CFPB); Wells, John (CFPB); Brown, Lawrence (CFPB)
Subject: RE: 9am start

I'll be here by around 8:15, if that's early enough.

Jeff Ehrlich

Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Reiferson, Barry (CFPB)
Sent: Monday, June 27, 2016 5:27 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Brown, Lawrence (CFPB)
Subject: 9am start

We have a 9am start so I can get here a bit early. But I'd need someone to let me in. Anyone in early tomorrow?

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Reiferson, Barry \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: RE: 9am start
Date: Tuesday, June 28, 2016 8:20:22 AM

Thanks. Lawrence was kind enough to let me in. I'm doing a bit of prep and will make my way down, maybe with Lawrence. I understand our room may be noisy. Aaron tells me that if we want to switch we'd have to ask occupants of another room. He suggests one on 4.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Ehrlich, Jeffrey (CFPB)
Sent: Tuesday, June 28, 2016 8:15 AM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Wells, John (CFPB)
Subject: RE: 9am start

Steve is in my office.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, June 28, 2016 7:57 AM
To: Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Wells, John (CFPB)
Subject: RE: 9am start

I am in the office now. Feel free to give me a call when you arrive.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Ehrlich, Jeffrey (CFPB)
Sent: Monday, June 27, 2016 5:32 PM
To: Reiferson, Barry (CFPB); Wells, John (CFPB); Brown, Lawrence (CFPB)
Subject: RE: 9am start

I'll be here by around 8:15, if that's early enough.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Reiferson, Barry (CFPB)
Sent: Monday, June 27, 2016 5:27 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Brown, Lawrence (CFPB)
Subject: 9am start

We have a 9am start so I can get here a bit early. But I'd need someone to let me in. Anyone in early tomorrow?

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#)
Subject: Re: 2016-CFPB-0015, 2 PDFs Attached
Date: Thursday, September 08, 2016 11:17:22 AM

LB and I on shuttle.

From: Brown, Lawrence (CFPB)
Sent: Thursday, September 08, 2016 11:12 AM
To: Wells, John (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: Re: 2016-CFPB-0015, 2 PDFs Attached

10-4. Downstairs in lobby

This message was sent from my Blackberry. Please excuse my typos.

From: Wells, John (CFPB)
Sent: Thursday, September 08, 2016 11:08 AM
To: Brown, Lawrence (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: RE: 2016-CFPB-0015, 2 PDFs Attached

(But don't send yet.)

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Wells, John (CFPB)
Sent: Thursday, September 08, 2016 11:07 AM
To: Brown, Lawrence (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: RE: 2016-CFPB-0015, 2 PDFs Attached

Press release still pending finalization. But here are the two file-stamped pdfs.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Thursday, September 08, 2016 10:51 AM
To: Wells, John (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: RE: 2016-CFPB-0015, 2 PDFs Attached

I will bring my computer with me to NOMA so that I can forward the materials once you both say it's ok.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Wells, John (CFPB)
Sent: Thursday, September 08, 2016 10:03 AM
To: Brown, Lawrence (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: FW: 2016-CFPB-0015, 2 PDFs Attached

Here's the filed copy of the order and stip. We can't share this and the final press release with the bank yet, but will be able to shortly before the announcement.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: CFPB_Executive Secretary

Sent: Thursday, September 08, 2016 9:12 AM

To: Kirby, Christine (CFPB); Zayas, Alexis "Ali" (CFPB); Morgan, Jameelah (Contractor)(CFPB); CFPB_digital; Simpson, Sarah (Contractor)(CFPB); Boison, Elizabeth (CFPB); Fulton, Kate (CFPB); Harper, Morgan (CFPB); Howard, Jennifer (CFPB); Eskola, David (CFPB); Turner, Austin (Detaillee)(CFPB); Williams, Monique (CFPB); Pearl, Joanna (CFPB); Chieco, Gena (CFPB); Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB); Brown, Lawrence (CFPB); Mayorga, David (CFPB); Dohn, Kristin (CFPB)

Subject: FW: 2016-CFPB-0015, 2 PDFs Attached

FYI – Exec Sec has filed the attached documents with OAA.

From: CFPB_Executive Secretary

Sent: Thursday, September 08, 2016 9:10 AM

To: CFPB_Electronic_Filings

Cc: CFPB_Executive Secretary

Subject: 2016-CFPB-0015, 2 PDFs Attached

1. 2 PDF files are attached
2. 1 document in each attachment
3. 2016-CFPB-0015–Wells Fargo Bank, NA-Consent Order; 2016-CFPB-0015–Wells Fargo Bank, NA–Stipulation
4. Not encrypted
5. Marisa B. Van Saanen
Marisa.Vansaanen@skadden.com
(202) 371-7228
Darren Welch
Darren.Welch@skadden.com
(202) 371-7804
Anand Raman
Anand.Raman@skadden.com
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Anthony Alexis

Anthony.Alexis@cfpb.gov

(202) 435-7999

Jeffrey Paul Ehrlich

Jeff.Ehrlich@cfpb.gov

(202) 435-7598

John C. Wells

John.Wells@cfpb.gov

(202) 435-9319

Lawrence D. Brown

Lawrence.Brown@cfpb.gov

(202) 435-7116

Barry Reiferson

Barry.Reiferson@cfpb.gov

(b) (6)

Leanne Hartmann

Leanne.Hartmann@cfpb.gov

(b) (6)

Consumer Financial Protection Bureau

1700 G St NW

Washington, DC 20552

6. Gena Chieco, Office of the Executive Secretary, CFPB

gena.chieco@cfpb.gov

(202) 435-9804

Consumer Financial Protection Bureau

1700 G Street NW

Washington, DC 20552

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Wells, John \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: 2016-CFPB-0015, 2 PDFs Attached
Date: Thursday, September 08, 2016 10:09:45 AM

Let's hold off until we get a file-stamped copy.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Wells, John (CFPB)
Sent: Thursday, September 08, 2016 10:03 AM
To: Brown, Lawrence (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: FW: 2016-CFPB-0015, 2 PDFs Attached

Here's the filed copy of the order and stip. We can't share this and the final press release with the bank yet, but will be able to shortly before the announcement.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: CFPB_Executive Secretary
Sent: Thursday, September 08, 2016 9:12 AM
To: Kirby, Christine (CFPB); Zayas, Alexis "Ali" (CFPB); Morgan, Jameelah (Contractor)(CFPB); CFPB_digital; Simpson, Sarah (Contractor)(CFPB); Boison, Elizabeth (CFPB); Fulton, Kate (CFPB); Harper, Morgan (CFPB); Howard, Jennifer (CFPB); Eskola, David (CFPB); Turner, Austin (Detaillee)(CFPB); Williams, Monique (CFPB); Pearl, Joanna (CFPB); Chieco, Gena (CFPB); Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB); Brown, Lawrence (CFPB); Mayorga, David (CFPB); Dohn, Kristin (CFPB)
Subject: FW: 2016-CFPB-0015, 2 PDFs Attached

FYI – Exec Sec has filed the attached documents with OAA.

From: CFPB_Executive Secretary
Sent: Thursday, September 08, 2016 9:10 AM
To: CFPB_Electronic_Filings

Cc: CFPB_Executive Secretary
Subject: 2016-CFPB-0015, 2 PDFs Attached

1. 2 PDF files are attached
2. 1 document in each attachment
3. 2016-CFPB-0015–Wells Fargo Bank, NA-Consent Order; 2016-CFPB-0015–Wells Fargo Bank, NA–Stipulation
4. Not encrypted
5. Marisa B. Van Saanen
Marisa.Vansaanen@skadden.com
(202) 371-7228
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Darren.Welch@skadden.com
(202) 371-7804
Anand Raman
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Lawrence D. Brown
Lawrence.Brown@cfpb.gov
(202) 435-7116
Barry Reiferson
Barry.Reiferson@cfpb.gov
(b) (6)
Leanne Hartmann
Leanne.Hartmann@cfpb.gov
(b) (6)
Consumer Financial Protection Bureau
1700 G St NW
Washington, DC 20552

6. Gena Chieco, Office of the Executive Secretary, CFPB
gena.chieco@cfpb.gov
(202) 435-9804
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: A bit more about notice
Date: Monday, July 11, 2016 1:12:37 PM

This message was sent securely using ZixCorp.

Thanks, Lawrence. (I got all of the e-mails.) We'll review and get back to you soon.
(Hopefully today.)

Steve

--- Originally sent by lawrence.brown@cfpb.gov on Jul 11, 2016 9:49 AM ---

This message was sent securely using ZixCorp.

Steve,

Right now our order would only require notice to remediated consumers, but we can add a broader notice requirement before we send it to the bank.

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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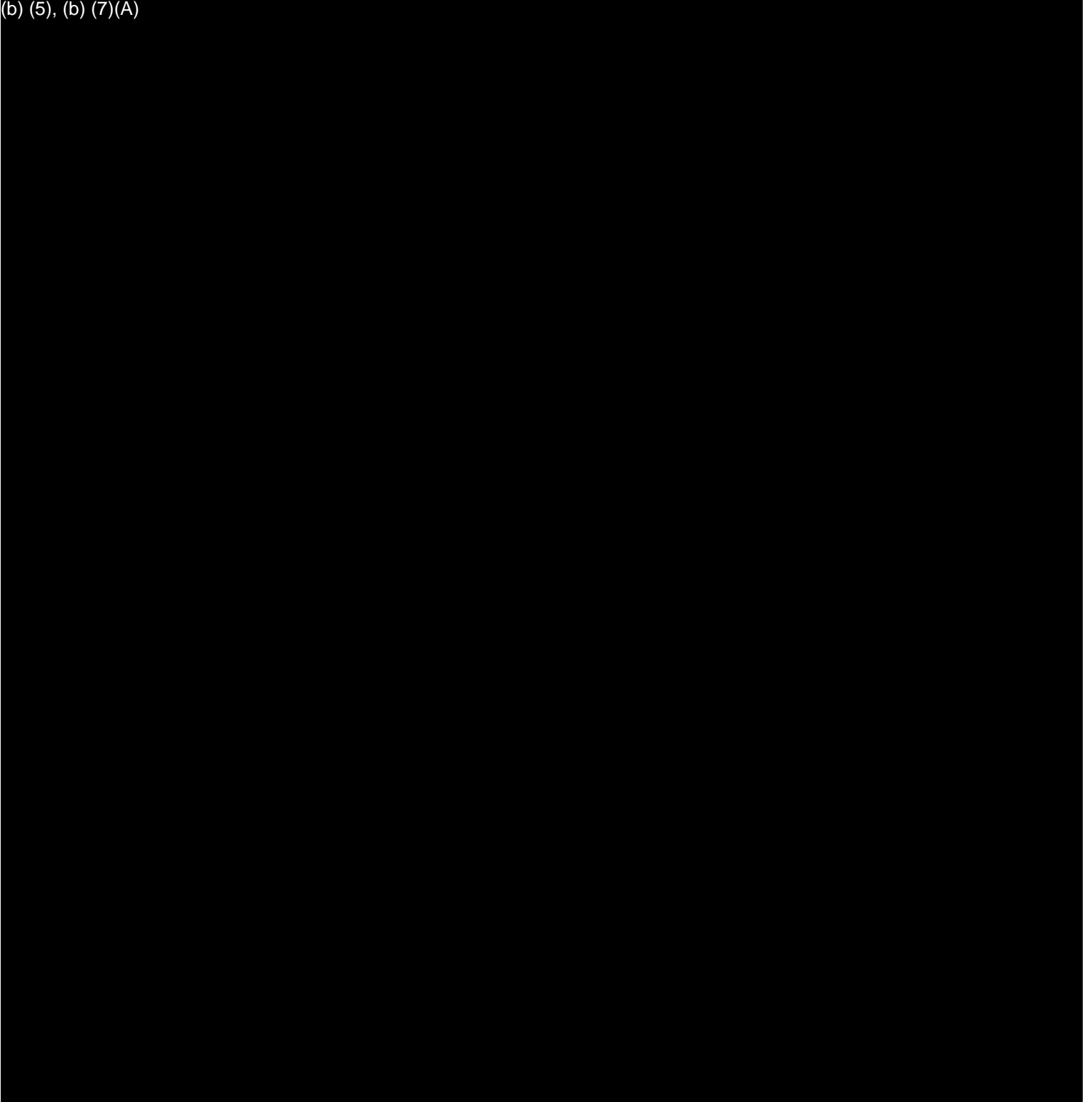
This message was secured by **ZixCorp**^(R).

From: [Goldblatt, Stefanie Isser \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Access Request to the CFPB
Date: Monday, September 12, 2016 8:37:33 PM

Crazy how big this case is. Amazing. All anyone is talking about on facebook...even republicans;)

Stefanie Isser Goldblatt
Senior Litigation Counsel
Office of Enforcement
Tel: 212 328 7009

(b) (5), (b) (7)(A)



From: [Reiferson, Barry \(CFPB\)](#)
To: [Ward, Thomas \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Amazing!
Date: Thursday, September 08, 2016 5:27:06 PM

Thanks. I just like to say it's a team effort. But, really....

And, thanks for the NYT link.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Ward, Thomas (CFPB)
Sent: Thursday, September 08, 2016 5:18 PM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Amazing!

http://www.nytimes.com/2016/09/09/business/dealbook/wells-fargo-fined-for-years-of-harm-to-customers.html?smid=tw-nytimes&smtyp=cur&_r=0

Thomas G. Ward
Enforcement Attorney
Desk: 312.610.8966
Mobile: (b) (6)
consumerfinance.gov

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From: Ward, Thomas (CFPB)
Sent: Thursday, September 08, 2016 4:18 PM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Amazing!

Well, whoever bears some responsibility for it (definitely not you, Leanne), the NYT just posted a story about it.

Thomas G. Ward
Enforcement Attorney
Desk: 312.610.8966
Mobile: (b) (6)
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of

the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Hartmann, Leanne (CFPB)
Sent: Thursday, September 08, 2016 3:29 PM
To: Reiferson, Barry (CFPB); Ward, Thomas (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Amazing!

(He means Lawrence. Obviously. And for good reason. But it was nice of you to include us anyway!)

Thanks, bud!

From: Reiferson, Barry (CFPB)
Sent: Thursday, September 08, 2016 1:27 PM
To: Ward, Thomas (CFPB); Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Amazing!

Thanks, Tom. If you just look at the "to" line of this email, you'll know how the great result was reached.

Hope all is well in Chicago.

Best,
Barry

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ward, Thomas (CFPB)
Sent: Thursday, September 08, 2016 4:07 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: Amazing!

What awesome news. Nice work.

Thomas G. Ward
Enforcement Attorney
Desk: 312.610.8966
Mobile: (b) (6)
consumerfinance.gov

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intended to waive any privileges.

From: [Montier, William \(Contractor\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Snyder, David \(CFPB\)](#); [Porter, Emily \(CFPB\)](#)
Subject: RE: (b) (8)
Date: Friday, April 15, 2016 10:40:16 AM

Lawrence,

Thank you
William

From: Brown, Lawrence (CFPB)
Sent: Friday, April 15, 2016 10:02 AM
To: Montier, William (Contractor)
Subject: RE: (b) (8)

William,

Attached please find (b) (8)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Montier, William (Contractor)
Sent: Wednesday, April 06, 2016 2:24 PM
To: Brown, Lawrence (CFPB)
Subject: (b) (8)

Hi Lawrence,

(b) (8) send it to me.

Thank you

William Montier
Data Governance Paralegal | Technology & Innovation
Office: (202) 435-9617 |
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Are you watching the hearing?
Date: Tuesday, September 20, 2016 12:03:16 PM

E Warren - Old Testament
Wait for the OCC later Today.

1:26 - "Since this massive year's long scam came to light you have said 'I am accountable' what have you done to hold yourself accountable?" asked Elizabeth Warren. Warren asked if Stumpf had returned any of his compensation had come to light. "Have you returned one nickel of the money you earned while this scandal was going on?" asked Warren.

Stumpf did not respond. "I'll take that as a no," said Warren. Stumpf also said that he has not fired any senior executives as defined by Warren. "It's gutless leadership," said Warren.

11:30 - Warren said that cross selling, the practice of getting customers to sign up for new products from Wells, was designed just to "pump up the stock of Wells Fargo" and increase the value of Stumpf's stock-based compensation.

"You should resign, you should give back every cent of money you made during this scandal, and you should be criminally prosecuted by the Department of Justice," said Warren.

"The only way Wall Street will change is if executives face jail time after committing fraud."

<http://www.businessinsider.com/wells-fargo-ceo-john-stumpf-senate-banking-committee-hearing-scandal-2016-9>

From: Brown, Lawrence (CFPB)
Sent: Tuesday, September 20, 2016 12:00 PM Eastern Standard Time
To: Naylor, Jonathan (CFPB)
Subject: RE: Are you watching the hearing?

(b) (5)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Naylor, Jonathan (CFPB)
Sent: Tuesday, September 20, 2016 11:51 AM
To: Brown, Lawrence (CFPB)
Subject: Re: Are you watching the hearing?

I am so proud that you went back and got the correct CO.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, September 20, 2016 11:43 AM Eastern Standard Time
To: Naylor, Jonathan (CFPB)
Subject: RE: Are you watching the hearing?

It's incredible!

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Naylor, Jonathan (CFPB)
Sent: Tuesday, September 20, 2016 11:42 AM
To: Brown, Lawrence (CFPB)
Subject: Re: Are you watching the hearing?

Would not miss it for the world. Sitting with Edwin. Susie is in DC.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, September 20, 2016 11:40 AM Eastern Standard Time
To: Naylor, Jonathan (CFPB)
Subject: Are you watching the hearing?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: best time for call with Bureau today
Date: Friday, August 19, 2016 2:58:08 PM

This message was sent securely using ZixCorp.

4:00 EST works. I'll circulate an e-mail invite shortly.

--- Originally sent by lawrence.brown@cfpb.gov on Aug 19, 2016 10:50 AM ---

This message was sent securely using ZixCorp.

Steve we're hoping to reconnect with you all at 4 pm EST.

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: box
Date: Thursday, June 30, 2016 3:39:56 PM

Thanks. I'll see you next trip. I'll be here for a few hours but see you're teleworking.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Thursday, June 30, 2016 3:39 PM
To: Reiferson, Barry (CFPB)
Subject: RE: box

It's yours of course!

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Reiferson, Barry (CFPB)
Sent: Thursday, June 30, 2016 3:39 PM
To: Brown, Lawrence (CFPB)
Subject: box

Lawrence,

I'd like to steal that box back from you to send other documents to NY. Ok?

Thanks,
Barry

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Naylor, Jonathan \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#)
Cc: [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Branch Sales Practices
Date: Friday, June 03, 2016 12:35:36 PM

Lets shoot for next week. Susie Clark should be on the call with me given her work on this area.
7:15 am (pacific) Tuesday?

From: Reiferson, Barry (CFPB)
Sent: Friday, June 03, 2016 9:33 AM
To: Naylor, Jonathan (CFPB)
Cc: Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Branch Sales Practices

Sorry we didn't connect this morning. Happy to try later today or, as you suggested, next week.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Naylor, Jonathan (CFPB)
Sent: Thursday, June 02, 2016 7:45 PM
To: Reiferson, Barry (CFPB)
Cc: Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Branch Sales Practices

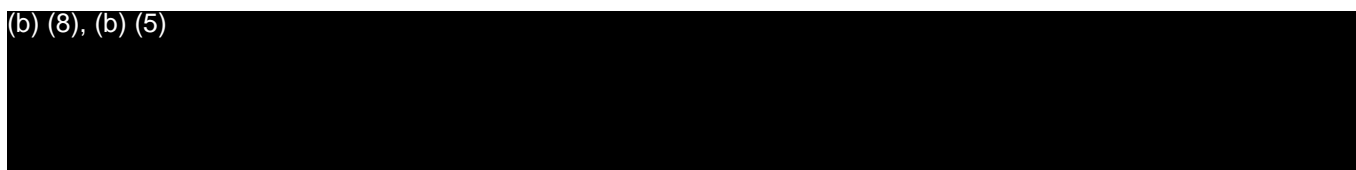
Sounds great.
If you have time, I am in San Francisco but 7 am pacific time works well for me. If not, next week we can give it a shot.
Just give me a call at (b) (6)

From: Reiferson, Barry (CFPB)
Sent: Thursday, June 02, 2016 2:18 PM
To: Naylor, Jonathan (CFPB)
Cc: Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Branch Sales Practices

Jonathan,

We're happy to fill you in on the state of things. If you'd like to speak, please propose some times tomorrow that work for you.

(b) (8), (b) (5)



Best,
Barry

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Naylor, Jonathan (CFPB)
Sent: Thursday, June 02, 2016 3:02 PM
To: Brown, Lawrence (CFPB)
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Branch Sales Practices

Lawrence
(b) (6)

No hurry.

From: Brown, Lawrence (CFPB)
Sent: Thursday, June 02, 2016 12:01 PM
To: Naylor, Jonathan (CFPB)
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: Re: Branch Sales Practices

Jonathan,

(b) (6) Barry or Leanne will follow up with you while I am out. They can also give you an update.

Thanks,

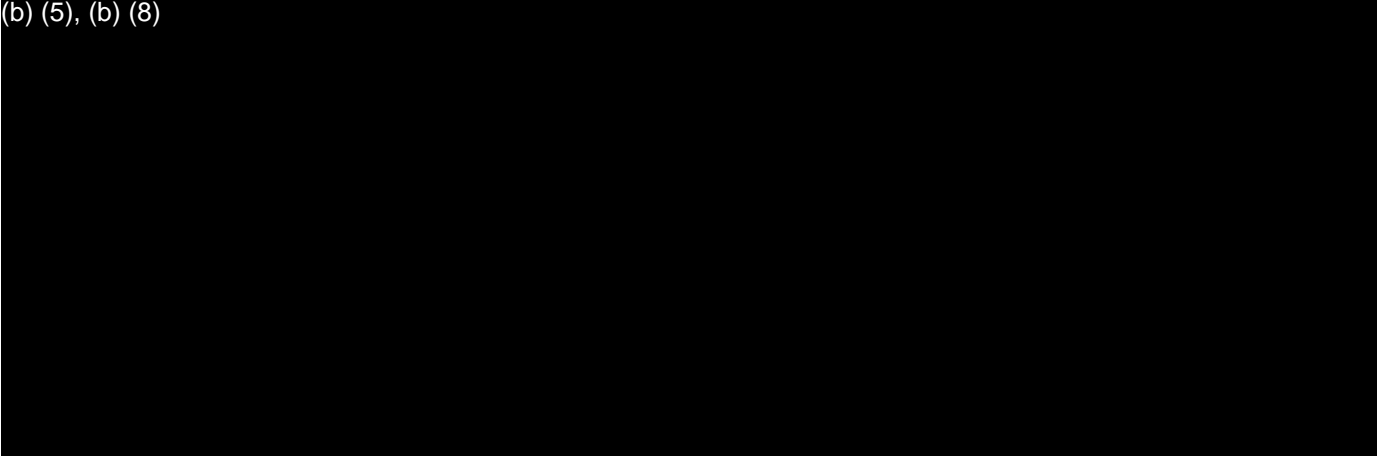
Lawrence
This message was sent from my Blackberry. Please excuse my typos.

From: Naylor, Jonathan (CFPB)
Sent: Thursday, June 02, 2016 11:21 AM
To: Brown, Lawrence (CFPB)
Subject: Branch Sales Practices

Lawrence

(b) (8), (b) (5)

(b) (5), (b) (8)



Before I respond to Wells Fargo, I wanted to discuss this with you.


Jonathan Ward Naylor
Supervisory Examination Manager

(b) (6)

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From: [Clark, Mary \(Susie\)\(CFPB\)](#)
To: [Naylor, Jonathan \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Branch Sales Practices
Date: Wednesday, June 08, 2016 11:38:55 AM

(b) (8), (b) (5)



Susie Clark


Examiner
Supervision/West Region
Consumer Financial Protection Bureau
Consumerfinance.gov

Cell: (b) (6)
mary.clark@cfpb.gov

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From: Naylor, Jonathan (CFPB)
Sent: Wednesday, June 08, 2016 7:09 AM
To: Brown, Lawrence (CFPB)
Cc: Clark, Mary (Susie)(CFPB)
Subject: RE: Branch Sales Practices

Lawrence, you got it. (b) (5), (b) (8)




Feel free to reach out as needed.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, June 08, 2016 6:43 AM
To: Naylor, Jonathan (CFPB)
Subject: RE: Branch Sales Practices

Jonathan,

Thank for sending this. (b) (5), (b) (8), (b) (4)



I just could not believe it. I'll be back in the office on June 20.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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From: Naylor, Jonathan (CFPB)

Sent: Tuesday, June 07, 2016 8:30 PM

To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)


Cc: Clark, Mary (Susie)(CFPB)

Subject: RE: Branch Sales Practices

We had a chance to look at this presentation.

Susie and I would offer the following observations for your consideration:

(b) (8), (b) (5), (b) (4)



From: [Steven Son](#)
To: [Hartmann, Leanne \(CFPB\)](#)
Cc: [Ehrlich, Jeffrey \(CFPB\)](#); [Williams, Natalie \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Call today - 5pm Eastern/2pm Pacific
Date: Thursday, May 26, 2016 3:08:38 PM

Hi Leanne,

That works for us. I'll keep an eye out for the calendar invite.

Thanks,
Steve

On Thu, May 26, 2016 at 11:37 AM, Hartmann, Leanne (CFPB)
<Leanne.Hartmann@cfpb.gov> wrote:

Hi Steve –

Thanks for your call. We are available for a call today at 5 p.m. Eastern/2 p.m. Pacific, if that works for your office. I will send around a calendar invitation with a dial-in.

Best,

Leanne

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: [\(415\) 844-9787](tel:(415)844-9787)

www.consumerfinance.gov

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--

Steven S. Son, Deputy City Attorney
Office of the Los Angeles City Attorney
200 N. Main St., 5th Floor CHE
Los Angeles, CA 90012
Telephone: (213) 978-8036
E-mail: steven.son@lacity.org

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Check-in with LA and the OCC
Date: Thursday, July 28, 2016 1:39:12 PM

Sounds good. Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Thursday, July 28, 2016 1:31 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: RE: Check-in with LA and the OCC

First thing Monday morning, I will email Steve and (b) (6), (b) (7)(C) to set up a call.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, July 28, 2016 1:20 PM
To: Brown, Lawrence (CFPB)
Subject: RE: Check-in with LA and the OCC

Sure. I just want to make sure all three agencies are in regular contact with each other.
Thanks.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Thursday, July 28, 2016 1:19 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: RE: Check-in with LA and the OCC

Jeff,

Steve is out the rest of the week on vacation. I'll have to try to schedule that meeting after he returns next Monday.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, July 28, 2016 12:02 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Cc: Wells, John (CFPB)
Subject: Check-in with LA and the OCC

(b) (5)



Thanks!

Jeff Ehrlich

Deputy Enforcement Director

Office: (202) 435-7598 | Mobile: (b) (6)

Consumer Financial Protection Bureau

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From: [Williams, Natalie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: CID 2 to Wells Fargo 05062016(nrwedits)
Date: Thursday, May 12, 2016 2:15:48 PM

I am done – what number is best for you?

From: Brown, Lawrence (CFPB)
Sent: Thursday, May 12, 2016 2:13 PM
To: Williams, Natalie (CFPB)
Subject: RE: CID 2 to Wells Fargo 05062016(nrwedits)

(b) (5)

Email me when you are ready for me to give you a call.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: Williams, Natalie (CFPB)
Sent: Thursday, May 12, 2016 2:06 PM
To: Brown, Lawrence (CFPB)
Subject: RE: CID 2 to Wells Fargo 05062016(nrwedits)

Yes – in a few minutes. On another call.

From: Brown, Lawrence (CFPB)
Sent: Thursday, May 12, 2016 2:03 PM
To: Williams, Natalie (CFPB)
Subject: RE: CID 2 to Wells Fargo 05062016(nrwedits)

Are you available for a quick chat?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: Williams, Natalie (CFPB)

Sent: Thursday, May 12, 2016 12:48 PM

To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)

Subject: CID 2 to Wells Fargo 05062016(nrwedits)

First, so sorry for overlooking this Friday. (b) (5)

[REDACTED]

Second, this looks good. (b) (5)

[REDACTED]

The rest of my edits/comments are self-explanatory.

Natalie

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Comments welcome until 10 ET
Date: Monday, September 19, 2016 9:37:49 PM

Thanks, Barry. (b) (5)

I'll make the other changes.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Reiferson, Barry (CFPB)
Sent: Monday, September 19, 2016 9:34 PM
To: Ehrlich, Jeffrey (CFPB); Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: Re: Comments welcome until 10 ET

A few comments which may be unimportant. Your call of course.

(b) (5)

From: Ehrlich, Jeffrey (CFPB)
Sent: Monday, September 19, 2016 09:23 PM
To: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: Comments welcome until 10 ET

Jeff Ehrlich
Deputy Enforcement Director
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consumerfinance.gov

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From: [Wilkerson, Antoninette \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Ledbetter, Roshonda \(Contractor\)](#)
Subject: RE: Conference Room
Date: Thursday, April 14, 2016 12:49:46 PM

Ok, what I can do is go ahead and block off room 4095 from 9:00 a.m. until 2:30 p.m. Will that work if I go ahead and block that off? If the actual meeting begins after 2:00 on either of those days you may run into availability issues for those specific rooms.

From: Brown, Lawrence (CFPB)
Sent: Thursday, April 14, 2016 12:45 PM
To: Wilkerson, Antoninette (CFPB)
Cc: Ledbetter, Roshonda (Contractor)
Subject: RE: Conference Room

We're still trying to get parties to commit to a date, but I thought it might be prudent to block it off now.

Lawrence D. Brown
Enforcement Attorney

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From: Wilkerson, Antoninette (CFPB)
Sent: Thursday, April 14, 2016 12:44 PM
To: Brown, Lawrence (CFPB)
Cc: Ledbetter, Roshonda (Contractor)
Subject: FW: Conference Room

Hi Lawrence,

Both of those rooms are available for a 3 hour block but it depends on the time. Is 10:00 a.m. to 1:00 p.m. an okay time slot?

From: Ledbetter, Roshonda (Contractor)
Sent: Thursday, April 14, 2016 11:25 AM
To: Wilkerson, Antoninette (CFPB)
Subject: Conference Room

Hi Antoinette,

Lawrence Brown just emailed me to reserve a conference room on two days for Wells Fargo. The meetings will be on May 25 or May 26 at 1625 Eye Street in DC. They prefer Room 4090 or 4095. Can you check to see when those room might be free for a three hour block of time on those days?

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: Re: Confirming tomorrow
Date: Tuesday, May 24, 2016 2:30:51 PM

Sure. Barry and I are both in training today but I can respond to Anand at a break.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, May 24, 2016 02:26 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: FW: Confirming tomorrow

Would you mind getting back to Anand? I will attend.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: Raman, Anand S [mailto:Anand.Raman@skadden.com]
Sent: Tuesday, May 24, 2016 12:56 PM
To: Brown, Lawrence (CFPB)
Subject: Confirming tomorrow

Lawrence – we are confirmed to meet with you from 9 to 11 tomorrow morning at 1625 Eye Street. On our end, the attendees will be me and Darren Welch from Skadden, Bart Williams from Proskauer and Bob McGahan, David Rice and David Otsuka from Wells Fargo. Could you kindly let me know who you expect from your side? Best regards -- Anand

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

From: [Woolley, Christian \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Congrats on Wells!
Date: Friday, September 09, 2016 11:49:08 AM

Nice work man!

(b) (5), (b) (7)(E)

Love to chat when you're able.

CHW

Christian H. Woolley

Attorney
Office of Enforcement
Consumer Financial Protection Bureau
Tel: 202-435-9189
Mob: (b) (6)

Christian.Woolley@cfpb.gov

www.consumerfinance.gov

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From: [Chum, Vivian \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Congratulations!!!
Date: Friday, September 09, 2016 10:01:58 AM

Take your time. You deserve a vacation.

Vivian W. Chum

Attorney-Advisor

Office of Enforcement

Consumer Financial Protection Bureau

Ph: 202-435-7565 c: (b) (6)

vivian.chum@cfpb.gov

consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Friday, September 09, 2016 10:01 AM
To: Chum, Vivian (CFPB)
Subject: RE: Congratulations!!!

Ha! (b) (5)

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

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Lawrence Brown

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From: Chum, Vivian (CFPB)
Sent: Friday, September 09, 2016 9:59 AM
To: Brown, Lawrence (CFPB)
Subject: Congratulations!!!

My friends from all across the country were blowing up my phone about Wells Fargo yesterday, and I was like, yeah that was all my colleague Lawrence Brown. ☺

Vivian W. Chum

Attorney-Advisor

Office of Enforcement

Consumer Financial Protection Bureau

Ph: 202-435-7565 c (b) (6)

vivian.chum@cfpb.gov

consumerfinance.gov

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Consent Order Draft Observations
Date: Thursday, July 14, 2016 8:27:02 AM

Looks like it.

I'm out this am; in about noon.

From: Brown, Lawrence (CFPB)
Sent: Thursday, July 14, 2016 08:04 AM
To: Wells, John (CFPB)
Subject: FW: Consent Order Draft Observations

We will need to have a call with supervision.

Lawrence D. Brown
Enforcement Attorney

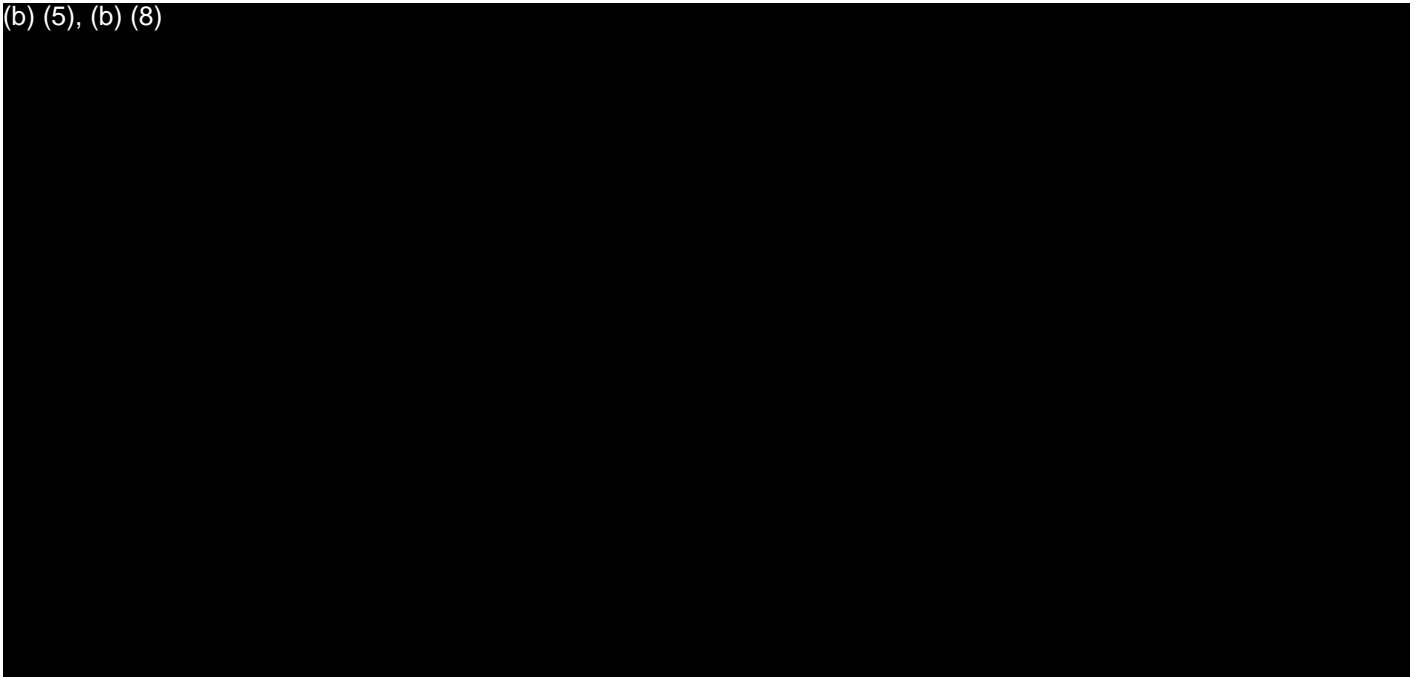
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From: Naylor, Jonathan (CFPB)
Sent: Wednesday, July 13, 2016 9:24 PM
To: Brown, Lawrence (CFPB)
Subject: Consent Order Draft Observations

Hi Lawrence

I appreciate the opportunity to discuss this with you tomorrow or at a time of your convenience.

(b) (5), (b) (8)



From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Crazy here
Date: Wednesday, September 14, 2016 2:24:55 PM

That's VERY exciting! Let me know if I can be of any help – I'm just twiddling my thumbs over here, reading every news article I can get my hands on (which is MANY) about how our small but mighty team has saved the Bureau from the jaws of ruin...

Seriously, though, enjoy every minute of the well-deserved excitement (and probably stress) and let me know the moment I can be of service. Congratulations – we're so lucky to have had you at the helm on this!

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, September 14, 2016 11:08 AM
To: Hartmann, Leanne (CFPB)
Subject: Crazy here

Leanne,

(b) (5), (b) (7)(A)

Jeff is getting called in to brief Senate staffers. Exciting times around here!

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Clark, Mary \(Susie\)\(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: dialing in soon
Date: Thursday, July 14, 2016 2:01:44 PM

OK

Susie Clark

Examiner
Supervision/West Region
Consumer Financial Protection Bureau
Consumerfinance.gov

Cell: (b) (6)
mary.clark@cfpb.gov

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From: Brown, Lawrence (CFPB)
Sent: Thursday, July 14, 2016 11:00 AM
To: Naylor, Jonathan (CFPB); Clark, Mary (Susie)(CFPB)
Subject: dialing in soon

I have a call going a bit over.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Steven Son](#)
To: [Reiferson, Barry \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: Re: Discs with Documents
Date: Wednesday, June 29, 2016 4:14:51 PM

Thanks, Barry - I'm also glad to have finally met you and your team this week (and last week), and I'm also a big fan of D.C. Do you want to give me a call to discuss? (I have some questions.) My cell is (b) (6) Thanks.

Steve

Sent from my iPhone

On Jun 29, 2016, at 3:39 PM, Reiferson, Barry (CFPB) <Barry.Reiferson@cfpb.gov> wrote:

Steve,

I hope you're enjoying DC. Glad we finally met in person.

I have a question about documents we've sent. There may have been a mixup. One disc intended for you was sent elsewhere, though at least that recipient was also entitled to receipt. We cannot determine if that was a duplicate such that you also received the disc. Can you or someone in your office tell me what you received from us so far?

Thanks,
Barry

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: [Wilkerson, Antoninette \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: DVD is ready
Date: Tuesday, May 10, 2016 2:34:26 PM

Ok, thanks.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, May 10, 2016 2:33 PM
To: Wilkerson, Antoninette (CFPB)
Subject: RE: DVD is ready

No. I am still waiting for a response.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: Wilkerson, Antoninette (CFPB)
Sent: Tuesday, May 10, 2016 11:03 AM
To: Brown, Lawrence (CFPB)
Subject: RE: DVD is ready

Hey Lawrence,

Did you get the address yet?

From: Brown, Lawrence (CFPB)
Sent: Tuesday, May 10, 2016 8:13 AM
To: Lohr, Douglas (CFPB)
Cc: Wilkerson, Antoninette (CFPB)
Subject: RE: DVD is ready

Doug,

I am working with Toni Wilkerson (copied here). I will forward her (b) (6), (b) (7)(C) response with the address.

Lawrence D. Brown
Enforcement Attorney

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From: Lohr, Douglas (CFPB)
Sent: Tuesday, May 10, 2016 8:12 AM
To: Brown, Lawrence (CFPB)
Subject: RE: DVD is ready

Lawrence, do you have a paralegal or other support that will mail this out for you? I can drop the DVD off to them, thanks!

From: Brown, Lawrence (CFPB)
Sent: Tuesday, May 10, 2016 8:10 AM
To: (b) (6), (b) (7)(C)
Cc: Lohr, Douglas (CFPB)
Subject: DVD is ready

(b) (6),
(b) (7)(C)

We have a DVD ready for you. Please let us know the address to send it to and the preferred method of delivery (UPS, FedEx, USPS). The password is (b) (8), (b) (7)(C)

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: steven.son@lacity.org
To: (b) (6), (b) (7)(C) [Brown, Lawrence \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); (b) (6), (b) (7)(C)
Subject: RE: E-Introduction
Date: Tuesday, July 19, 2016 11:27:19 AM

This message was sent securely using ZixCorp.

Lawrence - thanks for the introduction, I appreciate it. I can say with absolute certainty that the feeling is mutual.

(b) (6), (b) (7)(C) I look forward to working with you and your team going forward. Please don't hesitate to call or e-mail me, at any step of this process, if you have any questions.

Steve

--- Originally sent by lawrence.brown@cfpb.gov on Jul 19, 2016 7:06 AM ---

This message was sent securely using ZixCorp.

Steve,

I would like to introduce (b) (6), (b) (7)(C) who has been my point of contact at the OCC. I have enjoyed working with her over the last few months. I would suggest reaching out to her if you have any OCC-related questions.

(b) (6),
(b) (7)(C)

I would like to introduce you to Steve Son who has been my point of contact at the LA City Attorney's Office. I have enjoyed working with him over the last few months. I would suggest reaching out to him if you have any City Attorney-related questions.

Thanks,

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Front page cnn.com
Date: Thursday, September 08, 2016 8:31:29 PM

Great minds.... If Owen's former colleague and Jeff speak and it leads to action, I will be satisfied.

From: Hartmann, Leanne (CFPB)
Sent: Thursday, September 08, 2016 08:18 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Front page cnn.com

Barry, I see you planted a mole to make your point – impressive:

"One wonders whether (the CFPB) penalty of \$100 million is enough," said David Vladeck, a Georgetown University law professor and former director of the Federal Trade Commission's Bureau of Consumer Protection. "It sounds like a big number, but for a bank the size of Wells Fargo, it isn't really."

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From: Brown, Lawrence (CFPB)
Sent: Thursday, September 08, 2016 4:17 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Re: Front page cnn.com

Nice

This message was sent from my Blackberry. Please excuse my typos.

From: Reiferson, Barry (CFPB)
Sent: Thursday, September 08, 2016 06:52 PM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: Front page cnn.com

<http://money.cnn.com/2016/09/08/investing/wells-fargo-created-phony-accounts-bank-fees/index.html>

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: fyi!!!
Date: Thursday, September 15, 2016 4:04:21 PM

?

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Thursday, September 15, 2016 3:50 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: fyi!!!

Our guy Barry is on the “right” side of things...

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Naylor, Jonathan \(CFPB\)](#)
To: [Clark, Mary "Susie" \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Good analysis
Date: Wednesday, September 14, 2016 11:13:26 AM

Susie, this is the best write up to date.

From: Clark, Mary "Susie" (CFPB)
Sent: Wednesday, September 14, 2016 8:02 AM
To: Naylor, Jonathan (CFPB)
Subject: Good analysis

<http://www.fool.com/investing/2016/09/13/why-is-wells-fargo-ceo-john-stumpf-making-these-3.aspx>

The hope the senators read this.

Susie Clark

Examiner
Supervision/West Region
Consumer Financial Protection Bureau
Consumerfinance.gov

Cell: (b) (6)
mary.clark@cfpb.gov

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Have to start working on Stein early
Date: Monday, April 25, 2016 3:53:46 PM

Just give me a call when you can. Thanks.

From: Hartmann, Leanne (CFPB)
Sent: Monday, April 25, 2016 3:53 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: Re: Have to start working on Stein early

Also can be caught up after (as the call may be over). Sorry again!

From: Hartmann, Leanne (CFPB)
Sent: Monday, April 25, 2016 12:51 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: Re: Have to start working on Stein early

Ah, sorry! Ran out to grab food and the line is awful. Back in 5 mins.

From: Brown, Lawrence (CFPB)
Sent: Monday, April 25, 2016 12:39 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Have to start working on Stein early

Dialing shortly

Lawrence D. Brown
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From: Reiferson, Barry (CFPB)

Sent: Monday, April 25, 2016 3:38 PM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Have to start working on Stein early

Yes

From: Brown, Lawrence (CFPB)
Sent: Monday, April 25, 2016 3:38 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Have to start working on Stein early

You all still available to chat? If so I can open back up the conference line.

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Enforcement Attorney

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From: Reiferson, Barry (CFPB)
Sent: Monday, April 25, 2016 2:08 PM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Have to start working on Stein early

His sympathies are obvious. (b) (5)

From: Brown, Lawrence (CFPB)
Sent: Monday, April 25, 2016 2:03 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Have to start working on Stein early

(b) (5)

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From: [Wilkerson, Antoninette \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Help with copying documents
Date: Monday, June 27, 2016 12:39:10 PM

I am currently teleworking and not in the office. Is this a task I can complete tomorrow or does it need to be done today?

Sent from my BlackBerry 10 smartphone.

From: Brown, Lawrence (CFPB)
Sent: Monday, June 27, 2016 12:37 PM
To: Wilkerson, Antoninette (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: Help with copying documents

Toni,

Can you help me make a copy of a binder of documents with tabs?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Brown, Lawrence \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#)
Subject: RE: HOLD!
Date: Monday, August 22, 2016 2:08:00 PM

I left a short voicemail for Darren Welch indicating that both the Bureau and the City would like to do redress beginning on January 1, 2011 for consistency and if he had questions to give me a call back.

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Enforcement Attorney

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From: Ehrlich, Jeffrey (CFPB)
Sent: Monday, August 22, 2016 2:07 PM
To: Brown, Lawrence (CFPB)
Cc: Wells, John (CFPB)
Subject: Re: HOLD!

How'd it go?

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Monday, August 22, 2016 2:06 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: RE: HOLD!

I called as soon as I hung up.

Lawrence D. Brown
Enforcement Attorney

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From: Ehrlich, Jeffrey (CFPB)
Sent: Monday, August 22, 2016 2:05 PM
To: Brown, Lawrence (CFPB)
Subject: HOLD!
Importance: High

HOLD THE CALL

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Mike Feuer <mike.feuer@lacity.org>
Sent: Monday, August 22, 2016 2:04 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: Re: CFPB Contact

Jeff, just tried to call you back. (b) (5) Please call me back before you speak with the bank on this topic. Thanks.

Mike

On Mon, Aug 22, 2016 at 10:28 AM, Ehrlich, Jeffrey (CFPB) <Jeffrey.Ehrlich@cfpb.gov> wrote:

Just left a message for you. I'm free now.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Mike Feuer [mailto:mike.feuer@lacity.org]

Sent: Monday, August 22, 2016 1:21 PM

To: Ehrlich, Jeffrey (CFPB)

Subject: Re: CFPB Contact

Jeff,

Please give me a call when you have a minute to discuss where things stand on WF. Thanks.

Mike

[213-978-8375](tel:213-978-8375)

On Wed, Aug 17, 2016 at 11:05 AM, Ehrlich, Jeffrey (CFPB) <Jeffrey.Ehrlich@cfpb.gov> wrote:

Mike,

John Wells (copied here) is our case team's immediate supervisor. He's the one you should contact, and he'll be in the office Friday morning. John's number is [202-435-9319](tel:202-435-9319); his cell is (b) (6)

As I mentioned to you, I'll be away, but working, tomorrow and Friday. If you need to reach me, email would be best---I'll be very responsive. But you'll be in good hands with John. I hope that the next few days prove to be productive and that by the middle of next week we have something to celebrate. Thanks, again, for your office's great work on this matter. We'll talk soon.

Jeff Ehrlich

Deputy Enforcement Director

Office: [202-435-7598](tel:202-435-7598) | Mobile: (b) (6)

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: I won't be on AG call
Date: Thursday, September 15, 2016 2:54:45 PM

We'll be sure they hear yours, too!

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From: Brown, Lawrence (CFPB)
Sent: Thursday, September 15, 2016 11:52 AM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: I won't be on AG call

My hope is that everyone on the call will hear both of your names.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: Hartmann, Leanne (CFPB)
Sent: Thursday, September 15, 2016 2:50 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: I won't be on AG call

No worries – good luck! I'm planning to be in the office early to get on the call, though my guess is that Jeff will handle the Q&A.

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From: Brown, Lawrence (CFPB)
Sent: Thursday, September 15, 2016 11:45 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: I won't be on AG call

I'm tied up preparing for hearings next week with Tom.

Lawrence D. Brown
Enforcement Attorney

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Melcher, Glenn \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Gustafson, Karl \(CFPB\)](#); [Goldblatt, Stefanie Isser \(CFPB\)](#); [Gonsalves, Roshonda](#)
Cc: [Lohr, Douglas \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: RE: Information Sharing in Wells Fargo
Date: Wednesday, September 21, 2016 1:05:36 PM

All access requests should be funneled through Lawrence and Stefanie. L&S – Let's make sure we're following the procedures outlined in Glenn's email. Thanks!

Jeff Ehrlich
Deputy Enforcement Director
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Consumer Financial Protection Bureau
consumerfinance.gov

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From: Melcher, Glenn (CFPB)
Sent: Wednesday, September 21, 2016 1:03 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Gustafson, Karl (CFPB); Goldblatt, Stefanie Isser (CFPB); Gonsalves, Roshonda
Cc: Lohr, Douglas (CFPB); Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: Information Sharing in Wells Fargo

I understand that we are getting numerous requests for information related to the Wells Fargo matter. I want to remind everyone that we have an outgoing production policy in the Enforcement Manual (b) (7)(E)

(b) (7)(E) at page 161) which mandates the manner in which we share information. All outgoing information must be marked "CFPB Property; disclosure governed by 12 C.F.R. § 1070.4." Further, all outgoing productions should be made on physical media (CD, DVD, Encrypted USB or hard drive). There is a limited exception for using encrypted email to transfer information – but it requires ALD approval and is highly disfavored except in exceptional circumstances (usually the need to get a document to someone to attach to a pleading that must be filed that day). We can prioritize outgoing productions as necessary and in most cases are able to generate the necessary media the day requested so that it can be delivered the following day. Doug is aware of the urgency of requests from some partners and can work with you to get these productions done as quickly as possible.

Please let me know if you have any questions or I can provide other assistance.

Thanks

Glenn

Glenn Melcher
Special Counsel for eDiscovery
Office of Enforcement
Consumer Financial Protection Bureau
Telephone: 202 435 9762
Mobile: (b) (6)
Glenn.Melcher@cfpb.gov
consumerfinance.gov

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From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: insane
Date: Tuesday, September 13, 2016 7:08:02 PM

This message was sent securely using ZixCorp.

I know. It's crazy.

(b) (5), (b) (7)(A)

--- Originally sent by lawrence.brown@cfpb.gov on Sep 13, 2016 3:44 PM ---

This message was sent securely using ZixCorp.

Steve,

(b) (7)(A), (b) (5)

Congressional hearing before the senate committee in exactly one week...

Lawrence D. Brown

Enforcement Attorney

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This message was secured by **ZixCorp**^(R).

From: [Snyder, David \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: LA City Access Request
Date: Monday, September 19, 2016 3:06:44 PM

Okay, thanks.

From: Brown, Lawrence (CFPB)
Sent: Monday, September 19, 2016 2:50 PM
To: Snyder, David (CFPB)
Subject: RE: LA City Access Request

I have not received a response yet. I did call my POC to leave a voicemail about the signed letter.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: Snyder, David (CFPB)
Sent: Monday, September 19, 2016 2:01 PM
To: Brown, Lawrence (CFPB)
Subject: RE: LA City Access Request

Hi Lawrence,

Any update from the LA City Attorney? I'm told that we need the letter by 3 pm in order to produce it today. But if we can't get it by then it isn't the end of the world.

Thanks,
Dave

From: Snyder, David (CFPB)
Sent: Monday, September 19, 2016 8:16 AM
To: Brown, Lawrence (CFPB)

Subject: LA City Access Request

Hi Lawrence,

Just following up on my voicemail from Friday. Has there been any progress in obtaining the signed letter from LA City? Feel free to call me to discuss. x57758.

Thanks,
Dave

--

David B. Snyder
Senior Counsel | Legal Division
Office: (202) 435-7758 | Mobile: (b) (6)

Consumer Financial Protection Bureau
consumerfinance.gov

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: FW: Labels for Wells Fargo Sales productions
Date: Wednesday, June 01, 2016 2:59:41 PM

Hate to ask, but who did you work with to send out OCC disc 1?

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Lohr, Douglas (CFPB)
Sent: Wednesday, June 01, 2016 2:53 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Labels for Wells Fargo Sales productions

Believe Lawrence requested it, not sure who actually mailed it out. It usually is the paralegal or legal assistant who does the sending.

From: Reiferson, Barry (CFPB)
Sent: Wednesday, June 01, 2016 2:53 PM
To: Lohr, Douglas (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Labels for Wells Fargo Sales productions

Sorry I'll ask a question I should know the answer to. Who sent out the first production to OCC?

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Lohr, Douglas (CFPB)
Sent: Wednesday, June 01, 2016 2:49 PM
To: Hartmann, Leanne (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: RE: Labels for Wells Fargo Sales productions

No worries, pretty much told them exactly that to just find out what we put on the last one and go with it adding a current date. Who should these CDs be given to when they are ready?

From: Hartmann, Leanne (CFPB)
Sent: Wednesday, June 01, 2016 2:48 PM
To: Lohr, Douglas (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: Re: Labels for Wells Fargo Sales productions

Doug, sorry, I'm in depositions all day and was traveling yesterday. Whatever we did for the first OCC disc we should do for the 2nd; and to the extent we say to whom we are producing on the label, should be changed on the other label to LA City Attorney's Office. Copying Barry to help with follow-up. Thanks.

From: Lohr, Douglas (CFPB)
Sent: Wednesday, June 01, 2016 10:46 AM
To: Hartmann, Leanne (CFPB)
Subject: Labels for Wells Fargo Sales productions

Sorry if I missed this, but do you have the language you would like us to put on the 2 production CDs you requested?

Thanks

Doug Lohr
Consumer Financial Protection Bureau
e-Law Litigation Support Specialist | Enforcement
Office: 202-435-9046 | Mobile: (b) (6)
Email: douglas.lohr@cfpb.gov
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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Mayorga, David \(CFPB\)](#); [Howard, Jennifer \(CFPB\)](#); [Parker Rose, Cheryl \(CFPB\)](#)
Cc: [Pearl, Joanna \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: FW: Fw: LA's press contact
Date: Wednesday, August 03, 2016 1:34:03 PM

FYI

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, August 03, 2016 1:33 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: Fw: Fw: LA's press contact

See below

This message was sent from my Blackberry. Please excuse my typos.

From: Steven Son [<mailto:steven.son@lacity.org>]
Sent: Wednesday, August 03, 2016 01:23 PM
To: Brown, Lawrence (CFPB)
Subject: Re: Fw: LA's press contact

Of course. Our press contact info is:

Rob Wilcox
Director of Community Engagement and Outreach
E-mail: rob.wilcox@lacity.org
Direct: (213) 978-8377

On Wed, Aug 3, 2016 at 9:54 AM, Brown, Lawrence (CFPB) <Lawrence.Brown@cfpb.gov> wrote:

Can. You send me the info that Jeff is asking for?

This message was sent from my Blackberry. Please excuse my typos.

From: Ehrlich, Jeffrey (CFPB)
Sent: Wednesday, August 03, 2016 12:51 PM
To: Brown, Lawrence (CFPB)
Subject: LA's press contact

LB,

Can you send me the name and contact info for the city's press contact? Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
[202-435-7598](tel:202-435-7598)

--

Steven S. Son, Deputy City Attorney
Office of the Los Angeles City Attorney
200 N. Main St., 5th Floor CHE
Los Angeles, CA 90012
Telephone: (213) 978-8036
E-mail: steven.son@lacity.org

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From: [Romano, Anthony \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Teich, Matthew \(CFPB\)](#)
Subject: RE: Latest case
Date: Friday, September 09, 2016 8:38:33 AM

Great job LB!!!!

Very proud of you.

APR

Anthony P. Romano Esq.,
Operations Division
Consumer Response Quality Assurance Analyst (IICR)
Consumer Financial Protection Bureau
(202) 435-7217

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To find out more, visit our website: www.consumerfinance.gov.

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From: Brown, Lawrence (CFPB)
Sent: Friday, September 09, 2016 8:32 AM
To: Romano, Anthony (CFPB); Teich, Matthew (CFPB)
Subject: RE: Latest case

Pigs fly that day!

Lawrence D. Brown
Enforcement Attorney

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From: Romano, Anthony (CFPB)
Sent: Friday, September 09, 2016 6:48 AM
To: Brown, Lawrence (CFPB); Teich, Matthew (CFPB)
Subject: RE: Latest case

Is it a problem if they secretly put money in the accounts! LOL

Anthony P. Romano Esq.,
Operations Division
Consumer Response Quality Assurance Analyst (IICR)
Consumer Financial Protection Bureau
(202) 435-7217

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To find out more, visit our website: www.consumerfinance.gov.

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From: Brown, Lawrence (CFPB)
Sent: Thursday, September 08, 2016 3:18 PM
To: Teich, Matthew (CFPB); Romano, Anthony (CFPB)
Subject: Latest case

Fellas,

I'll never lead a case this big again...

<http://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-fines-wells-fargo-100-million-widespread-illegal-practice-secretly-opening-unauthorized-accounts/>

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Wells, John \(CFPB\)](#)
Subject: Re: Latest Wells Fargo consent order?
Date: Friday, August 26, 2016 6:03:52 PM

The bank now knows that our date will be August 8. Please proceed to wrap things up so that we get a signed stip ASAP. Thanks.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Friday, August 26, 2016 5:50 PM
To: Ehrlich, Jeffrey (CFPB); Holland, Megan (CFPB); Wells, John (CFPB)
Cc: Eskola, David (CFPB); Vahey, Moira (CFPB)
Subject: RE: Latest Wells Fargo consent order?

Attached is the last draft of the order provided to the bank.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ehrlich, Jeffrey (CFPB)
Sent: Friday, August 26, 2016 5:17 PM
To: Holland, Megan (CFPB); Wells, John (CFPB); Brown, Lawrence (CFPB)
Cc: Eskola, David (CFPB); Vahey, Moira (CFPB)
Subject: Re: Latest Wells Fargo consent order?

+ Lawrence. LB---Please send.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Holland, Megan (CFPB)
Sent: Friday, August 26, 2016 5:07 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Eskola, David (CFPB); Vahey, Moira (CFPB)
Subject: Latest Wells Fargo consent order?

Hey guys,

Can you please share the latest consent order? Please include Dave and Mo.

Thanks,
Megan

From: [Brown, Lawrence \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: List of Potential Custodians.doc
Date: Monday, April 18, 2016 3:48:11 PM
Attachments: [List of Potential Custodians.doc](#)

From: [Ledbetter, Roshonda](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: May 25
Date: Thursday, May 12, 2016 3:10:22 PM

3053A has been booked.

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Thursday, May 12, 2016 2:46 PM
To: Ledbetter, Roshonda
Subject: Fw: May 25

Can you help me get a large conference room reserved?

This message was sent from my Blackberry. Please excuse my typos.

From: Brown, Lawrence (CFPB)
Sent: Thursday, May 12, 2016 02:39 PM
To: Raman, Anand S (Anand.Raman@skadden.com) <Anand.Raman@skadden.com>
Subject: May 25

Anand,

In order for my superiors to attend, the meeting will need to take place on May 25. Do you all want to start at 9:00 am?

Thanks,

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ledbetter, Roshonda](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: May 25
Date: Thursday, May 12, 2016 2:49:41 PM

Sure, how many people will attend?

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Brown, Lawrence (CFPB)
Sent: Thursday, May 12, 2016 2:46 PM
To: Ledbetter, Roshonda
Subject: Fw: May 25

Can you help me get a large conference room reserved?
This message was sent from my Blackberry. Please excuse my typos.

From: Brown, Lawrence (CFPB)
Sent: Thursday, May 12, 2016 02:39 PM
To: Raman, Anand S (Anand.Raman@skadden.com) <Anand.Raman@skadden.com>
Subject: May 25

Anand,

In order for my superiors to attend, the meeting will need to take place on May 25. Do you all want to start at 9:00 am?

Thanks,

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Message from 1625i-rm3043-konica-bizhub
Date: Friday, May 13, 2016 2:34:27 PM

On it.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Friday, May 13, 2016 2:34 PM
To: Ledbetter, Roshonda; Reiferson, Barry (CFPB)
Subject: RE: Message from 1625i-rm3043-konica-bizhub

Last thing is emailing counsel a courtesy copy.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ledbetter, Roshonda
Sent: Friday, May 13, 2016 2:29 PM
To: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: FW: Message from 1625i-rm3043-konica-bizhub

Attached is the tracking information.

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Wilkerson, Antoninette (CFPB)
Sent: Friday, May 13, 2016 2:05 PM
To: Ledbetter, Roshonda
Cc: Ehrlich, Jeffrey (CFPB)
Subject: FW: Message from 1625i-rm3043-konica-bizhub

Attached is the CID tracking number for this mailing.

From: 1625i-rm3043-konica-bizhub@cfpb.gov [<mailto:1625i-rm3043-konica-bizhub@cfpb.gov>]
Sent: Friday, May 13, 2016 2:00 PM
To: Wilkerson, Antoninette (CFPB)
Subject: Message from 1625i-rm3043-konica-bizhub

From: [Snyder, David \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Need a little more information re California law
Date: Friday, March 18, 2016 3:26:33 PM

Perfect. Thanks Lawrence. We should be able to wrap this up pretty quickly once we receive the fully executed CIA.

From: Brown, Lawrence (CFPB)
Sent: Friday, March 18, 2016 3:24 PM
To: Snyder, David (CFPB)
Subject: FW: Need a little more information re California law

Below please find the information that you need.

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From: Steven Son [<mailto:steven.son@lacity.org>]
Sent: Friday, March 18, 2016 2:59 PM
To: Brown, Lawrence (CFPB)
Cc: Michael Bostrom
Subject: Re: Need a little more information re California law

Lawrence,

Here is the completed sentence:

(b) (5)



Thanks,
Steve

On Fri, Mar 18, 2016 at 10:22 AM, Brown, Lawrence (CFPB) <Lawrence.Brown@cfpb.gov> wrote:
Steve,

(b) (5)



I also wanted to let you know that the revisions to the common interest agreement were acceptable

and I will get you an executed copy soon.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: [\(202\) 435-7116](tel:(202)435-7116)

Mobile: (b) (6)

Fax: [\(202\) 435-7722](tel:(202)435-7722)

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Washington, DC 20006

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--

Steven S. Son, Deputy City Attorney
Office of the Los Angeles City Attorney
200 N. Main St., 5th Floor CHE
Los Angeles, CA 90012
Telephone: (213) 978-8036
Facsimile: (213) 978-8112
E-mail: steven.son@lacity.org

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From: [Wilkerson, Antoninette \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Lohr, Douglas \(CFPB\)](#)
Cc: [Ledbetter, Roshonda](#)
Subject: RE: Need help for quick mailing
Date: Friday, July 15, 2016 8:37:09 AM

Can you please give me her email address & phone number?

From: Brown, Lawrence (CFPB)
Sent: Friday, July 15, 2016 8:36 AM
To: Lohr, Douglas (CFPB); Jeschke, Richard (Aaron) (CFPB)
Cc: Wilkerson, Antoninette (CFPB); Ledbetter, Roshonda
Subject: RE: Need help for quick mailing

Thanks so much! She just requested that we forward her tracking information.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: Lohr, Douglas (CFPB)
Sent: Friday, July 15, 2016 8:31 AM
To: Brown, Lawrence (CFPB); Jeschke, Richard (Aaron) (CFPB)
Subject: RE: Need help for quick mailing

I worked with Roshonda to get Antoinette Wilkerson to send this out today. Do you have a phone number for (b) (6), [REDACTED]? You can let them know that they should expect the CD on Monday.

Please also let (b) (6), [REDACTED] know the password for the CD is (b) (8), (b) [REDACTED]

Thanks

From: Brown, Lawrence (CFPB)
Sent: Friday, July 15, 2016 8:26 AM

To: Jeschke, Richard (Aaron) (CFPB)
Cc: Lohr, Douglas (CFPB)
Subject: Need help for quick mailing

Aaron,

My legal assistant is teleworking this week and his back up is out on vacation. Could you help me mail out a production disk to the OCC at the address below?

(b) (7)(C), (b) (6)

Office of the Comptroller of the Currency
Enforcement & Compliance Division
Mail Stop 9E-11
400 7th Street, SW
Washington, DC 20219

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Williams, Natalie \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Need to reschedule our call
Date: Thursday, March 31, 2016 2:35:05 PM

Thanks for the update!

From: Brown, Lawrence (CFPB)
Sent: Thursday, March 31, 2016 11:10 AM
To: Hartmann, Leanne (CFPB); Williams, Natalie (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Need to reschedule our call

I spoke with Steve briefly. (b) (5)



Lawrence D. Brown
Enforcement Attorney

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From: Hartmann, Leanne (CFPB)
Sent: Wednesday, March 30, 2016 8:37 PM
To: Brown, Lawrence (CFPB); Williams, Natalie (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Need to reschedule our call

Did you get any update from LA about the mediation? I wonder how it went...

From: Brown, Lawrence (CFPB)
Sent: Wednesday, March 30, 2016 5:54 AM
To: Williams, Natalie (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: FW: Need to reschedule our call

Fyi.

Lawrence D. Brown
Enforcement Attorney

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From: Steven Son [<mailto:steven.son@lacity.org>]
Sent: Tuesday, March 29, 2016 1:03 PM
To: Brown, Lawrence (CFPB)

Subject: Re: Need to reschedule our call

Lawrence,

No apologies necessary. I'm sorry to hear about this. I hope that everything is okay.

(b) (5)

I'm generally available the rest of the week, so just let me know when you're available.

Best wishes,
Steve

On Tue, Mar 29, 2016 at 8:04 AM, Brown, Lawrence (CFPB) <Lawrence.Brown@cfpb.gov> wrote:
Steve,

(b) (6) I will need to reschedule our call. I apologize for any inconvenience.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: [\(202\) 435-7116](tel:(202)435-7116)

Mobile: (b) (6)

Fax: [\(202\) 435-7722](tel:(202)435-7722)

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Washington, DC 20006

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--

Steven S. Son, Deputy City Attorney
Office of the Los Angeles City Attorney

200 N. Main St., 5th Floor CHE
Los Angeles, CA 90012
Telephone: (213) 978-8036
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E-mail: steven.son@lacity.org

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From: [Brown, Lawrence \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Notes for Meet and Confer.docx
Date: Thursday, March 31, 2016 4:55:23 PM
Attachments: [Notes for Meet and Confer.docx](#)

From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: OCC draft consent order
Date: Friday, August 12, 2016 12:07:33 PM

(b) (8), (b) (5)

Also, I have yet to see the upcoming WSJ article by Ms Glaser

From: Brown, Lawrence (CFPB)
Sent: Friday, August 12, 2016 9:06 AM
To: Naylor, Jonathan (CFPB)
Subject: RE: OCC draft consent order

(b) (5), (b) (8)

I keep hearing that we will get it soon, but nothing specific in terms of timeline.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: Naylor, Jonathan (CFPB)
Sent: Friday, August 12, 2016 10:04 AM
To: Brown, Lawrence (CFPB)
Subject: RE: OCC draft consent order

Just a few observations.

(b) (5), (b) (8)

From: Brown, Lawrence (CFPB)
Sent: Thursday, August 11, 2016 10:04 AM
To: Naylor, Jonathan (CFPB)

Subject: OCC draft consent order

Jonathan,

The OCC provided this draft order to the bank today.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Cc: [Wells, John \(CFPB\)](#)
Subject: RE: One more thing
Date: Wednesday, July 13, 2016 1:00:22 PM

I just spoke to Josh about his team's negotiations with Anand this morning, (b) (5), (b) (7)(E), (b) (4)

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Ehrlich, Jeffrey (CFPB)
Sent: Wednesday, July 13, 2016 11:44 AM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Cc: Wells, John (CFPB)
Subject: RE: One more thing

(b) (5), (b) (7)(E)
Building off our hearing with (b) (6), (b) (7)(E) screw your courage to the sticking place, and we will not fail.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, July 13, 2016 11:33 AM
To: Ehrlich, Jeffrey (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Cc: Wells, John (CFPB)
Subject: RE: One more thing

Will do

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Ehrlich, Jeffrey (CFPB)

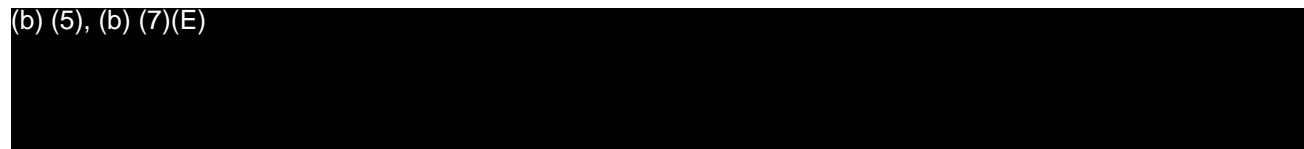
Sent: Wednesday, July 13, 2016 11:28 AM

To: Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)

Cc: Wells, John (CFPB)

Subject: One more thing

(b) (5), (b) (7)(E)




Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: passcode
Date: Thursday, September 15, 2016 3:46:40 PM

(b) (6), (b) (7)(C)



Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Thursday, September 15, 2016 3:46 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: passcode

We need a passcode

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
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1625 Eye Street, NW
Washington, DC 20006

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From: [Zelinsky, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Please call at your convenience
Date: Wednesday, April 06, 2016 3:11:37 PM

Hi Lawrence,

I have a quick low priority thing to explain. It is I think best in a two minute phone call as opposed to an email. But whenever, (b) (6)

415-633-1327 (b) (6)

John

John Zelinsky
Enforcement Investigator
Consumer Financial Protection Bureau

Phone: 415-633-1327
Fax: 415-844-9788

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From: [Gonsalves, Roshonda](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Press clips
Date: Monday, September 12, 2016 11:45:50 AM

What folder did you place them in?

Roshonda Ledbetter Gonsalves
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Brown, Lawrence (CFPB)
Sent: Monday, September 12, 2016 9:17 AM
To: Gonsalves, Roshonda
Subject: RE: Press clips

No worries about the ones from last Friday. I pulled a lot of them. You can pull any good ones from today.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Gonsalves, Roshonda
Sent: Monday, September 12, 2016 9:16 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Press clips

I was teleworking on Friday. My MIFI stopped working. I will do it now.

Thanks,

Roshonda Ledbetter Gonsalves
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Brown, Lawrence (CFPB)
Sent: Friday, September 09, 2016 4:45 PM
To: Gonsalves, Roshonda
Subject: RE: Press clips

Were you able to do this?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Gonsalves, Roshonda
Sent: Friday, September 09, 2016 10:51 AM
To: Brown, Lawrence (CFPB)
Subject: Re: Press clips

Will do.

Thanks

From: Brown, Lawrence (CFPB)
Sent: Friday, September 09, 2016 10:49 AM

To: Gonsalves, Roshonda
Subject: Press clips

Roshonda,

Would you mind printing the clips related to the Wells settlement to in pdf and putting them on the Z drive? In 10 years, we'll all like to revisit them I'm sure.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Ledbetter, Roshonda](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Cc: [Zelinsky, John \(CFPB\)](#)
Subject: FW: Production Closed for Client Matter 2016-1667-02 [Wells Fargo Sales Practice]
Date: Friday, May 06, 2016 10:38:21 AM

Hi,

This production is now ready for your review.

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: eLaw - Discovery [mailto:CFPB_SharePoint@cfpb.gov]
Sent: Thursday, May 05, 2016 4:53 PM
To: Ledbetter, Roshonda
Cc: Berhe, Genet (Contractor)(CFPB); Gershfang, Leonid (Contractor)(CFPB); Hennessy, Kevin (Contractor)(CFPB); Jewell, Ronnie (Contractor)(CFPB); Lwin, Peter (Contractor)(CFPB); Gholizadeh, Farinoush (Contractor)(CFPB); Merrifield, Rene (Contractor)(CFPB); Solomon, Michael (Contractor)(CFPB); Sutorus, Shannon (Contractor)(CFPB); Singh, Raman (Contractor)(CFPB)
Subject: Production Closed for Client Matter 2016-1667-02 [Wells Fargo Sales Practice]

Please select 'Reply All' if you respond to this message.

Ledbetter, Roshonda(Contractor)(CFPB),

A [Production](#) has been completed which had been assigned to load request [2016-1667-02-0A](#), for case 2016-1667-02 [Wells Fargo Sales Practice].

Review Tool: **Relativity**
Folder/Container Name: **20160420 - WF001--> WF001-B/WSP-L-003**
Data Load Request Status: **Closed**
Total Productions Assigned: **4**
Productions Closed: **4**
Productions Halted: **0**
Productions In Process: **0**

Our standard work hours are M-F from 9 AM until 6 PM.

If you need to reach us outside our standard work hours, please email the Enforcement eDiscovery distribution list: DL_CFPB_eDiscoveryIT@cfpb.gov.

Production ID: 3613

From: [Ledbetter, Roshonda](#)
To: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Cc: [Zelinsky, John \(CFPB\)](#)
Subject: FW: Production Closed for Client Matter 2016-1667-02 [Wells Fargo Sales Practice]
Date: Tuesday, April 26, 2016 3:37:25 PM

This production is now ready. E-Discovery new SharePoint system is fancy.

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: eLaw - Discovery [mailto:CFPB_SharePoint@cfpb.gov]
Sent: Tuesday, April 26, 2016 3:32 PM
To: Ledbetter, Roshonda
Cc: Berhe, Genet (Contractor)(CFPB); Gershfang, Leonid (Contractor)(CFPB); Hennessy, Kevin (Contractor)(CFPB); Jewell, Ronnie (Contractor)(CFPB); Lwin, Peter (Contractor)(CFPB); Gholizadeh, Farinoush (Contractor)(CFPB); Merrifield, Rene (Contractor)(CFPB); Solomon, Michael (Contractor)(CFPB); Sutorus, Shannon (Contractor)(CFPB); Singh, Raman (Contractor)(CFPB)
Subject: Production Closed for Client Matter 2016-1667-02 [Wells Fargo Sales Practice]

Please select 'Reply All' if you respond to this message.

Ledbetter, Roshonda(Contractor)(CFPB),

A [Production](#) has been completed which had been assigned to load request [2016-1667-02-0A](#), for case 2016-1667-02 [Wells Fargo Sales Practice].

Review Tool: **Relativity**
Folder/Container Name: **20150420 - WF001-A**
Data Load Request Status: **Open**
Total Productions Assigned: **4**
Productions Closed: **1**
Productions Halted: **0**
Productions In Process: **3**

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If you need to reach us outside our standard work hours, please email the Enforcement eDiscovery distribution list: DL_CFPB_eDiscoveryIT@cfpb.gov.

Production ID: 3615

From: [Goldblatt, Stefanie Isser \(CFPB\)](#)
To: [Lohr, Douglas \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Gonsalves, Roshonda](#); [Reiferson, Barry \(CFPB\)](#)
Cc: [Melcher, Glenn \(CFPB\)](#)
Subject: Re: (b) (7)(A)
Date: Monday, September 26, 2016 10:22:12 AM

Lawrence is best to answer whether that includes all OCC docs we received.

Stefanie Isser Goldblatt
Senior Litigation Counsel
Office of Enforcement
Tel: 212 328 7009

From: Lohr, Douglas (CFPB)
Sent: Monday, September 26, 2016 10:07 AM Eastern Standard Time
To: Brown, Lawrence (CFPB); Goldblatt, Stefanie Isser (CFPB); Gonsalves, Roshonda; Reiferson, Barry (CFPB)
Cc: Melcher, Glenn (CFPB)
Subject: RE: (b) (7)(A)

More importantly, does the small collection of documents that I sent you the bates numbers as being withheld contain the 2 documents that must not be produced? I just want someone to verify that those 2 documents are contained within this range.

Doug

From: Brown, Lawrence (CFPB)
Sent: Monday, September 26, 2016 9:57 AM
To: Lohr, Douglas (CFPB); Goldblatt, Stefanie Isser (CFPB); Gonsalves, Roshonda; Reiferson, Barry (CFPB)
Cc: Melcher, Glenn (CFPB)
Subject: RE: (b) (7)(A)

For past productions for approved access requests, I think we stamped with CFPB bates numbers. I think we should follow the same practice for each of these productions. Adding Glenn to obtain his advice on this issue.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Lohr, Douglas (CFPB)
Sent: Monday, September 26, 2016 9:41 AM
To: Goldblatt, Stefanie Isser (CFPB); Gonsalves, Roshonda; Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: (b) (7)(A)

Just a minor question, but do we want to assign CFPB bates numbers to this collection of documents or do we want to use the existing bates numbers in relativity?

Doug Lohr
Consumer Financial Protection Bureau
e-Law Litigation Support Specialist | Enforcement
Office: 202-435-9046 | Mobile: (b) (6)
Email: douglas.lohr@cfpb.gov
consumerfinance.gov

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: FW: (b) document
Date: Wednesday, September 14, 2016 10:37:30 AM

Do we want these on a disc?

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Gonsalves, Roshonda
Sent: Wednesday, September 14, 2016 10:37 AM
To: Reiferson, Barry (CFPB)
Subject: RE: (b) document

Doug asked what format is he putting on the disk.

Roshonda Ledbetter Gonsalves
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Reiferson, Barry \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: (b) (7)
Date: Thursday, September 22, 2016 12:44:12 PM

(b) (5)



Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, September 22, 2016 12:37 PM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: (b) (7)(E),

(b) (5)



Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Thursday, September 22, 2016 12:36 PM
To: Ehrlich, Jeffrey (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: (b) (7)(E),

(b) (5)



Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, September 22, 2016 12:25 PM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: (b) (7)(E),

Fantastic. I'm prepping for another briefing tomorrow.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Thursday, September 22, 2016 12:24 PM
To: Ehrlich, Jeffrey (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: (b) (7)(E),

(b) (5), (b) (8), (b) (7)(E)



Lawrence D. Brown
Enforcement Attorney

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1625 Eye Street, NW
Washington, DC 20006

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From: Ehrlich, Jeffrey (CFPB)

Sent: Thursday, September 22, 2016 12:21 PM

To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)

Subject: (b) (7)(E),

It was responsive to a CID request, right?

Jeff Ehrlich

Deputy Enforcement Director

Office: (202) 435-7598 | Mobile: (b) (6)

Consumer Financial Protection Bureau

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From: [Steven Son](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Quick chat on Friday?
Date: Friday, April 08, 2016 12:58:46 PM

Ok.

On Fri, Apr 8, 2016 at 9:57 AM, Brown, Lawrence (CFPB) <Lawrence.Brown@cfpb.gov> wrote:

I'm on my mobile today at (b) (6).

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From: Steven Son [mailto:steven.son@lacity.org]
Sent: Friday, April 08, 2016 12:55 PM

To: Brown, Lawrence (CFPB)
Subject: Re: Quick chat on Friday?

That works. I'll call you then.

On Fri, Apr 8, 2016 at 9:50 AM, Brown, Lawrence (CFPB) <Lawrence.Brown@cfpb.gov> wrote:

How about 10:30 am (PST)?

Lawrence D. Brown

Enforcement Attorney

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From: Steven Son [mailto:steven.son@lacity.org]
Sent: Friday, April 08, 2016 12:00 PM

To: Brown, Lawrence (CFPB)
Subject: Re: Quick chat on Friday?

What time is good for you today? I'm generally available to discuss.

Steve

On Fri, Apr 8, 2016 at 5:48 AM, Brown, Lawrence (CFPB) <Lawrence.Brown@cfpb.gov> wrote:

Steve,

(b) (5)



Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: [\(202\) 435-7116](tel:(202)435-7116)

Mobile: (b) (6)

Fax: [\(202\) 435-7722](tel:(202)435-7722)

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Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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From: Steven Son [mailto:steven.son@lacity.org]

Sent: Thursday, April 07, 2016 4:07 PM

To: Brown, Lawrence (CFPB)

Subject: Re: Quick chat on Friday?

Hi Lawrence. I'm generally available tomorrow, so anytime is good. Thanks.

Steve

On Thu, Apr 7, 2016 at 12:46 PM, Brown, Lawrence (CFPB)
<Lawrence.Brown@cfpb.gov> wrote:

Steve,

Let me know if you have time for a quick chat tomorrow.

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: [\(202\) 435-7116](tel:(202)435-7116)

Mobile: (b) (6)

Fax: [\(202\) 435-7722](tel:(202)435-7722)

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Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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--

Steven S. Son, Deputy City Attorney

Office of the Los Angeles City Attorney

200 N. Main St., 5th Floor CHE

Los Angeles, CA 90012

Telephone: [\(213\) 978-8036](tel:(213)978-8036)

E-mail: steven.son@lacity.org

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Steven S. Son, Deputy City Attorney

Office of the Los Angeles City Attorney

200 N. Main St., 5th Floor CHE

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Telephone: [\(213\) 978-8036](tel:(213)978-8036)

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Steven S. Son, Deputy City Attorney

Office of the Los Angeles City Attorney

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--

Steven S. Son, Deputy City Attorney
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200 N. Main St., 5th Floor CHE
Los Angeles, CA 90012
Telephone: (213) 978-8036
E-mail: steven.son@lacity.org

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: Re: Reminder: Enforcement Matters Report
Date: Thursday, June 02, 2016 6:19:53 PM

No problem. I will need to confer with Barry to make sure we know the status before updating...it seems to change daily!

From: Brown, Lawrence (CFPB)
Sent: Thursday, June 02, 2016 11:55 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Fw: Reminder: Enforcement Matters Report

Would you mind doing this for next few weeks for Wells?

This message was sent from my Blackberry. Please excuse my typos.

From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, June 02, 2016 09:55 AM
To: Betts, Kristina (CFPB); Brown, Lawrence (CFPB); Carbis, Alanna (CFPB); Christopher, Carmen (CFPB); Coll, Christina (CFPB); Ehrlich, Jeffrey (CFPB); Goldblatt, Stefanie Isser (CFPB); Gustafson, Karl (CFPB); Hartmann, Leanne (CFPB); Hendricks, David (CFPB); Hensler, Patricia (CFPB); Konop, Benjamin (CFPB); Ledbetter, Roshonda; Lee, Donna (CFPB); Lubash, Andrew(CFPB); Martikan, Owen P (CFPB); Mason, Zach (CFPB); Meade, James (CFPB); Miller, Kara (CFPB); Olson, Mary (CFPB); Peltz, Maxwell (Max) (CFPB); Polzien, Darcie (CFPB); Reiferson, Barry (CFPB); Sherman, Meghan (CFPB); Tuffin, Paula (CFPB) (Litigation Hold); Vazire, Navid (CFPB); Ward, Thomas (CFPB); Wells, John (CFPB); Williams, Natalie (CFPB)
Subject: FW: Reminder: Enforcement Matters Report

FLT,

Please do this for your matters. Remember two things: (1) update the "last update" box so that when I look at the matter I can tell you've recently updated it and (2) enter only the latest activity; there's no need to recount all the work you've done since you opened the matter.

Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Jeschke, Richard (Aaron) (CFPB)
Sent: Thursday, June 02, 2016 8:36 AM
To: Enforcement Team CFPB
Subject: Reminder: Enforcement Matters Report

Hi Team,

Please update your matters in LawBase by COB Friday. The Enforcement matters report will be generated first thing Monday.

Thanks,

Aaron Jeschke

Administrative Officer | Enforcement

Office: (202) 435-7719 | Mobile: (b) (6)

Consumer Financial Protection Bureau

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From: [Zelinsky, John \(CFPB\)](#)
To: [Ledbetter, Roshonda \(Contractor\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: Requests to CR
Date: Tuesday, April 19, 2016 7:16:01 PM

Hey guys,

Following up on the previous email, I know Roshonda emailed CR to ask for the data and received no response. Not sure who you sent it to but probably, with such a list, needs to be up the pole a bit. Just saying.

John

John Zelinsky
Enforcement Investigator
Consumer Financial Protection Bureau

Phone: 415-633-1327
Fax: 415-844-9788

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From: [Goldblatt, Stefanie Isser \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: (b) (7)(A)
Date: Monday, September 12, 2016 12:04:20 PM

Hey Lawrence,

Do you want me to shepherd the access letter through legal or do you want to do it?

From: Brown, Lawrence (CFPB)
Sent: Monday, September 12, 2016 11:31 AM
To: Ehrlich, Jeffrey (CFPB)
Cc: Goldblatt, Stefanie Isser (CFPB); Wells, John (CFPB); Pearl, Joanna (CFPB); Alexis, Anthony (CFPB)
Subject: RE: (b) (7)(A)

Will do.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Ehrlich, Jeffrey (CFPB)
Sent: Monday, September 12, 2016 11:31 AM
To: Brown, Lawrence (CFPB)
Cc: Goldblatt, Stefanie Isser (CFPB); Wells, John (CFPB); Pearl, Joanna (CFPB); Alexis, Anthony (CFPB)
Subject: (b) (7)(A)

LB,

(b) (5), (b) (7)(A)

Please work with Stef to respond. Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau

consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ledbetter, Roshonda \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: SES
Date: Monday, March 21, 2016 10:49:45 AM

It works. Do you want me to put together the CID ? Jeff signed it earlier this morning.

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) 78 Mobile
Consumer Financial Protection Bureau

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From: Brown, Lawrence (CFPB)
Sent: Monday, March 21, 2016 10:48 AM
To: Ledbetter, Roshonda (CFPB)
Subject: RE: SES

I actually figured it out. Let me know if this link works for you and you can use it for future reference. Search engine seems a little clunky, but it works.

(b) (7)(E)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Ledbetter, Roshonda (CFPB)
Sent: Monday, March 21, 2016 10:39 AM
To: Brown, Lawrence (CFPB)
Subject: RE: SES

Hi Lawrence,

Sorry I don't. Do you want me to ask someone in supervision since they are on the other side of the office?

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Monday, March 21, 2016 10:37 AM
To: Ledbetter, Roshonda (CFPB)
Subject: SES

Hi Roshonda,

Do you have any experience using SES? I'm trying to confirm the identity of the field manager for Wells Fargo exams.

Lawrence D. Brown

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Steve's first encounter with...
Date: Tuesday, July 19, 2016 12:09:01 PM

Got it. Thanks.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, July 19, 2016 12:09 PM
To: Reiferson, Barry (CFPB)
Subject: RE: Steve's first encounter with...

Still working through issues Supervision raised. Once we do that, I think we will be cleared to share the draft.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Reiferson, Barry (CFPB)
Sent: Tuesday, July 19, 2016 12:08 PM
To: Brown, Lawrence (CFPB)
Subject: RE: Steve's first encounter with...

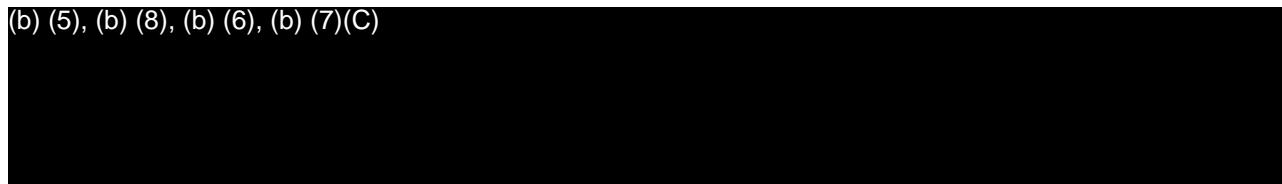
When will we circulate the draft consent order?

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, July 19, 2016 12:07 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Steve's first encounter with...

(b) (5), (b) (8), (b) (6), (b) (7)(C)



Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Zelinsky, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Supervision Susie
Date: Tuesday, April 19, 2016 12:19:15 PM

So I spoke to Susie and who I think is her supervisor (Jon?) at the Regional conference in San Diego. They sure love you and this case.

Here you have the case of the century and I'm not really doing much work on it. Or it may just be the case of the early part of the decade.

Cheers ☺ JZ

John Zelinsky
Enforcement Investigator
Consumer Financial Protection Bureau

Phone: 415-633-1327
Fax: 415-844-9788

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: This case is essentially causing a bandwidth crash
Date: Friday, September 16, 2016 11:35:12 AM

Yes, we are on the phone now, and Jeff is doing a decent job. He claims to have to drop off at 11:30, but I'm hoping he doesn't actually leave us...

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From: Brown, Lawrence (CFPB)
Sent: Friday, September 16, 2016 8:32 AM
To: Hartmann, Leanne (CFPB)
Subject: RE: This case is essentially causing a bandwidth crash

Have call technical difficulties been resolved?

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From: Hartmann, Leanne (CFPB)
Sent: Friday, September 16, 2016 11:17 AM
To: Brown, Lawrence (CFPB)
Subject: RE: This case is essentially causing a bandwidth crash

Should I fly to DC next week? Would that be at all helpful? Seems like you guys could use some reinforcements!

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From: Brown, Lawrence (CFPB)
Sent: Friday, September 16, 2016 8:10 AM

To: Hartmann, Leanne (CFPB)

Subject: This case is essentially causing a bandwidth crash

Lawrence D. Brown
Enforcement Attorney

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: this is the highlight of my week
Date: Friday, July 15, 2016 11:41:56 AM

Please arrange that ASAP.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Friday, July 15, 2016 11:41 AM
To: Ehrlich, Jeffrey (CFPB)
Subject: RE: this is the highlight of my week

We don't have common interest agreement with OCC. They may want one soon

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Enforcement Attorney

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From: Ehrlich, Jeffrey (CFPB)
Sent: Friday, July 15, 2016 11:37 AM
To: Brown, Lawrence (CFPB)
Subject: RE: this is the highlight of my week

Agreed. This is fantastic. I love the L.A. City Attorney, by the way.

Jeff Ehrlich

Deputy Enforcement Director
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consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Friday, July 15, 2016 11:36 AM
To: Ehrlich, Jeffrey (CFPB)
Subject: RE: this is the highlight of my week

A really cool development as we approach July 21

Lawrence D. Brown
Enforcement Attorney

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From: Ehrlich, Jeffrey (CFPB)
Sent: Friday, July 15, 2016 11:14 AM
To: Brown, Lawrence (CFPB)
Subject: RE: this is the highlight of my week

Same.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
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consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Friday, July 15, 2016 11:13 AM
To: Ehrlich, Jeffrey (CFPB)
Subject: this is the highlight of my week

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: steven.son@lacity.org
To: (b) (6), (b) (7)(C) [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Tuesday Call
Date: Monday, August 01, 2016 11:49:48 AM

This message was sent securely using ZixCorp.

Yes, I'm generally available tomorrow. Thanks, Lawrence.

Steve

--- Originally sent by lawrence.brown@cfpb.gov on Aug 1, 2016 5:11 AM ---

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Steve and (b) (6),

I wanted to share some updates on the Bureau's negotiations with the bank. Please let me know if you have any availability for a call on Tuesday.

Thanks,

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: Re: Update from the OCC
Date: Monday, August 08, 2016 1:09:25 PM

Neutral.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Monday, August 8, 2016 1:08 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: RE: Update from the OCC

Good new or bad news?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: Ehrlich, Jeffrey (CFPB)
Sent: Monday, August 08, 2016 1:08 PM
To: Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: Re: Update from the OCC

John can fill you in.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Monday, August 8, 2016 1:05 PM
To: Wells, John (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: RE: Update from the OCC

I'm free the rest of the afternoon

Lawrence D. Brown
Enforcement Attorney

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From: Wells, John (CFPB)
Sent: Monday, August 08, 2016 12:22 PM
To: Ehrlich, Jeffrey (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Update from the OCC

I'm available.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: Ehrlich, Jeffrey (CFPB)
Sent: Monday, August 08, 2016 12:20 PM
To: Wells, John (CFPB); Brown, Lawrence (CFPB)
Subject: Update from the OCC

Do you guys have a few minutes for an update? I just spoke to (b) (6), (b) (7)(C).

Jeff Ehrlich

Deputy Enforcement Director

Consumer Financial Protection Bureau

202-435-7598

From: steven.son@lacity.org
To: (b) (6), (b) (7)(C); [Brown, Lawrence \(CFPB\)](#)
Cc: [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Update
Date: Wednesday, August 03, 2016 11:50:47 AM

This message was sent securely using ZixCorp.

Thanks for the update, Lawrence.

Steve

--- Originally sent by lawrence.brown@cfpb.gov on Aug 2, 2016 6:06 PM ---

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All,

The bank came back and expressed its commitment to settling with the Bureau. It is willing to pay a penalty in the amount of \$100 million assuming an agreement can be reached about the other terms of the consent order. We expect to receive redlines in a week or so. It looks like we will be on track for the end of August. Let us know if you have any questions.

Thanks,

Lawrence D. Brown

Enforcement Attorney

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Wells, John \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Vladek's quote
Date: Friday, September 09, 2016 8:28:22 AM

Ha!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Wells, John (CFPB)
Sent: Friday, September 09, 2016 8:27 AM
To: Ehrlich, Jeffrey (CFPB); Brown, Lawrence (CFPB)
Subject: Re: Vladek's quote

He was probably thinking of the many times the ftc has imposed fines of hundreds of millions of dollars on companies.

From: Ehrlich, Jeffrey (CFPB)
Sent: Friday, September 09, 2016 08:12 AM
To: Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: Re: Vladek's quote

Saw that. Not sure he realizes how little consumer harm there is here. Sometimes people speak without knowing everything.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Friday, September 9, 2016 8:07 AM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: Vladek's quote

"One wonders whether (the CFPB) penalty of \$100 million is enough," said David Vladek, a Georgetown University law professor and former director of the Federal Trade Commission's Bureau of Consumer Protection. "It sounds like a big number, but for a bank the size of Wells Fargo, it isn't really."

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From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: voicemail
Date: Monday, July 18, 2016 12:12:40 PM

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Lawrence,

I think that missed call may have been from a few days ago. (Or it may have been a misdial on my part.) I don't think we need to chat today, but if you'd like to chat, I'm generally free this afternoon.

Thanks,
Steve

--- Originally sent by lawrence.brown@cfpb.gov on Jul 18, 2016 5:55 AM ---

This message was sent securely using ZixCorp.

Steve,

I missed a call from you. I'm not sure if I still owe you a call. Let me know if you still need to chat.

Thanks,

Lawrence D. Brown

Enforcement Attorney

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From: [Ernst, Jeffrey \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells
Date: Wednesday, September 21, 2016 10:03:11 AM

It's actually the other way around.

Jeff Ernst
Consumer Financial Protection Bureau
Senior Litigation Counsel
Tel: 202 435 7750
Mob: (b) (6)
Email: jeff.ernst@cfpb.gov
consumerfinance.gov

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From: Ehrlich, Jeffrey (CFPB)
Sent: Tuesday, September 20, 2016 7:17 PM
To: Brown, Lawrence (CFPB)
Cc: Ernst, Jeffrey (CFPB)
Subject: Re: Wells

Ernst always takes credit for my good work. He's made his career at the Bureau on it.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Tuesday, September 20, 2016 2:51 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: FW: Wells

I think this was for you not Ernst.

Lawrence D. Brown
Enforcement Attorney

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From: O'Malley, Gabriel (CFPB)
Sent: Tuesday, September 20, 2016 2:50 PM

To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB); Ernst, Jeffrey (CFPB); Wells, John (CFPB)

Subject: Wells

If you haven't seen, take a look:

[http://www.npr.org/sections/thetwo-way/2016/09/20/494738797/you-should-resign-watch-sen-elizabeth-warren-grill-wells-fargo-ceo-john-stumpf?
utm_source=facebook.com&utm_medium=social&utm_campaign=npr&utm_term=nprnews&utm_content=20160920](http://www.npr.org/sections/thetwo-way/2016/09/20/494738797/you-should-resign-watch-sen-elizabeth-warren-grill-wells-fargo-ceo-john-stumpf?utm_source=facebook.com&utm_medium=social&utm_campaign=npr&utm_term=nprnews&utm_content=20160920)

Gabriel O'Malley
Assistant Deputy Enforcement Director For Litigation
Supervision, Enforcement, Fair Lending & Equal Opportunity
Consumer Financial Protection Bureau
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gabriel.o'malley@cfpb.gov

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: RE: Wells Fargo -- call to discuss redline
Date: Thursday, August 25, 2016 5:30:19 PM

Yeah, but I don't need to be on it. Do it with you and the team, and you'll fill me in later.

Jeff Ehrlich
Deputy Enforcement Director
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Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Thursday, August 25, 2016 5:29 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: Fw: Wells Fargo -- call to discuss redline

Does this work for you guys?

This message was sent from my Blackberry. Please excuse my typos.

From: Welch, Darren M [<mailto:Darren.Welch@skadden.com>]
Sent: Thursday, August 25, 2016 04:01 PM
To: Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Raman, Anand S <Anand.Raman@skadden.com>
Subject: Wells Fargo -- call to discuss redline

Lawrence – Thanks for sending us your redline. Would 10 a.m. tomorrow work for a call to discuss?

Thanks,
Darren

Darren M. Welch
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7804 | F: 202.661.8267
darren.welch@skadden.com

Skadden

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo -- call to discuss redline
Date: Friday, August 26, 2016 11:41:08 AM

(b) (5)

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Friday, August 26, 2016 11:01 AM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: FW: Wells Fargo -- call to discuss redline

We're on to discuss at 11:30 eastern.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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1625 Eye Street, NW
Washington, DC 20006

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From: Welch, Darren M [<mailto:Darren.Welch@skadden.com>]
Sent: Friday, August 26, 2016 11:00 AM
To: Brown, Lawrence (CFPB)
Subject: FW: Wells Fargo -- call to discuss redline

We're good for talking at 11:30 today. I'll send a dial-in now.
Thanks,
Darren

Darren M. Welch
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7804 | F: 202.661.8267
darren.welch@skadden.com

Skadden

From: Welch, Darren M (WAS)
Sent: Friday, August 26, 2016 10:01 AM
To: 'Brown, Lawrence (CFPB)'
Subject: RE: Wells Fargo -- call to discuss redline

Lawrence – Can we keep the 11:30 time open, subject to us confirming that in the next half hour or so? I'm still checking people's availability, but I think that we can do the call then so I don't want to lose that time.

Thanks,

Darren

Darren M. Welch
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1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7804 | F: 202.661.8267
darren.welch@skadden.com

Skadden

From: Brown, Lawrence (CFPB) [<mailto:Lawrence.Brown@cfpb.gov>]
Sent: Thursday, August 25, 2016 7:58 PM
To: Welch, Darren M (WAS)
Subject: Re: Wells Fargo -- call to discuss redline

Can you make it 11:30?

This message was sent from my Blackberry. Please excuse my typos.

From: Welch, Darren M [<mailto:Darren.Welch@skadden.com>]
Sent: Thursday, August 25, 2016 04:01 PM
To: Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Raman, Anand S <Anand.Raman@skadden.com>
Subject: Wells Fargo -- call to discuss redline

Lawrence – Thanks for sending us your redline. Would 10 a.m. tomorrow work for a call to discuss?

Thanks,

Darren

Darren M. Welch
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darren.welch@skadden.com

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

=====

From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo -- call to discuss redline
Date: Friday, August 26, 2016 11:47:25 AM

(b) (5)

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Friday, August 26, 2016 11:01 AM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: FW: Wells Fargo -- call to discuss redline

We're on to discuss at 11:30 eastern.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
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1625 Eye Street, NW
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From: Welch, Darren M [<mailto:Darren.Welch@skadden.com>]
Sent: Friday, August 26, 2016 11:00 AM
To: Brown, Lawrence (CFPB)
Subject: FW: Wells Fargo -- call to discuss redline

We're good for talking at 11:30 today. I'll send a dial-in now.
Thanks,
Darren

Darren M. Welch
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7804 | F: 202.661.8267
darren.welch@skadden.com

Skadden

From: Welch, Darren M (WAS)
Sent: Friday, August 26, 2016 10:01 AM
To: 'Brown, Lawrence (CFPB)'
Subject: RE: Wells Fargo -- call to discuss redline

Lawrence – Can we keep the 11:30 time open, subject to us confirming that in the next half hour or so? I'm still checking people's availability, but I think that we can do the call then so I don't want to lose that time.

Thanks,

Darren

Darren M. Welch
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7804 | F: 202.661.8267
darren.welch@skadden.com

Skadden

From: Brown, Lawrence (CFPB) [<mailto:Lawrence.Brown@cfpb.gov>]
Sent: Thursday, August 25, 2016 7:58 PM
To: Welch, Darren M (WAS)
Subject: Re: Wells Fargo -- call to discuss redline

Can you make it 11:30?

This message was sent from my Blackberry. Please excuse my typos.

From: Welch, Darren M [<mailto:Darren.Welch@skadden.com>]
Sent: Thursday, August 25, 2016 04:01 PM
To: Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Raman, Anand S <Anand.Raman@skadden.com>
Subject: Wells Fargo -- call to discuss redline

Lawrence – Thanks for sending us your redline. Would 10 a.m. tomorrow work for a call to discuss?

Thanks,

Darren

Darren M. Welch
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7804 | F: 202.661.8267
darren.welch@skadden.com

Skadden

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=====

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: RE: Wells Fargo -- call today
Date: Tuesday, August 23, 2016 10:57:44 AM

I can do it whenever my schedule permits. Calendar is up-to-date.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, August 23, 2016 10:54 AM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: Fw: Wells Fargo -- call today

This message was sent from my Blackberry. Please excuse my typos.

From: Welch, Darren M [<mailto:Darren.Welch@skadden.com>]
Sent: Tuesday, August 23, 2016 10:40 AM
To: Brown, Lawrence (CFPB)
Cc: Raman, Anand S <Anand.Raman@skadden.com>
Subject: Wells Fargo -- call today

Lawrence – Would your team, including Jeff, be available for a short call today to discuss resolution timing issues? We could make any time starting at noon ET work.
Thanks,
Darren

Darren M. Welch
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7804 | F: 202.661.8267
darren.welch@skadden.com

Skadden

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From: [Hahn, Carolyn \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Wells Fargo
Date: Friday, September 09, 2016 8:59:27 AM

CONGRATULATIONS!! What a fantastic result!

Carolyn Hahn
Senior Litigation Counsel
Office of Enforcement
Consumer Financial Protection Bureau
Tel: 202-435-7250
Mob: (b) (6)
Carolyn.Hahn@cfpb.gov
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Snyder, David \(CFPB\)](#)
To: [Williams, Natalie \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo
Date: Friday, May 06, 2016 9:04:30 AM
Attachments: [RE Wells Sales Practices](#) (b) (5)

Hi Natalie,

Is this the issue that you're asking about?

(b) (5)

I'm happy to talk it through with you if you want to give me a call. I'm on my blackberry (b) (6) this morning until about 12. I'll be out of pocket this afternoon, but back in the office on Monday.

Thanks,
Dave

From: Williams, Natalie (CFPB)
Sent: Thursday, May 05, 2016 6:11 PM
To: Snyder, David (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: Wells Fargo

David –

(b) (5)

Thanks,

Natalie

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From: [Snyder, David \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Sales Practices: (b) (5)
Date: Wednesday, March 09, 2016 4:17:30 PM

Hi Lawrence,

(b) (5)

Thanks,
Dave

From: Snyder, David (CFPB)
Sent: Wednesday, March 09, 2016 3:52 PM
To: Bateman, Kristin (CFPB); Brown, Lawrence (CFPB); Agarwal, Anglee (CFPB)
Cc: Hayes, Stephen (CFPB)
Subject: RE: Wells Sales Practices: (b) (5)

Lawrence,

I'll give you a call.

Thanks,
Dave

--

David B. Snyder
Senior Counsel | Legal Division
Office: (202) 435-7758 | Mobile: (b) (6)

Consumer Financial Protection Bureau
consumerfinance.gov

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From: Bateman, Kristin (CFPB)
Sent: Wednesday, March 09, 2016 11:50 AM
To: Brown, Lawrence (CFPB); Snyder, David (CFPB); Agarwal, Anglee (CFPB)
Cc: Hayes, Stephen (CFPB)
Subject: RE: Wells Sales Practices: (b) (5)

Someone from our Info Law team should be able to help on this. I've added Dave and Anglee here.

They may be the right people, or they'll at least will know who you should talk to!

Kristin

From: Brown, Lawrence (CFPB)
Sent: Wednesday, March 09, 2016 11:47 AM
To: Bateman, Kristin (CFPB)
Subject: Wells Sales Practices: (b) (5)

Kristin,

(b) (5)

We are seeking advice from your office to determine how to proceed. Let me know if I should set up a time to discuss.

Thanks,

Lawrence

From: [Ledbetter, Roshonda](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Wells Fargo
Date: Tuesday, April 26, 2016 1:28:16 PM

Hi Lawrence,

I just wanted to give you an update on the pulling the Consumer complaints with contact information. The task is going slow but I started with the one's you highlighted.

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells Fargo Bank, N.A. -- call to discuss redline <confidential>
Date: Monday, August 22, 2016 9:58:14 AM

Got it. Ignore.

From: Reiferson, Barry (CFPB)
Sent: Monday, August 22, 2016 09:56 AM
To: Brown, Lawrence (CFPB)
Subject: Re: Wells Fargo Bank, N.A. -- call to discuss redline <confidential>

Did we get call in instructions?

From: Brown, Lawrence (CFPB)
Sent: Friday, August 19, 2016 01:40 PM
To: Welch, Darren M <Darren.Welch@skadden.com>
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Raman, Anand S <Anand.Raman@skadden.com>
Subject: RE: Wells Fargo Bank, N.A. -- call to discuss redline <confidential>

Darren,

That time works just fine. Thanks!

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Welch, Darren M [mailto:Darren.Welch@skadden.com]
Sent: Friday, August 19, 2016 1:40 PM
To: Brown, Lawrence (CFPB)
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Raman, Anand S
Subject: Wells Fargo Bank, N.A. -- call to discuss redline <confidential>

Lawrence – I wanted to follow up on your email earlier today proposing a call for us to go over our redline today before 4:00 or early Monday. To follow up on my voicemail, a call Monday at 10:00 a.m. would work best for our team and we think would be most productive, but if that doesn't work for your team or you think that an earlier call would be better, please let us know. I'll go ahead and send an invite for Monday from 10-11 in the hopes that that time works so that we don't lose that possible time on the calendar.

Thanks,
Darren

Darren M. Welch
Skadden, Arps, Slate, Meagher & Flom LLP

1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7804 | F: 202.661.8267
darren.welch@skadden.com

Skadden

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells Fargo Bank, N.A. -- call to discuss redline <confidential>
Date: Friday, August 19, 2016 1:41:15 PM

Should please press folks.

From: Brown, Lawrence (CFPB)
Sent: Friday, August 19, 2016 10:40 AM
To: Welch, Darren M <Darren.Welch@skadden.com>
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Raman, Anand S <Anand.Raman@skadden.com>
Subject: RE: Wells Fargo Bank, N.A. -- call to discuss redline <confidential>

Darren,

That time works just fine. Thanks!

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Welch, Darren M [mailto:Darren.Welch@skadden.com]
Sent: Friday, August 19, 2016 1:40 PM
To: Brown, Lawrence (CFPB)
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Raman, Anand S
Subject: Wells Fargo Bank, N.A. -- call to discuss redline <confidential>

Lawrence – I wanted to follow up on your email earlier today proposing a call for us to go over our redline today before 4:00 or early Monday. To follow up on my voicemail, a call Monday at 10:00 a.m. would work best for our team and we think would be most productive, but if that doesn't work for your team or you think that an earlier call would be better, please let us know. I'll go ahead and send an invite for Monday from 10-11 in the hopes that that time works so that we don't lose that possible time on the calendar.

Thanks,
Darren

Darren M. Welch
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7804 | F: 202.661.8267
darren.welch@skadden.com

Skadden

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From: [Lohr, Douglas \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo Bank, N.A. - confidential
Date: Wednesday, April 20, 2016 9:49:03 AM

We should be OK with 7 ZIP, thanks for checking. I will also look into the 2 database responses that they are sending. The second one that will contain a DAT file and text files will need some attention to see if it can go into Relativity properly. I'll keep an eye out for the production request.

Doug

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 20, 2016 8:52 AM
To: Lohr, Douglas (CFPB)
Subject: FW: Wells Fargo Bank, N.A. - confidential

Doug,

Let me know if their encryption method is ok with you—see below.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (202) 431-6268
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Welch, Darren M [<mailto:Darren.Welch@skadden.com>]
Sent: Tuesday, April 19, 2016 6:33 PM
To: Brown, Lawrence (CFPB)
Cc: Raman, Anand S
Subject: Wells Fargo Bank, N.A. - confidential

Lawrence –

(b) (4)



(b) (4)



If you have any technical issues opening or accessing the production, please let us know.

Thanks,

Darren

Darren M. Welch

Skadden, Arps, Slate, Meagher & Flom LLP

1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111

T: 202.371.7804 | F: 202.661.8267

darren.welch@skadden.com

Skadden

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

=====

From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: FW: Wells Fargo Bank, N.A. -- consent order redline <confidential>
Date: Friday, August 19, 2016 12:25:25 PM

This message was sent securely using ZixCorp.

Just tried calling you. Do you have time for a quick chat? I've got a meeting (on this) at 10 (PST), and wanted to touch base with you.

Mike and John spoke this morning as well.

--- Originally sent by lawrence.brown@cfpb.gov on Aug 19, 2016 9:01 AM ---

This message was sent securely using ZixCorp.

Steve,

We just discussed the edits. (b) (5)

If you think a call makes sense, let me know.

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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From: steven.son@lacity.org [mailto:steven.son@lacity.org]
Sent: Friday, August 19, 2016 11:21 AM
To: Brown, Lawrence (CFPB)
Subject: RE: FW: Wells Fargo Bank, N.A. -- consent order redline <confidential>

This message was sent securely using ZixCorp.

Thanks, Lawrence. Are there are specific proposed red-lines that the Bureau has particular issues with?

Steve

--- Originally sent by lawrence.brown@cfpb.gov on Aug 18, 2016 6:10 PM ---

This message was sent securely using ZixCorp.

Steve,

Attached please find the revisions we received from the bank.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Welch, Darren M [<mailto:Darren.Welch@skadden.com>]
Sent: Thursday, August 18, 2016 3:42 PM
To: Brown, Lawrence (CFPB)
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Raman, Anand S
Subject: Wells Fargo Bank, N.A. -- consent order redline <confidential>

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CONFIDENTIAL TREATMENT REQUESTED – NOT SUBJECT TO FOIA DISCLOSURE

(b) (4)

Please let us know when your team would be ready and available to discuss.

Thanks,

Darren

Darren M. Welch
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7804 | F: 202.661.8267
darren.welch@skadden.com

Skadden

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From: [Wells, John \(CFPB\)](#)
To: [Anderson, Brandis \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Cc: [Orenstein, Joshua \(CFPB\)](#)
Subject: Re: Wells Fargo Consent Order
Date: Thursday, June 23, 2016 10:31:52 AM

Hi --

LB's still out and I'm out of the office at hearings for a couple of days at hearings. (b) (5), (b) (7) (E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

I'll check if I have any emails on this when I have a chance.

John

From: Anderson, Brandis (CFPB)
Sent: Wednesday, June 22, 2016 07:22 PM
To: Brown, Lawrence (CFPB); Wells, John (CFPB)
Cc: Orenstein, Joshua (CFPB)
Subject: Wells Fargo Consent Order

Hi Lawrence and John --

(b) (5), (b) (7)(E)

[REDACTED]

Thanks in advance for your help,
Brandis

Brandis C. Anderson
Enforcement Attorney
Consumer Financial Protection Bureau
Tel: 202 435 7548
Mob: 202 306 7264
Email: brandis.anderson@cfpb.gov
consumerfinance.gov

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: RE: Wells Fargo Filing 9/8/16 - Attorney Contact Information Request
Date: Wednesday, September 07, 2016 3:05:41 PM

Give me a second to respond.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, September 07, 2016 3:05 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: FW: Wells Fargo Filing 9/8/16 - Attorney Contact Information Request

See below

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Reiferson, Barry (CFPB)
Sent: Wednesday, September 07, 2016 3:04 PM
To: Brown, Lawrence (CFPB)
Cc: Hartmann, Leanne (CFPB)
Subject: Fw: Wells Fargo Filing 9/8/16 - Attorney Contact Information Request

LB, Leanne and I are traveling but can send this information. Are you or is someone else on it?
Thanks. Also, can we listen on the press call?

From: CFPB_Executive Secretary

Sent: Wednesday, September 07, 2016 11:53 AM

To: Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB); Brown, Lawrence (CFPB)

Cc: Turner, Austin (Detailee)(CFPB); Williams, Monique (CFPB); CFPB_Executive Secretary

Subject: Wells Fargo Filing 9/8/16 - Attorney Contact Information Request

Hello,

Please send us the contact information for the CFPB Enforcement attorneys that you would like to have listed on the Wells Fargo filing, as well as the names and contact information (both email and mailing addresses) for the opposing counsel by COB today.

Thank you.

From: [CFPB Executive Secretary](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo Filing 9/8/16 - Attorney Contact Information Request
Date: Wednesday, September 07, 2016 3:49:43 PM

Thank you!

From: Brown, Lawrence (CFPB)
Sent: Wednesday, September 07, 2016 3:46 PM
To: CFPB_Executive Secretary; Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB)
Cc: Turner, Austin (Detailee)(CFPB); Williams, Monique (CFPB)
Subject: RE: Wells Fargo Filing 9/8/16 - Attorney Contact Information Request

Please find the information that you requested below.

Attorneys for the Consumer Financial Protection Bureau

Anthony Alexis
Enforcement Director
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552
Email: Anthony.Alexis@cfpb.gov
Phone: (202) 435-7999

Jeffrey Paul Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552
Email: Jeff.Ehrlich@cfpb.gov
Phone: (202) 435-7598

John C. Wells
Assistant Litigation Deputy
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552
Email: John.Wells@cfpb.gov
Phone: (202) 435-9319

Lawrence D. Brown
Enforcement Attorney
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552
Email: Lawrence.Brown@cfpb.gov
Phone: (202) 435-7116

Barry Reiferson

Enforcement Attorney
Consumer Financial Protection Bureau
2 Grand Central Tower
140 E. 45th Street
New York, NY 10017
Email: Barry.Reiferson@cfpb.gov
Phone: (b) (6)

Leanne Hartmann
Enforcement Attorney
Consumer Financial Protection Bureau
301 Howard St, Ste 1200
San Francisco, CA 94105
Email: Leanne.Hartmann@cfpb.gov
Phone: (b) (6)

Attorneys for Wells Fargo Bank, N.A.

Anand Raman
Skadden, Arps, Slate, Meagher & Flom, LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005
Email: Anand.Raman@skadden.com
Phone: (202) 371-7019

Darren Welch
Skadden, Arps, Slate, Meagher & Flom, LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005
Email: Darren.Welch@skadden.com
Phone: (202) 371-7804

Marisa B. Van Saanen
Skadden, Arps, Slate, Meagher & Flom, LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005
Email: Marisa.Vansaanen@skadden.com
Phone: (202) 371-7228

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: CFPB_Executive Secretary
Sent: Wednesday, September 07, 2016 2:53 PM
To: Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB); Brown, Lawrence (CFPB)
Cc: Turner, Austin (Detailee)(CFPB); Williams, Monique (CFPB); CFPB_Executive Secretary
Subject: Wells Fargo Filing 9/8/16 - Attorney Contact Information Request

Hello,

Please send us the contact information for the CFPB Enforcement attorneys that you would like to have listed on the Wells Fargo filing, as well as the names and contact information (both email and mailing addresses) for the opposing counsel by COB today.

Thank you.

From: [Williams, Natalie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells Fargo N.A. -- SSCOT staffing <confidential>
Date: Friday, May 13, 2016 9:08:16 AM

Good to see them being cooperative.

From: Brown, Lawrence (CFPB)
Sent: Friday, May 13, 2016 9:05 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Williams, Natalie (CFPB)
Subject: FW: Wells Fargo N.A. -- SSCOT staffing <confidential>

Fyi

Lawrence D. Brown
Enforcement Attorney

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From: Welch, Darren M [<mailto:Darren.Welch@skadden.com>]
Sent: Thursday, May 12, 2016 4:37 PM
To: Brown, Lawrence (CFPB)
Cc: Raman, Anand S
Subject: Wells Fargo N.A. -- SSCOT staffing <confidential>

CONFIDENTIAL – NOT SUBJECT TO FOIA DISCLOSURE

Lawrence,

Here are the answers to your questions in the email below:

(b) (4)



(b) (4)



Best regards,
Darren

Darren M. Welch

Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7804 | F: 202.661.8267
darren.welch@skadden.com

Skadden

--

From: Brown, Lawrence (CFPB) [<mailto:Lawrence.Brown@cfpb.gov>]
Sent: Wednesday, May 04, 2016 9:05 AM
To: Raman, Anand S (WAS)
Cc: Welch, Darren M (WAS); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: Wells: Sales Quality Department and Sales and Service Conduct Oversight Team

Anand,

Can you give us an idea of how many people have been assigned to work in both the Sales Quality Department and Sales and Service Conduct Oversight Team? Did the institution change the staffing levels in those groups during the applicable period? Let me know if there are any other departments or groups dedicated to documenting and investigating sales integrity issues.

Thanks,

Lawrence D. Brown
Enforcement Attorney

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

From: [Wells, John \(CFPB\)](#)
To: [Fulton, Kate \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Cc: [Vahey, Moira \(CFPB\)](#)
Subject: Re: Wells Fargo on Thursday?
Date: Tuesday, September 06, 2016 8:30:41 AM

Hi --

Yes, we're on for Thursday. Presser should go into (expedited) clearance this morning.

From: Fulton, Kate (CFPB)
Sent: Tuesday, September 06, 2016 07:50 AM
To: Wells, John (CFPB); Brown, Lawrence (CFPB)
Cc: Vahey, Moira (CFPB)
Subject: Wells Fargo on Thursday?

Good Morning All,

Is this matter stills scheduled for Thursday? If so, is there a draft presser? I'll need to send the CSBS notification by noon.

Thanks!

Kate M. Fulton
Senior Counsel
Office: (202) 435-9688 | Mobile: (b) (6)

Consumer Financial Protection Bureau
consumerfinance.gov

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From: [Ledbetter, Roshonda](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Wells Fargo production
Date: Tuesday, July 05, 2016 9:46:33 AM

Hi Lawrence,

Andrew said that you forwarded me the password for the production that just arrived.

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo Sales CID Update
Date: Thursday, June 09, 2016 2:31:58 PM

Thanks, Barry. Once we get the scheduling details, we'll decide who's doing what. If WF's hearings will be on the West Coast, Leanne, John, and I could handle to spare you the trip. Maybe you, John, and I could attend hearings on the East Coast.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Reiferson, Barry (CFPB)
Sent: Thursday, June 09, 2016 2:30 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Hartmann, Leanne (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: RE: Wells Fargo Sales CID Update

Sorry, I forgot—(b) (5), (b) (8).

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Reiferson, Barry (CFPB)
Sent: Thursday, June 09, 2016 2:28 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Hartmann, Leanne (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: Wells Fargo Sales CID Update

Anand called a few minutes ago.

They're working on identifying designees and are targeting West Coast during the week of June 20.

(b) (7)(E), (b) (5), (b) (8)

He acknowledges also—yet again—that they owe us documents and answers about documents.

Finally, he wanted to alert us to a soon-to-be-published LA Times story on Wells Fargo sales practices. He is trying to manage reactions. He claims it will be rehashed allegations of a former employee who they believe previously sparked a Wall Street Journal story.

-Barry

Barry Reiferson

Enforcement Attorney

Office: 212-328-7020 | Mobile: (b) (6)

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: Wells Fargo Sales Practices - CID 2.0 update
Date: Friday, April 29, 2016 9:14:33 PM

Hi guys –

I'm reviewing Barry's draft CID in the Wells matter, but thanks to a lot of competing efforts this afternoon, I'm going to have to beg a little patience as I continue the review until Sunday or Monday morning, at which time I'll turn a draft around to you both. My apologies for being the bottleneck on this.

Thanks,
Leanne

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: [Steven Son](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: Re: Wells Fargo.
Date: Friday, July 08, 2016 3:14:33 PM

Sounds good, talk to you then.

On Fri, Jul 8, 2016 at 12:11 PM, Brown, Lawrence (CFPB) <Lawrence.Brown@cfpb.gov> wrote:

Steve,

I will give you a call at 4:00 EST.

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: [\(202\) 435-7116](tel:(202)435-7116)

Mobile: (b) (6)

Fax: [\(202\) 435-7722](tel:(202)435-7722)

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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From: Steven Son [mailto:steven.son@lacity.org]
Sent: Friday, July 08, 2016 3:02 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells Fargo.

Hi folks,

Do any (or all) of you have some time later today, or early Monday, for a call?

Thanks,

Steve

--

Steven S. Son, Deputy City Attorney

Office of the Los Angeles City Attorney

200 N. Main St., 5th Floor CHE

Los Angeles, CA 90012

Telephone: [\(213\) 978-8036](tel:(213)978-8036)

E-mail: steven.son@lacity.org

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--

Steven S. Son, Deputy City Attorney
Office of the Los Angeles City Attorney
200 N. Main St., 5th Floor CHE

Los Angeles, CA 90012
Telephone: (213) 978-8036
E-mail: steven.son@lacity.org

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Williams, Natalie \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo.
Date: Tuesday, May 31, 2016 11:50:16 AM

No idea. Happy to ask Steve about it, though.

From: Ehrlich, Jeffrey (CFPB)
Sent: Tuesday, May 31, 2016 8:49 AM
To: Reiferson, Barry (CFPB); Wells, John (CFPB); Williams, Natalie (CFPB)
Cc: Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Wells Fargo.

(b) (5)

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Reiferson, Barry (CFPB)
Sent: Thursday, May 26, 2016 5:59 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Williams, Natalie (CFPB)
Cc: Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: FW: Wells Fargo.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)



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From: steven.son@lacity.org [<mailto:steven.son@lacity.org>]
Sent: Thursday, May 26, 2016 5:56 PM
To: Hartmann, Leanne (CFPB)
Cc: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells Fargo.

This message was sent securely using ZixCorp.

Hi Leanne,

I thought our group call was productive. (b) (5)



If you have any questions before our respective offices formally reconvene next week to discuss next steps, please don't hesitate to call.

Thanks,

Steve

This message was secured by [ZixCorp](#)^(R).

From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo.
Date: Tuesday, September 06, 2016 1:15:04 PM

This message was sent securely using ZixCorp.

Thanks, Lawrence.

Can you send me a copy of the final version of the consent order that was sent and confirmed with the bank? (In "clean" and not red-lined form.)

--- Originally sent by lawrence.brown@cfpb.gov on Sep 6, 2016 5:11 AM ---

This message was sent securely using ZixCorp.

Steve,

I enjoyed working with you on this case and hope our offices find another case to work on in the near future!

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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From: Steven Son [mailto:steven.son@lacity.org]

Sent: Friday, September 02, 2016 1:45 PM

To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)

Subject: RE: Wells Fargo.

Hi folks,

Just wanted to congratulate everyone on the Bureau's settlement, and say that it was awesome working with all of you. Have a fun (and safe) long weekend!

Steve

PS - with respect to this morning's question about the press release, Mike or our press folks will be getting back to you.

--

Steven S. Son, Deputy City Attorney

Office of the Los Angeles City Attorney

200 N. Main St., 5th Floor CHE

Los Angeles, CA 90012

Telephone: (213) 473-6903

E-mail: steven.son@lacity.org

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#)
Subject: RE: Wells Fargo.
Date: Wednesday, September 07, 2016 1:54:54 PM

Lucky polo shirt.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, September 07, 2016 1:55 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: RE: Wells Fargo.

Will do. Does attendance require formal attire?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Ehrlich, Jeffrey (CFPB)
Sent: Wednesday, September 07, 2016 1:53 PM
To: Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: RE: Wells Fargo.

Yes. If you want to go to the press call with us, we should meet in the lobby for whatever van we must catch to be there around noon.

Jeff Ehrlich

Deputy Enforcement Director

Office: (202) 435-7598 | Mobile: (b) (6)

Consumer Financial Protection Bureau

consumerfinance.gov

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From: Brown, Lawrence (CFPB)

Sent: Wednesday, September 07, 2016 1:52 PM

To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)

Subject: RE: Wells Fargo.

Based on the invites relating to the press call, I am safe responding to Steve that our order will have been filed administratively at the time they are filing at noon EST, right?

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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From: Ehrlich, Jeffrey (CFPB)

Sent: Wednesday, September 07, 2016 11:42 AM

To: Brown, Lawrence (CFPB); Wells, John (CFPB)

Subject: RE: Wells Fargo.

Yes, but we will confirm now.

Jeff Ehrlich

Deputy Enforcement Director

Office: (202) 435-7598 | Mobile: (b) (6)

Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, September 07, 2016 11:41 AM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: FW: Wells Fargo.

Steve wants to know if we will have filed our order administratively by noon tomorrow—see below.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: steven.son@lacity.org [<mailto:steven.son@lacity.org>]
Sent: Wednesday, September 07, 2016 11:37 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells Fargo.

This message was sent securely using **ZixCorp.**

Hi Lawrence,

We intend to file our proposed stipulated judgment with the Court at 9:00 a.m. (PST) tomorrow. I'm assuming the CFPB's consent order will have been entered in the administrative proceeding by then, but just wanted to confirm - since our stipulated judgment references the Bureau's consent order.

Thanks,

Steve

This message was secured by [ZixCorp](#)^(R).

From: [Spicer, Veronica \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells Sales Practices: (b) (8), (b) (5)
Date: Thursday, June 30, 2016 3:06:44 PM

202-435-7545

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From: Brown, Lawrence (CFPB)
Sent: Thursday, June 30, 2016 3:06 PM
To: Spicer, Veronica (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: RE: Wells Sales Practices: (b) (5), (b) (8)

Let me know what number to call.

Lawrence D. Brown
Enforcement Attorney

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From: Spicer, Veronica (CFPB)
Sent: Thursday, June 30, 2016 3:04 PM
To: Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: RE: Wells Sales Practices: (b) (5), (b) (8)

Hey there – are you free for a quick call?

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges

From: Brown, Lawrence (CFPB)
Sent: Thursday, June 30, 2016 9:53 AM
To: Spicer, Veronica (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: RE: Wells Sales Practices: (b) (8), (b) (5)

Hi Veronica,

(b) (5), (b) (8)

(b) (8), (b) (5)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Lohr, Douglas \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Sales Practices: Producing a duplicate DVD of materials uploaded to Relativity
Date: Thursday, May 05, 2016 12:52:03 PM

(b) (5)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Let me know if you and your team want a quick go through of this data.

Doug Lohr

Consumer Financial Protection Bureau
e-Law Litigation Support Specialist | Enforcement
Office: 202-435-9046 | Mobile: (b) (6)
Email: douglas.lohr@cfpb.gov
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 27, 2016 11:27 AM
To: Lohr, Douglas (CFPB)
Subject: Wells Sales Practices: Producing a duplicate DVD of materials uploaded to Relativity

Doug,

Can you assist me with producing a DVD that has all the materials given to us by Wells Fargo in the Wells Fargo Sales Practices matter? OCC has submitted a request for the materials that the Legal Division has approved—see attached.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Ledbetter, Roshonda \(Contractor\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Sales: Additional consumer complaints
Date: Wednesday, April 20, 2016 9:45:19 AM

(b) (5), (b) (8) I will let you know how it works.

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 20, 2016 9:39 AM
To: Ledbetter, Roshonda (Contractor)
Subject: RE: Wells Sales: Additional consumer complaints

(b) (5)



Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Ledbetter, Roshonda (Contractor)
Sent: Wednesday, April 20, 2016 9:35 AM
To: Brown, Lawrence (CFPB)

Subject: RE: Wells Sales: Additional consumer complaints

(b) (5), (b) (8)

Do you know the best way to do so?

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 20, 2016 9:31 AM
To: Ledbetter, Roshonda (Contractor)
Subject: RE: Wells Sales: Additional consumer complaints

Sorry about that. Don't hesitate to let me know if you run into road blocks. Just call me up and we'll figure out the way forward.

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ledbetter, Roshonda (Contractor)
Sent: Wednesday, April 20, 2016 9:25 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells Sales: Additional consumer complaints

Hi Lawrence,

(b) (5), (b) (8)

Thanks,

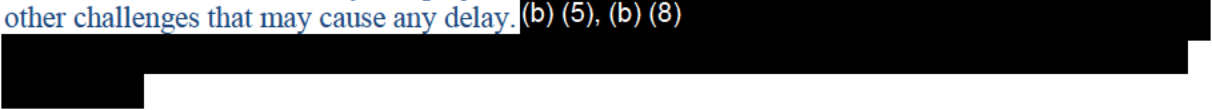
Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 20, 2016 9:17 AM
To: Ledbetter, Roshonda (Contractor)
Subject: FW: Wells Sales: Additional consumer complaints

Hey Roshonda,

Please let me know if I send you a project that you are unable to do on your own or if you run into other challenges that may cause any delay. (b) (5), (b) (8)



Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: Zelinsky, John (CFPB)
Sent: Tuesday, April 19, 2016 7:02 PM
To: Ledbetter, Roshonda (Contractor)
Cc: Brown, Lawrence (CFPB)
Subject: RE: Wells Sales: Additional consumer complaints

(b) (5)



If you want to explore other options don't hesitate to contact me.

John

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From: Ledbetter, Roshonda (Contractor)
Sent: Tuesday, April 19, 2016 11:22 AM
To: Zelinsky, John (CFPB)
Subject: RE: Wells Sales: Additional consumer complaints

John,

I apologize for giving you the same thing. I attached the wrong one.

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Zelinsky, John (CFPB)
Sent: Tuesday, April 19, 2016 1:03 PM
To: Ledbetter, Roshonda (Contractor)
Subject: RE: Wells Sales: Additional consumer complaints

Roshonda,

These seem to be the same complaints that I looked up a couple weeks ago and sent back with the contact info. Please see attached. Let me know if there are any questions.

Thanks!

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intended to waive any privileges.

From: Ledbetter, Roshonda (Contractor)
Sent: Tuesday, April 19, 2016 9:00 AM
To: Zelinsky, John (CFPB)
Subject: FW: Wells Sales: Additional consumer complaints

Hi John,

I hope all is well. Can you help me get the contact information for the attached complaints?

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ledbetter, Roshonda (CFPB)
Sent: Monday, April 04, 2016 11:16 AM
To: Zelinsky, John (CFPB)
Subject: FW: Wells Sales: Additional consumer complaints

Hi John,

Can you help me get the contact information. I also emailed CR but no one has gotten back to me.

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Brown, Lawrence (CFPB)
Sent: Friday, April 01, 2016 12:51 PM
To: Ledbetter, Roshonda (CFPB)

Subject: Wells Sales: Additional consumer complaints

Hi Roshonda,

(b) (5)



Thanks,

Lawrence

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Sales: CIA with LA City Attorney's Office
Date: Friday, March 18, 2016 3:05:02 PM

Excellent. Thanks.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Friday, March 18, 2016 3:01 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: RE: Wells Sales: CIA with LA City Attorney's Office

I will get the CID to you Monday. I'm working on getting any final input from Glenn and Joe.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Ehrlich, Jeffrey (CFPB)
Sent: Friday, March 18, 2016 2:39 PM
To: Brown, Lawrence (CFPB)
Cc: Williams, Natalie (CFPB)
Subject: RE: Wells Sales: CIA with LA City Attorney's Office

Thanks.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Thursday, March 17, 2016 9:23 AM
To: Ehrlich, Jeffrey (CFPB)
Cc: Williams, Natalie (CFPB)
Subject: Wells Sales: CIA with LA City Attorney's Office

Jeff,

Attached for your execution please find an updated common interest agreement with the LA City Attorney that has been approved by our strategy team and the Legal Division. I'm also attaching the redline from the City Attorney's Office in case you were curious about the revisions. Let us know if you have any questions.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

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1625 Eye Street, NW
Washington, DC 20006

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From: [Ledbetter, Roshonda \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Sales: CID being issued today
Date: Monday, March 21, 2016 11:22:22 AM

I am going to change the order of the documents and add the notice to persons.

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Monday, March 21, 2016 11:11 AM
To: Ledbetter, Roshonda (CFPB)
Subject: FW: Wells Sales: CID being issued today

Looks like I will change the method of service on the cover letter.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: Davis, Alicia (CFPB)
Sent: Monday, March 21, 2016 11:08 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells Sales: CID being issued today

CID's have to go out by Certified mail. I will have Rashunda put that together.

From: Brown, Lawrence (CFPB)
Sent: Monday, March 21, 2016 11:04 AM
To: Davis, Alicia (CFPB)
Subject: RE: Wells Sales: CID being issued today

Ok. Sounds fine.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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1625 Eye Street, NW
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From: Davis, Alicia (CFPB)
Sent: Monday, March 21, 2016 11:02 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells Sales: CID being issued today

Sure, no problem. I will create the label and send to Rashunda Bailey to take care of the mailing. I'm teleworking today.

From: Brown, Lawrence (CFPB)
Sent: Monday, March 21, 2016 10:54 AM
To: Ledbetter, Roshonda (CFPB); Davis, Alicia (CFPB)
Subject: Wells Sales: CID being issued today

Roshonda,

I have attached the CID package to this email. Would you mind checking to make sure that I didn't leave anything out?

Alicia,

Would you mind preparing a UPS label to the address below? I have the original package when Roshonda confirms that the CID is good to send out.

Wells Fargo Bank, N.A.
c/o Robert J. McGahan
301 South College Street
30th Floor
Charlotte, NC 28202-6000

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: 1625i-rm4085-konica-bizhub@cfpb.gov [<mailto:1625i-rm4085-konica-bizhub@cfpb.gov>]

Sent: Monday, March 21, 2016 10:56 AM

To: Brown, Lawrence (CFPB)

Subject: Message from 1625i-rm4085-konica-bizhub

From: [Wells, John \(CFPB\)](#)
To: [Ledbetter, Roshonda](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells transcript -- quick follow-up question
Date: Wednesday, July 06, 2016 3:50:31 PM

Thanks Roshonda.

From: Ledbetter, Roshonda
Sent: Wednesday, July 06, 2016 03:49 PM
To: Wells, John (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: RE: Wells transcript -- quick follow-up question

(b) (5)



Thanks,

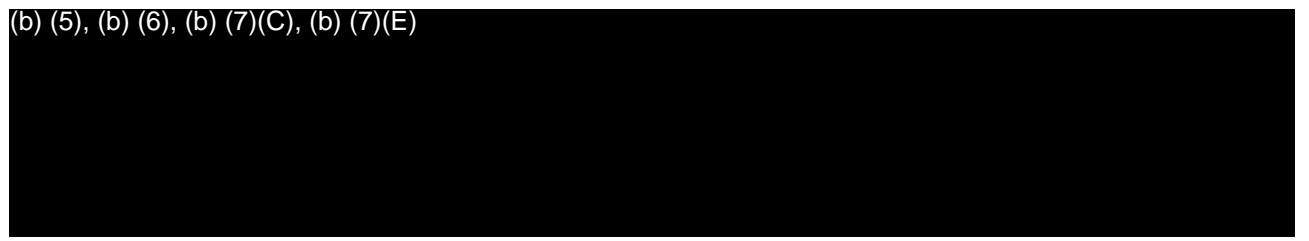
Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Wells, John (CFPB)
Sent: Wednesday, July 06, 2016 2:10 PM
To: Ledbetter, Roshonda
Cc: Brown, Lawrence (CFPB)
Subject: Wells transcript -- quick follow-up question

Hi Roshonda –

(b) (5), (b) (6), (b) (7)(C), (b) (7)(E)



John

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells Update
Date: Wednesday, April 27, 2016 10:12:51 AM

Thanks.

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 27, 2016 08:43 AM
To: Ehrlich, Jeffrey (CFPB)
Subject: FW: Wells Update

Jeff,

Below please find the update on the Wells matter. Let me know if you have any questions.

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, April 26, 2016 12:44 PM
To: Williams, Natalie (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells Update

Natalie,

I wanted to give you an update on the Wells sales practices investigation. Documents should be uploaded to Relativity soon so we can begin reviewing documents. (b) (8), (b) (5), (b) (7)(E)

[REDACTED]

(b) (5), (b) (7)(E),
(b) (8) We
have offered to host an in-person meeting with Wells on May 25 or May 26. So far, they have not confirmed that they will come on either date. I am holding on to conference space for both dates. Barry and Leanne will meet with the folks at the LA City Attorney's Office on either May 4 or May 6.

I am in the office this afternoon. (b) (6)

I will keep everyone updated on my status.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

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1625 Eye Street, NW
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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells: - (b) (5), (b) (6), (b) (7)(C)
Date: Thursday, September 15, 2016 8:44:07 AM

I wasn't at the others. I listened in but it was difficult. I recall thinking the testimony on this point wasn't too clear.

From: Brown, Lawrence (CFPB)
Sent: Thursday, September 15, 2016 08:42 AM
To: Reiferson, Barry (CFPB)
Subject: RE: Wells: - (b) (5), (b) (7)(C), (b) (6)

(b) (5), (b) (6), (b) (7)(C)
Jump in where you can.

Lawrence D. Brown
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From: Reiferson, Barry (CFPB)
Sent: Thursday, September 15, 2016 8:42 AM
To: Brown, Lawrence (CFPB)
Subject: Re: Wells: - (b) (5), (b) (6), (b) (7)(C)

I will leave you alone seeing you have it in hand.

From: Brown, Lawrence (CFPB)
Sent: Thursday, September 15, 2016 08:41 AM
To: Ehrlich, Jeffrey (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: (b) (5), (b) (6), (b) (7)(C)

I'm in that transcript now. I think I found what you are referring to here.

Lawrence D. Brown
Enforcement Attorney

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From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, September 15, 2016 8:39 AM
To: Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Re: Wells: (b) (5), (b) (6), (b) (7)(C)

(b) (5)

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Thursday, September 15, 2016 8:32 AM
To: Ehrlich, Jeffrey (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: (b) (8), (b) (5)

Jeff,

(b) (5)

Lawrence D. Brown
Enforcement Attorney

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Washington, DC 20006

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: FW: Wells: 6,679 Documents Uploaded on Relativity
Date: Friday, September 16, 2016 9:56:06 AM

W probably just confused your correct numbers. Anything I can do on this?

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Ehrlich, Jeffrey (CFPB)
Sent: Friday, September 16, 2016 6:23 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: Re: Wells: 6,679 Documents Uploaded on Relativity

Let's make sure everything is uploaded and get me a final number. Thanks, everyone.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Reiferson, Barry (CFPB)
Sent: Friday, September 16, 2016 1:42 AM
To: Hartmann, Leanne (CFPB); Ehrlich, Jeffrey (CFPB); Brown, Lawrence (CFPB)
Subject: Re: Wells: 6,679 Documents Uploaded on Relativity

The binders, yes. Spreadsheets, I'd have to look.

From: Hartmann, Leanne (CFPB)
Sent: Friday, September 16, 2016 01:40 AM
To: Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: Re: Wells: 6,679 Documents Uploaded on Relativity

I'm not certain whether some of the last-produced documents ever got uploaded, and can check in the morning. Namely, the binders they produced in hard copy and by FTP, and the spreadsheets that included the names of all employees referred to HR, terminated, and/or who resigned related to the identified sales practices.

Barry, do you happen to remember whether those materials made it into the Relativity database?

From: Ehrlich, Jeffrey (CFPB)

Sent: Thursday, September 15, 2016 07:49 PM
To: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Cc: Hartmann, Leanne (CFPB)
Subject: RE: Wells: 6,679 Documents Uploaded on Relativity

Good. Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Reiferson, Barry (CFPB)
Sent: Thursday, September 15, 2016 10:49 PM
To: Ehrlich, Jeffrey (CFPB); Brown, Lawrence (CFPB)
Cc: Hartmann, Leanne (CFPB)
Subject: Re: Wells: 6,679 Documents Uploaded on Relativity

Per Lawrence, those are discrete documents.

From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, September 15, 2016 10:44 PM
To: Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: 6,679 Documents Uploaded on Relativity

Does that mean 6679 pages, or 6679 documents of varying length?

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Thursday, September 15, 2016 10:24 PM
To: Ehrlich, Jeffrey (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: 6,679 Documents Uploaded on Relativity

Jeff,

There are 6,679 document uploaded to Relativity for the case. (b) (5)

[REDACTED]

(b) (5)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

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1625 Eye Street, NW
Washington, DC 20006

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Wells, John \(CFPB\)](#)
Subject: RE: Wells: Any word from the City Attorney re the call with the bank?
Date: Tuesday, August 16, 2016 3:15:32 PM

The City Attorney is going to call me at 5 ET. Could you call in then? If so, I could get a call-in number.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, August 16, 2016 3:09 PM
To: Ehrlich, Jeffrey (CFPB)
Cc: Wells, John (CFPB)
Subject: Wells: Any word from the City Attorney re the call with the bank?

Jeff,

Have you heard anything about the call (assuming it already happened)?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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1625 Eye Street, NW
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Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells: Are you both available to talk after talking with Gary?
Date: Monday, April 25, 2016 1:24:17 PM

same

From: Brown, Lawrence (CFPB)
Sent: Monday, April 25, 2016 1:24 PM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells: Are you both available to talk after talking with Gary?

I can do it after the all hands meeting.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: Hartmann, Leanne (CFPB)
Sent: Monday, April 25, 2016 1:22 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells: Are you both available to talk after talking with Gary?

Unfortunately I have another call at 11 AM Pacific time...any chance we could chat after the all-hands?

From: Brown, Lawrence (CFPB)
Sent: Monday, April 25, 2016 10:21 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Are you both available to talk after talking with Gary?

Barry and Leanne,

I'll be able to join the call with Gary. Will you be able to chat a bit after the call?

Thanks,

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells: briefing binder
Date: Tuesday, May 24, 2016 10:52:38 AM

Not necessary. Thanks.

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Brown, Lawrence (CFPB)
Sent: Tuesday, May 24, 2016 10:52 AM
To: Ehrlich, Jeffrey (CFPB)
Subject: RE: Wells: briefing binder

Should I get one made for John Wells too?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
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Lawrence Brown
1625 Eye Street, NW
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Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ehrlich, Jeffrey (CFPB)
Sent: Tuesday, May 24, 2016 10:51 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells: briefing binder

I did. Thank you.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, May 24, 2016 10:46 AM
To: Ehrlich, Jeffrey (CFPB)
Subject: Wells: briefing binder

Jeff,

Did you receive the binder?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Wells, John \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Call from Steve
Date: Tuesday, August 30, 2016 1:26:55 PM

LB, I'm typing an email to Tony now explaining where we landed and will attach the redline.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ehrlich, Jeffrey (CFPB)
Sent: Tuesday, August 30, 2016 1:25 PM
To: Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: Re: Wells: Call from Steve

I'm afraid we're about to find out how good they are.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Tuesday, August 30, 2016 1:23 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: RE: Wells: Call from Steve

Those guys are really good partners.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ehrlich, Jeffrey (CFPB)
Sent: Tuesday, August 30, 2016 1:23 PM
To: Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: Re: Wells: Call from Steve

(b) (5)

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Tuesday, August 30, 2016 1:21 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: Wells: Call from Steve

Gents,

(b) (5)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Washington, DC 20006

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells: Call Update
Date: Wednesday, July 13, 2016 4:07:30 PM

Could we do a quick call? We have an update from the OCC.

877-985-6608; (b) (6)

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, July 13, 2016 4:04 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Call Update

Gents,

(b) (5)

Team,

Feel free to chime in if I left out any important details.

Lawrence D. Brown
Enforcement Attorney

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells: Compliance Plan Section of Consent Order (which option?)
Date: Friday, July 01, 2016 11:35:00 AM

Yes. Make the change.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Friday, July 01, 2016 11:34 AM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: Compliance Plan Section of Consent Order (which option?)

Gents,

(b) (8), (b) (5), (b) (7)(E)

Let me know if you are ok with me going with that option from our template whenever it is available.

Lawrence D. Brown
Enforcement Attorney

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From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, June 30, 2016 2:07 PM
To: Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: RE: Wells: Compliance Plan Section of Consent Order (which option?)

Option 1.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
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consumerfinance.gov

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From: Brown, Lawrence (CFPB)


Sent: Thursday, June 30, 2016 1:52 PM

To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)

Subject: Wells: Compliance Plan Section of Consent Order (which option?)

Gents,

(b) (5), (b) (8), (b) (7)(E)



Thanks,

Lawrence D. Brown

Enforcement Attorney

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From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: current working draft
Date: Friday, August 19, 2016 3:49:19 PM

This message was sent securely using ZixCorp.

Hey Lawrence. I just sent you, Jeff, and John an e-mail with the call-in info. (But not a separate calendar invite.) It'll just be me on this call, although I met with the larger group and am fully briefed on the issues.

--- Originally sent by lawrence.brown@cfpb.gov on Aug 19, 2016 12:21 PM ---

This message was sent securely using ZixCorp.

Steve,

Attached is our current working draft of the order. We're still working through some issues, but wanted you to see where we are now. We hope to speak to all of you in 40 minutes. We still have not received an invite with a conference number.

Thanks,

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

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Washington, DC 20006

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This message was secured by **ZixCorp**©.

To reach ZixCorp, go to: <http://www.zixcorp.com/info/zixmail>

This message was secured by **ZixCorp**^(R).

This message was secured by **ZixCorp**^(R).

From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells: DRAFT Independent Consultant Provision of Consent Order.doc
Date: Friday, July 01, 2016 2:10:40 PM

perfect

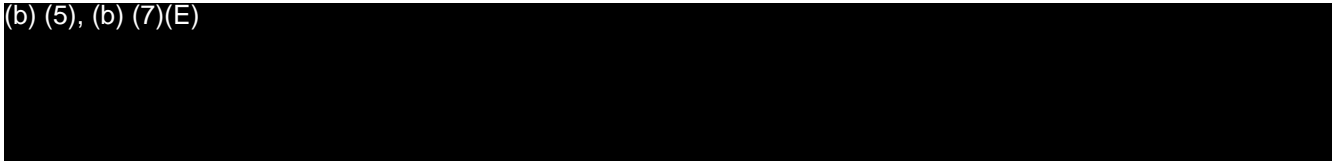
Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Friday, July 01, 2016 2:10 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: DRAFT Independent Consultant Provision of Consent Order.doc

How about this?

(b) (5), (b) (7)(E)



Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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1625 Eye Street, NW
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Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Reiferson, Barry (CFPB)
Sent: Friday, July 01, 2016 2:02 PM

To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)

Subject: RE: Wells: DRAFT Independent Consultant Provision of Consent Order.doc

(b) (5), (b) (7)(E)



Barry Reiferson

Enforcement Attorney

Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)

Sent: Friday, July 01, 2016 1:59 PM

To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)

Subject: RE: Wells: DRAFT Independent Consultant Provision of Consent Order.doc

(b) (5), (b) (7)(E)



Lawrence D. Brown

Enforcement Attorney

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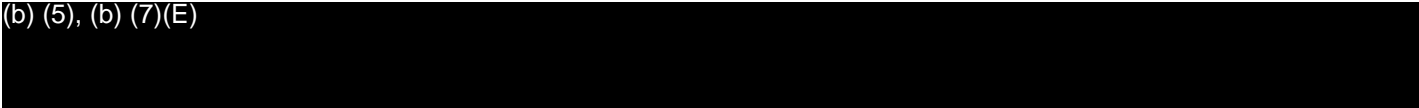
From: Reiferson, Barry (CFPB)

Sent: Friday, July 01, 2016 1:55 PM

To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)

Subject: RE: Wells: DRAFT Independent Consultant Provision of Consent Order.doc

(b) (5), (b) (7)(E)



Barry Reiferson

Enforcement Attorney

Office: 212-328-7020 | Mobile: (b) (6)

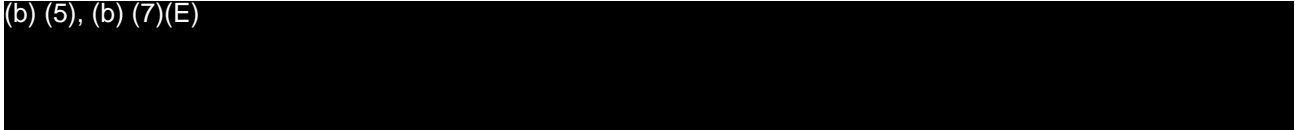
Confidentiality Notice: If you received this email by mistake, you should notify the sender of the

mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Friday, July 01, 2016 1:16 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: DRAFT Independent Consultant Provision of Consent Order.doc

Leanne and Barry,

(b) (5), (b) (7)(E)



Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells: Draft letter to opposing counsel
Date: Monday, April 04, 2016 3:46:04 PM
Attachments: [Topics for In-Person Meeting +BER.doc](#)

My two cents- redlined and attached.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

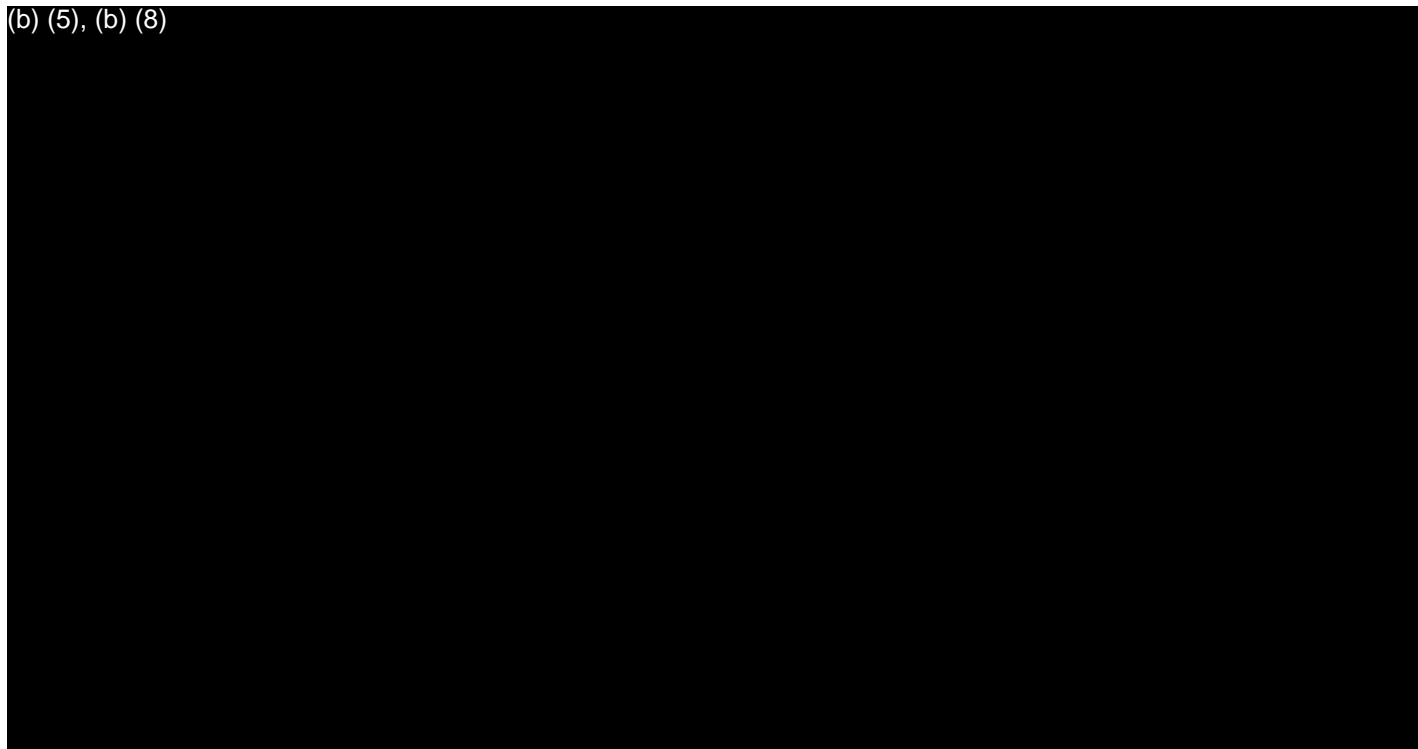
Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Monday, April 04, 2016 12:03 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Draft letter to opposing counsel

Barry and Leanne,

(b) (5), (b) (8)



(b) (5), (b) (8)

Next, I'll
check with Natalie to see if she has any issues with us sending out a letter like the one attached.

Thanks,

Lawrence

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells: Draft letter to opposing counsel
Date: Monday, April 04, 2016 3:41:51 PM
Attachments: [Topics for In-Person Meeting+leh.doc](#)

(b) (5)

(b) (5)

(b) (6)

I've tracked my suggested changes in the topics list, but of course leave to you whether you want to include any/all of my suggestions or not.

~Leanne

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-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Monday, April 04, 2016 9:03 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Draft letter to opposing counsel

Barry and Leanne,

(b) (6), (b) (7)(E), (b) (5), (b) (7)(C)

(b) (5), (b) (7)(E)

Next, I'll

check with Natalie to see if she has any issues with us sending out a letter like the one attached.

Thanks,

Lawrence

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From: [Ledbetter, Roshonda](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells: Getting transcripts out for review
Date: Friday, July 01, 2016 10:08:57 AM

I will prepare the emails.

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Friday, July 01, 2016 10:04 AM
To: Ledbetter, Roshonda
Cc: Reiferson, Barry (CFPB)
Subject: Wells: Getting transcripts out for review

Hi Roshonda,

Can you help us get transcripts out to opposing counsel for review?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells: Hearings and Informal Meetings Timeline (In-Person Only)
Date: Thursday, September 15, 2016 10:43:46 PM

This is great. Thank you.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Thursday, September 15, 2016 10:15 PM
To: Ehrlich, Jeffrey (CFPB)
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: Wells: Hearings and Informal Meetings Timeline (In-Person Only)

Jeff,

Below is a timeline of the hearings and meetings:

(b) (5), (b) (6), (b) (7)(C)



Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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1625 Eye Street, NW
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From: [Reiferson, Barry \(CFPB\)](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Let me know if you all want to chat before the call
Date: Thursday, May 19, 2016 1:10:02 PM

Would like to speak. But, based on your more recent email, Lawrence, I'm assuming you have more pressing things. NO WORRIES.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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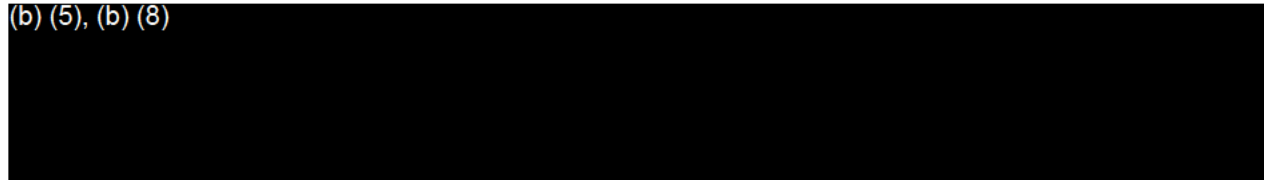
From: Hartmann, Leanne (CFPB)
Sent: Thursday, May 19, 2016 12:57 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells: Let me know if you all want to chat before the call

Hey there! Sorry for the slow response time.

First off, thank you – it is lovely that you are putting together briefing binders for us (I mean, for management... 😊). Please let me know if I can help with that in any way.

Next, happy to talk before or after our 4pm call with Matthew. Barry, I'm hoping you don't mind taking the lead on the call?

(b) (5), (b) (8)



From: Brown, Lawrence (CFPB)
Sent: Thursday, May 19, 2016 9:28 AM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: Wells: Let me know if you all want to chat before the call

I won't be able to be on the call with Matthew, but let me know if you all wanted to huddle up before the call today or sometime tomorrow (b) (5), (b) (8)

(b) (5), (b) (8)
may want to join that meeting.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Ledbetter, Roshonda \(Contractor\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: May 25 or May 26 (Room 4090 or Room 4095)
Date: Thursday, April 14, 2016 11:32:04 AM

Hi Lawrence,

I am working on this. How many people do you think will be attending?

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Brown, Lawrence (CFPB)
Sent: Thursday, April 14, 2016 8:18 AM
To: Ledbetter, Roshonda (Contractor)
Subject: Wells: May 25 or May 26 (Room 4090 or Room 4095)

Hi Roshonda,

We are trying to schedule a meeting with the bank on May 25 or May 26 at 1625 Eye Street in DC. Room 4090 and 4095 are the best meeting rooms. Can you check to see when those room might be free for a three hour block of time on those days?

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: Re: Wells: Most recent CID (meet and confer)
Date: Friday, July 01, 2016 8:19:44 AM

Let's discuss by phone today. Please set something up and include John. Thanks!

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Brown, Lawrence (CFPB)
Sent: Friday, July 01, 2016 08:16 AM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Most recent CID (meet and confer)

Jeff,

(b) (5)



(b) (5)

Let us know how you would like to proceed on those issues. Finally, Skadden would like to review transcripts and purchase their own courtesy copies.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: Re: Wells: OCC and City Attorney update call
Date: Wednesday, August 03, 2016 7:10:37 AM


I'll talk to the press folks about the request for a press conference. Thanks.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

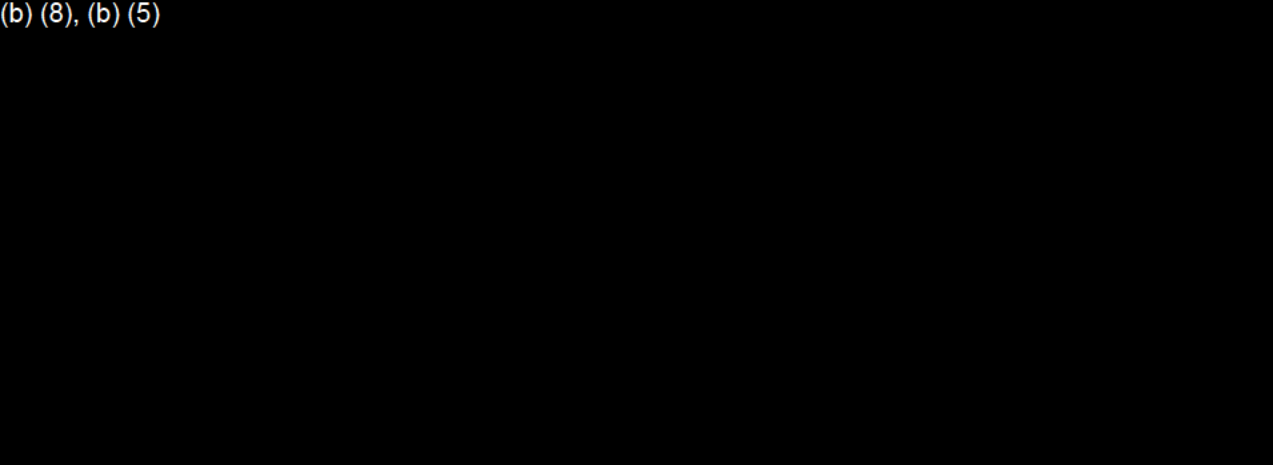
From: Brown, Lawrence (CFPB)
Sent: Tuesday, August 2, 2016 2:26 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: OCC and City Attorney update call

Jeff and John,

Today, we held a joint call with the OCC and City Attorney. (b) (5), (b) (8)



(b) (8), (b) (5)



Let me know if you have questions.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Washington, DC 20006

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From: [Goldblatt, Stefanie Isser \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Lohr, Douglas \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Melcher, Glenn \(CFPB\)](#)
Subject: RE: Wells: (b) (8)
Date: Monday, September 26, 2016 11:13:41 AM

Great!

Stefanie Isser Goldblatt

Senior Litigation Counsel

Office of Enforcement

Northeast Regional Office

Consumer Financial Protection Bureau

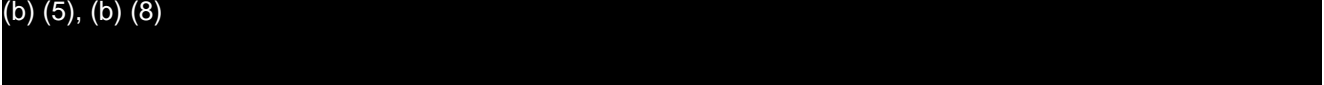
Tel: 212-328-7009

Stefanie.Goldblatt@cfpb.gov

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From: Brown, Lawrence (CFPB)
Sent: Monday, September 26, 2016 11:09 AM
To: Goldblatt, Stefanie Isser (CFPB); Lohr, Douglas (CFPB)
Cc: Reiferson, Barry (CFPB); Melcher, Glenn (CFPB)
Subject: RE: Wells: (b) (8)

(b) (5), (b) (8)



Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Goldblatt, Stefanie Isser (CFPB)

Sent: Monday, September 26, 2016 11:02 AM
To: Lohr, Douglas (CFPB); Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB); Melcher, Glenn (CFPB)
Subject: RE: Wells: (b) (8)

(b) (5), (b) (8)

Stefanie Isser Goldblatt

Senior Litigation Counsel
Office of Enforcement
Northeast Regional Office
Consumer Financial Protection Bureau
Tel: 212-328-7009
Stefanie.Goldblatt@cfpb.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Lohr, Douglas (CFPB)
Sent: Monday, September 26, 2016 10:51 AM
To: Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB); Goldblatt, Stefanie Isser (CFPB); Melcher, Glenn (CFPB)
Subject: RE: Wells: (b) (8)

(b) (5), (b) (8)

I want to make sure that these are the docs, fairly certain they are, just want to make sure.

thanks

From: Brown, Lawrence (CFPB)
Sent: Monday, September 26, 2016 10:43 AM
To: Lohr, Douglas (CFPB)
Cc: Reiferson, Barry (CFPB); Goldblatt, Stefanie Isser (CFPB)
Subject: Wells: (b) (8)

Doug,

(b) (8), (b) (5)

Let me know if that clears up the issue. I'm still climbing my way out of emails.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells: Order
Date: Wednesday, July 13, 2016 10:10:33 AM

Maybe as early as today. I'll check with Legal.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, July 13, 2016 10:10 AM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Order

Jeff,

When will we be able to share a draft consent order with the bank?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Ledbetter, Roshonda](#)
To: [Lohr, Douglas \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Producing investigational hearing transcripts (b)
Date: Friday, July 01, 2016 12:44:04 PM

Doug,

We have had 3 different IH's: (b) (6), (b) (7)(C)

(b) (7)(E)

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Lohr, Douglas (CFPB)
Sent: Friday, July 01, 2016 12:41 PM
To: Brown, Lawrence (CFPB)
Cc: Ledbetter, Roshonda
Subject: RE: Wells: Producing investigational hearing transcripts (b) (8)

Roshonda, just send me the path where you have them stored, I'll let you know if I can access them.

Thanks

Doug

From: Brown, Lawrence (CFPB)
Sent: Friday, July 01, 2016 12:35 PM
To: Lohr, Douglas (CFPB)
Cc: Ledbetter, Roshonda
Subject: RE: Wells: Producing investigational hearing transcripts (b) (8)

Doug,

Please work with Roshonda to get the transcripts so they can be uploaded to Relativity as you suggest. She can either send them to you or show you where she saved them on the Z drive.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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1625 Eye Street, NW

Washington, DC 20006

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From: Lohr, Douglas (CFPB)

Sent: Friday, July 01, 2016 10:23 AM

To: Brown, Lawrence (CFPB)

Subject: RE: Wells: Producing investigational hearing transcripts (b) (8)

Are the transcripts in Relativity? If not, we can either import them in and produce from there. (b) (8)

[REDACTED] (b) (8)

[REDACTED] (8)

[REDACTED]

Doug

From: Brown, Lawrence (CFPB)

Sent: Friday, July 01, 2016 10:13 AM

To: Lohr, Douglas (CFPB)

Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)

Subject: Wells: Producing investigational hearing transcripts (b) (8)

Doug,

(b) (8), (b) (5)

[REDACTED]

Thanks,

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells: Question regarding certain high ranking employees
Date: Tuesday, April 05, 2016 8:07:49 AM

If you are free now I can talk.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, April 05, 2016 08:06 AM Eastern Standard Time
To: Naylor, Jonathan (CFPB)
Subject: RE: Wells: Question regarding certain high ranking employees

I am free after 12:00 pm (EST).

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Fax: (202) 435-7722

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From: Naylor, Jonathan (CFPB)
Sent: Monday, April 04, 2016 3:58 PM
To: Brown, Lawrence (CFPB)
Subject: Re: Wells: Question regarding certain high ranking employees

(b) (5)

I am traveling this afternoon but can send some additional names tomorrow am.

From: Brown, Lawrence (CFPB)
Sent: Monday, April 04, 2016 03:51 PM Eastern Standard Time
To: Naylor, Jonathan (CFPB)
Subject: Wells: Question regarding certain high ranking employees

Jonathan,

(b) (5)



(b) (5)



Let me know if there is anyone else that you think we should speak to about the sales practices.

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: FW: Wells: Stip, Consent Order, Press Release
Date: Thursday, September 08, 2016 1:29:28 PM

This message was sent securely using ZixCorp.

Thanks, Lawrence.

--- Originally sent by lawrence.brown@cfpb.gov on Sep 8, 2016 9:00 AM ---

This message was sent securely using ZixCorp.

Fyi

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

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Lawrence Brown

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Washington, DC 20006

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From: Brown, Lawrence (CFPB)

Sent: Thursday, September 08, 2016 11:54 AM

To: Raman, Anand S (Anand.Raman@skadden.com); Welch, Darren M (Darren.Welch@skadden.com); david.j.rice@wellsfargo.com; Matthew.J.Hoefling@wellsfargo.com

Subject: Wells: Stip, Consent Order, Press Release

All,

Attached please find file-stamped copies of the stipulation and consent order. Additionally, I attach the press release to be uploaded to the Bureau's website shortly.

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

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Lawrence Brown

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This message was secured by **ZixCorp**^(R).

From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells: Suggested edits for your order
Date: Monday, July 11, 2016 11:43:55 AM

This message was sent securely using ZixCorp.

Lawrence,

(b) (5)



Thanks,
Steve

--- Originally sent by lawrence.brown@cfpb.gov on Jul 11, 2016 4:55 AM ---

This message was sent securely using ZixCorp.

Steve,

Attached please find the Bureau's suggested edits for your draft order. Let us know if you have any questions or concerns.

Thanks,

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: there were some deceptive issues here
Date: Friday, July 01, 2016 11:22:43 AM

Ok thanks

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Friday, July 01, 2016 11:22 AM
To: Reiferson, Barry (CFPB)
Subject: RE: Wells: there were some deceptive issues here

Not really, call wrapping up.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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1625 Eye Street, NW
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From: Reiferson, Barry (CFPB)
Sent: Friday, July 01, 2016 11:22 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells: there were some deceptive issues here

Worth joining at this stage?

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Friday, July 01, 2016 11:21 AM
To: Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells: there were some deceptive issues here

I'm still on with the examiners. (b) (5), (b) (8)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Ehrlich, Jeffrey (CFPB)
Sent: Friday, July 01, 2016 10:52 AM
To: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Wells: there were some deceptive issues here

(b) (5) Want to jump back on my line?

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Reiferson, Barry (CFPB)
Sent: Friday, July 01, 2016 10:51 AM
To: Brown, Lawrence (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: RE: Wells: there were some deceptive issues here

(b) (5)

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Friday, July 01, 2016 10:24 AM
To: Ehrlich, Jeffrey (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: Wells: there were some deceptive issues here

(b) (5)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Update on order
Date: Tuesday, August 30, 2016 1:49:55 PM

Agreed. Thanks for the update!

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From: Reiferson, Barry (CFPB)
Sent: Tuesday, August 30, 2016 10:49 AM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: Update on order

Thanks. Further than I suspected they'd go.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, August 30, 2016 1:48 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Update on order

The attached edits are with Tony for approval. (b) (5)

[REDACTED]

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: WF
Date: Monday, August 29, 2016 9:56:25 AM

Good

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Monday, August 29, 2016 9:56 AM
To: Reiferson, Barry (CFPB)
Subject: RE: WF

(b) (5)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: Reiferson, Barry (CFPB)
Sent: Monday, August 29, 2016 9:54 AM
To: Brown, Lawrence (CFPB)
Subject: WF

If they insist on agreeing to the facts, maybe this should be changed too:

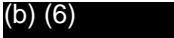
(b) (5)



Barry Reiferson

Enforcement Attorney


Office: 212-328-7020 | Mobile: (b) (6)



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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: WFSP
Date: Monday, August 01, 2016 8:17:49 AM

(b) (5), (b) (7)(E)



Or something like that. Happy tip toeing.

From: Brown, Lawrence (CFPB)
Sent: Monday, August 01, 2016 08:12 AM
To: Reiferson, Barry (CFPB)
Cc: Hartmann, Leanne (CFPB)
Subject: RE: WFSP

I'll call Anand. This should be a 2 minute call.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: Reiferson, Barry (CFPB)
Sent: Friday, July 29, 2016 8:50 PM
To: Brown, Lawrence (CFPB)
Cc: Hartmann, Leanne (CFPB)
Subject: FW: WFSP

Let me know what you'd like me to do. I'm happy to participate, make, or ignore the follow-up call with WF. I think a full team is probably overkill.

Barry Reiferson
Enforcement Attorney

Office: 212-328-7020 | Mobile: (b) (6)

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From: Ehrlich, Jeffrey (CFPB)

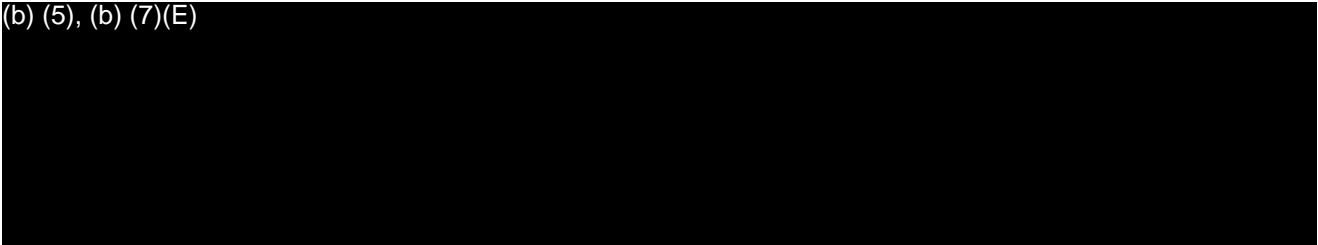
Sent: Friday, July 29, 2016 5:13 PM

To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)

Cc: Wells, John (CFPB)

Subject: WFSP

(b) (5), (b) (7)(E)



Have fun!

Jeff Ehrlich

Deputy Enforcement Director

Office: (202) 435-7598 | Mobile: (b) (6)

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Cc: [Wells, John \(CFPB\)](#)
Subject: RE: WFSP and the Legal Division
Date: Thursday, June 30, 2016 1:14:58 PM

Thanks. I'm about to send them the draft memo and complaint, which I hope will go into EAP today or tomorrow.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Thursday, June 30, 2016 1:14 PM
To: Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: WFSP and the Legal Division

Kristin Bateman and Stephen Hayes.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, June 30, 2016 1:13 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: WFSP and the Legal Division

Is someone from Legal assigned to this matter? Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
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consumerfinance.gov

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: Re: WFSP Update
Date: Thursday, September 15, 2016 5:01:17 PM

Sorry, just seeing this now. I'll call Barry for an update, assuming he doesn't mind.

From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, September 15, 2016 12:46 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: RE: WFSP Update

(b) (6)

Jeff Ehrlich

Deputy Enforcement Director
Office: (202) 435-7598 | **Mobile:** (b) (6)

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From: Reiferson, Barry (CFPB)
Sent: Thursday, September 15, 2016 3:46 PM
To: Ehrlich, Jeffrey (CFPB); Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: RE: WFSP Update

Passcode?

Barry Reiferson

Enforcement Attorney

Office: 212-328-7020 | Mobile: (b) (6)

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-----Original Appointment-----

From: Ehrlich, Jeffrey (CFPB)

Sent: Thursday, September 15, 2016 3:39 PM

To: Ehrlich, Jeffrey (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)

Subject: WFSP Update

When: Thursday, September 15, 2016 3:45 PM-4:00 PM (UTC-05:00) Eastern Time (US & Canada).

Where: Call-in: 877-985-6608

[Want to catch up for a few minutes?](#)

From: [Wells, John \(CFPB\)](#)
To: [Hartmann, Leanne \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: WFSP
Date: Thursday, September 01, 2016 8:37:36 PM

Historic week. Would be hard to argue that this and CC aren't two of the most significant things the office has done in its existence. As LB said at one point this morning: great teams, great results.

From: Hartmann, Leanne (CFPB)
Sent: Thursday, September 01, 2016 8:32 PM
To: Wells, John (CFPB)
Cc: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: WFSP

Thanks for the update. This is great news and a great result. Exciting week!

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: Wells, John (CFPB)
Sent: Thursday, September 01, 2016 2:36 PM
To: Alexis, Anthony (CFPB); Pearl, Joanna (CFPB); Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Cc: Ehrlich, Jeffrey (CFPB)
Subject: WFSP

We just spoke with Craig Baldauf at Wells Fargo. They are performing a final review of the consent order now for any final issues, but he confirmed that they're prepared to go forward with the order as we conveyed it to them earlier today after our call with Craig and David Rice. The expect to execute the stipulation within the next couple of hours and will let update us then.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: WFSP: In-person meeting next Wednesday
Date: Thursday, July 21, 2016 11:06:48 AM

I don't think we need John at the table, though I respect him and think he can only add value.

Also, I'm fine with 1pm or another time if that doesn't work. Should I respond to Anand? Or, work through you?

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Thursday, July 21, 2016 11:05 AM
To: Reiferson, Barry (CFPB)
Subject: RE: WFSP: In-person meeting next Wednesday

Do you want to propose 1:00 pm? I don't mind John attending, but let me know if you think it's better that they just have us sitting at the table.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Reiferson, Barry (CFPB)
Sent: Thursday, July 21, 2016 11:03 AM
To: Brown, Lawrence (CFPB)

Subject: RE: WFSP: In-person meeting next Wednesday

Any idea of timing? I'll make my travel plans and hotel reservation (or no hotel) accordingly.

Thanks.

Barry Reiferson

Enforcement Attorney

Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)

Sent: Thursday, July 21, 2016 10:55 AM

To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)

Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)

Subject: RE: WFSP: In-person meeting next Wednesday

Let me know if your analysis changes if Anand intends to bring his client along for the trip.

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

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Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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From: Ehrlich, Jeffrey (CFPB)

Sent: Thursday, July 21, 2016 10:53 AM

To: Brown, Lawrence (CFPB); Wells, John (CFPB)

Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)

Subject: RE: WFSP: In-person meeting next Wednesday

Up to you whether you want an in-person meeting. I should not participate. I suggest that

John only participate if otherwise you would do it alone (i.e., Barry can't come down for the day). But I leave John's participation up to all of you.

Jeff Ehrlich

Deputy Enforcement Director

Office: (202) 435-7598 | Mobile: (b) (6)

Consumer Financial Protection Bureau

consumerfinance.gov

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From: Brown, Lawrence (CFPB)

Sent: Thursday, July 21, 2016 10:46 AM

To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)

Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)

Subject: WFSP: In-person meeting next Wednesday

Jeff and John,

Anand is requesting an in-person meeting next Wednesday. Do you all want to participate? Are you both available to participate?

Lawrence D. Brown

Enforcement Attorney

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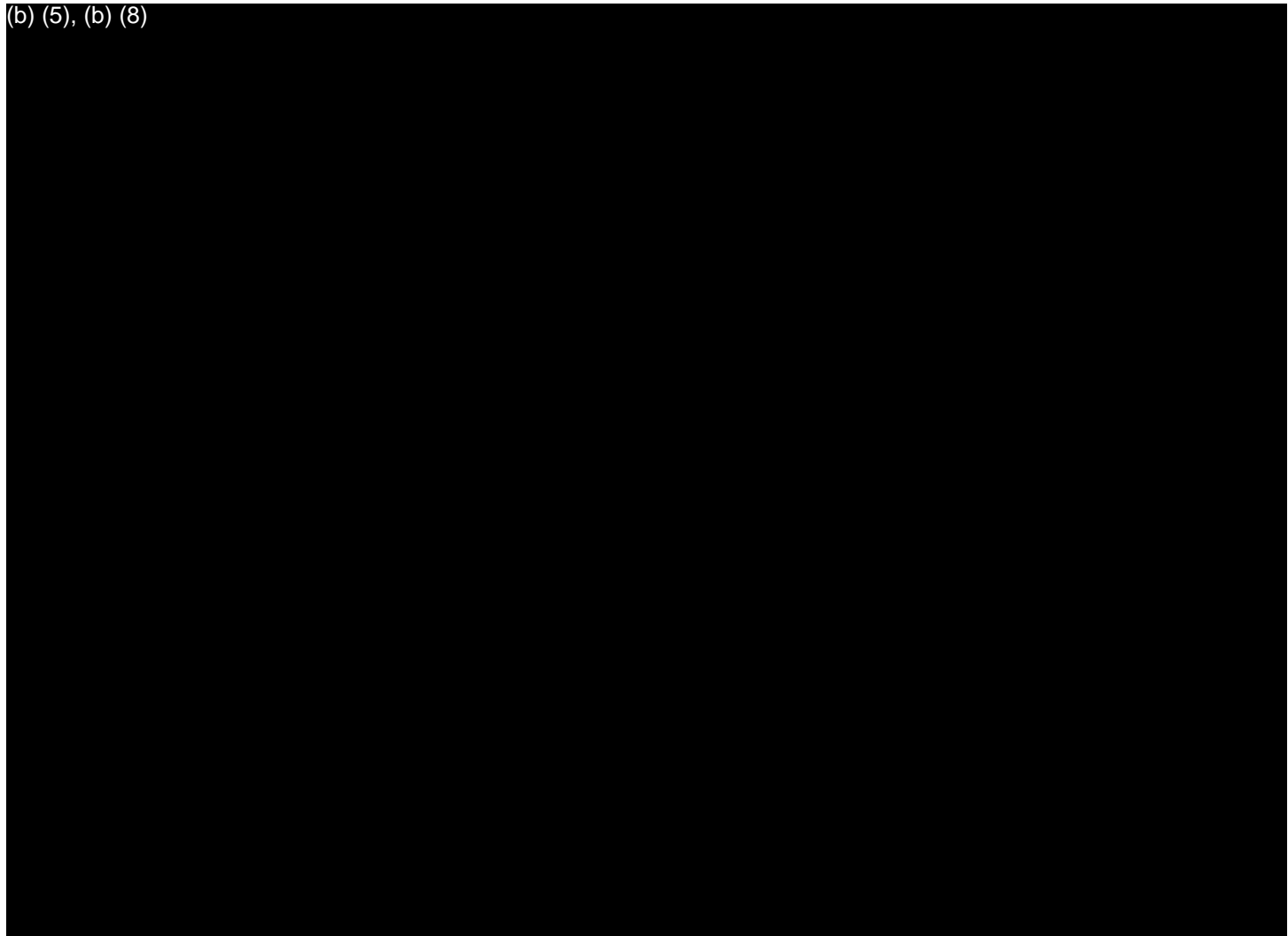
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From: [Clark, Mary \(Susie\)\(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Naylor, Jonathan \(CFPB\)](#)
Subject: WSJ article
Date: Tuesday, March 22, 2016 2:44:42 PM

<http://www.wsj.com/articles/at-wells-fargo-how-far-did-banks-sales-culture-go-1448879643>

Hello Lawrence,

(b) (5), (b) (8)



Susie Clark

Examiner
Supervision/West Region
Consumer Financial Protection Bureau
Consumerfinance.gov

Cell: (b) (6)
mary.clark@cfpb.gov

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: FW: [PRESS] CNBC: Wells Fargo CFO blames unauthorized accounts on under-performers
Date: Tuesday, September 13, 2016 11:43:42 AM

Seems like they still don't really get it.

Jeff Ehrlich
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consumerfinance.gov

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From: Van Dyke, Laura (CFPB)
Sent: Tuesday, September 13, 2016 11:42 AM
To: Agarwal, Abhishek (CFPB); Alag, Sartaj (CFPB); Alexis, Anthony (CFPB); Auchterlonie, Sarah (CFPB); Blatnik, Edward (CFPB); Bleicken, David (CFPB); Block, Michael (CFPB); Boison, Elizabeth (CFPB); Borzekowski, Ron (CFPB); Brown, Amy (CFPB); 'Bulletin News'; Cameron, Matt (CFPB); Canan, Stacy (CFPB); Case, Whitney (CFPB); CFPB_Daily Briefing Book; Chandler, Jocelyn (CFPB); Chea, Keo (CFPB); Chieco, Gena (CFPB); Cochran, Kelly (CFPB); Conrad, Derek (CFPB); Corbett, Elizabeth (CFPB); Criado, Alicia (CFPB); Cumpiano, Flavio (CFPB); D'Angelo, Chris (CFPB); Deutsch, Rebecca (CFPB); Donoghue, Kristen (CFPB); Dully, Crystal (CFPB); Duong, Nhu-Han (CFPB); Ehrlich, Jeffrey (CFPB); Eisenhower, Nora (CFPB); Ellis, Elizabeth (CFPB); English, Leandra (CFPB); Erdmann, Craig (CFPB); Eskola, David (CFPB); Ficklin, Patrice (CFPB); France, Elizabeth (CFPB); Frotman, Seth (CFPB); Fulford, Martha (CFPB); Galicia, Catherine (CFPB); Gilford, Samuel (CFPB); Gragan, David (CFPB); Griffin, Mary (CFPB); Hand, Delicia (CFPB); Harper, Morgan (CFPB); Hassouni, Lauren (CFPB); Hayes, Stephen (CFPB); Hillebrand, Gail (CFPB); Holland, Megan (CFPB); Howard, Jennifer (CFPB); Hrdy, Alice (CFPB); Hunt, Wanda (CFPB); Johnson, Christine (CFPB); Konwinski, Lisa (CFPB); Korn, Jonathan (CFPB); Kunapuli, Deepika (CFPB); Langer, Jeffrey (CFPB); Lee, Swan (CFPB); Limon, Noerena (CFPB); Lipsett, Christopher (CFPB); Logan, Amanda (CFPB); Manna, Meredith (CFPB); Markus, Kent (CFPB); Martin, Angela (CFPB); Martinez, Zixta (CFPB); Martinovich, Alicia (CFPB); Mayorga, David (CFPB); Molyneaux, Terri (CFPB); More, Isabella (CFPB); Morris, Deborah (CFPB); Mosen, Lea (CFPB); Muniz, Brenda (CFPB); Nakamura, Kent (CFPB); Nassar, Shaba (CFPB); O'Brien, Brian "Patrick" (CFPB); Olstad, Per (CFPB); Pandolfo, Anthony (CFPB); Parker Rose, Cheryl (CFPB); Pearl, Joanna (CFPB); Petersen, Cara (CFPB); Peterson, Christopher (Detail) (CFPB); Petraeus, Hollister (CFPB); Pierce, Michael (CFPB); Pippin, Matthew (CFPB); Pitts, John (CFPB); Pope, David (CFPB); Quan, Dan (CFPB); Raso, Connor (CFPB); Raso, Jane (CFPB); RC; Rubenstein, David (CFPB); Russell, Jessica (CFPB); Sanford, Paul (CFPB); Sapir, Amanda (CFPB); Sheehan, Timothy (CFPB); Silberman, David (CFPB); Smith, Daniel (CFPB); Sokolov, Dan (CFPB); Standarowski, Derek (CFPB); Stern, Gena (CFPB); Stockett, Jennifer (CFPB); Stone, Bayard "Corey" (CFPB); Suskind, Walter (CFPB); Swartz, Jeff (CFPB); Szybala, Julia (CFPB); Thibos, Megan (CFPB); Thompson, Diane (CFPB); Thompson, Shelley (CFPB); Tindall, Anne (CFPB); Tosini, Suzanne (CFPB); Truong, To-Quyen (CFPB); Twohig, Peggy (CFPB); Vaeth, Chris (CFPB); Vahey, Moira (CFPB); Van Dyke, Laura (CFPB); VanMeter, Stephen (CFPB); Vasan, Ashwin (CFPB); Wade-Gery, William (CFPB); Welbeck, Katherine (CFPB); White, Evan (CFPB); Williams, Richard (CFPB); Winseck, Brian (CFPB); Young, Christopher (CFPB); Zorc, Anne (CFPB); Minor, John (CFPB); McNamara, John (CFPB); Ploch, Amanda (CFPB); McNamara, John (CFPB); Weldon, Lauren (CFPB); McPartland, Kristin (CFPB); Ober, James (Intern) (CFPB)
Subject: [PRESS] CNBC: Wells Fargo CFO blames unauthorized accounts on under-performers

CNBC: Wells Fargo CFO blames unauthorized accounts on under-performers

Jon Marino

September 13, 2016

Thousands of staffers who were fired in recent years after opening unauthorized customer accounts represented under-performing employees struggling to meet goals, [Wells Fargo](#) CFO John Shrewsberry said Tuesday.

"These bad practices were not a revenue-generating activity," Shrewsberry said. "It was really more at the lower end of the performance scale where people apparently were making bad choices to hang on to their job."

Speaking at the Barclays 2016 Global Financial Services Conference in New York, Shrewsberry told attendees the bank's plans to eliminate retail banking product sales goals would help it foster a culture of compliance. He spoke days after the bank was \$185 million [fined by the Consumer Financial Protection Bureau](#), the Treasury Department and the city of Los Angeles.

At the conference Tuesday [the bank said](#) its review of millions of accounts showed that in as many as 1.5 million deposit accounts and 565,000 credit card accounts, "we could not rule out the possibility that an account was unauthorized." It said 115,000 of those accounts had incurred a fee that Wells Fargo has since refunded to customers. Wells Fargo reviewed 82 million checking accounts and 11 million credit cards as part of its inquiry into the matter, which covered activity dating to 2011.

Of more than 5,300 staffers cut in recent years for opening unwanted accounts, about 10 percent represented branch managers or more senior staffers, Shrewsberry said in response to a question at the event.

The bank has tightened compliance procedures, including sending customers an e-mail to verify an account has been established within one hour of a deposit account being opened, according to Wells Fargo's presentation. In addition, after the CFPB fine was announced, Wells Fargo has prepared for inbound inquiries from consumers about their accounts.

Shrewsberry said customers seemed to have mostly taken the news in stride because there has been "a very, very low volume of customer reaction since it happened."

While customers may be forgiving, the market has not been: Wells Fargo shares fell more than 5 percent since the scandal broke Thursday. On Tuesday, it was down 3 percent. ([Click here](#) for the latest price.)

CEO John Stumpf is being sought by Senate Democrats who [want to hold a hearing regarding the bank's sales practices](#).

At the [Delivering Alpha conference](#) Tuesday, Treasury Secretary [Jack Lew](#) said the case shows the need for strong banking regulation.

Programming note: Stumpf will appear on CNBC's "Mad Money" on Tuesday at 6 p.m. ET.

<http://www.cnbc.com/2016/09/13/wells-fargo-cfo-blames-reason-for-bank-fine-on-under-performers.html>

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: FW: [PRESS] Slate: Prosecuting Wells Fargo Executives Won't Solve Anything
Date: Saturday, September 17, 2016 9:04:56 AM

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: RC
Sent: Saturday, September 17, 2016 8:57 AM
To: Alexis, Anthony (CFPB); Twohig, Peggy (CFPB); Sanford, Paul (CFPB); D'Angelo, Chris (CFPB); Bleicken, David (CFPB); Ficklin, Patrice (CFPB); Donoghue, Kristen (CFPB); Silberman, David (CFPB); Martinez, Zixta (CFPB); Hillebrand, Gail (CFPB); McLeod, Mary (CFPB); Alag, Sartaj (CFPB); Uejio, David (CFPB); White, Evan (CFPB); Harper, Morgan (CFPB); Kaplan, Steve (CFPB); Lipsett, Christopher (CFPB); Markus, Kent (CFPB); Chow, Edwin (CFPB); Bundy Scanlan, Agnes (CFPB); Schroeder, John (CFPB); Carley, James (CFPB); Ehrlich, Jeffrey (CFPB); Howard, Jennifer (CFPB); Galicia, Catherine (CFPB); Smith, Daniel (CFPB); Chea, Keo (CFPB); Hand, Delicia (CFPB); Parker Rose, Cheryl (CFPB); Ratcliffe, Janneke (CFPB); Koo, Gene (CFPB); Petraeus, Hollister (CFPB); Frotman, Seth (CFPB); Canan, Stacy (CFPB); Dodd-Ramirez, Daniel (CFPB); VanMeter, Stephen (CFPB); Coleman, John (CFPB); Lepley, Richard (CFPB); Zorc, Anne (CFPB); Deutsch, Rebecca (CFPB); Rubenstein, David (CFPB); Morris, Deborah (CFPB); Petersen, Cara (CFPB); Pearl, Joanna (CFPB); Gillespie, Katherine (CFPB); Ellis, Elizabeth (CFPB); Agarwal, Abhishek (CFPB); Vespa-Papaleo, Frank (CFPB); Stein, Gary (CFPB); McNamara, John (CFPB); Stone, Bayard "Corey" (CFPB); McClung, Patricia (CFPB); Wade-Gery, William (CFPB); Hedgespeth, Grady (CFPB); Johnson, Christopher (CFPB); Dorsey, Darian (CFPB); Sumberg, Jeffrey (CFPB); Agostini, Stephen (CFPB); Desai, Vijay (CFPB); Gragan, David (CFPB); Tosini, Suzanne (CFPB); Ishimaru, Stuart (CFPB); Rainey, Zol (CFPB); Corbett, Elizabeth (CFPB)
Subject: FW: [PRESS] Slate: Prosecuting Wells Fargo Executives Won't Solve Anything

(b) (5)



Bit of a long ramble here. Keep at it and thx for doing so.
RC

From: Van Dyke, Laura (CFPB)
Sent: Friday, September 16, 2016 5:12 PM

To: Agarwal, Abhishek (CFPB); Alag, Sartaj (CFPB); Alexis, Anthony (CFPB); Auchterlonie, Sarah (CFPB); Blatnik, Edward (CFPB); Bleicken, David (CFPB); Block, Michael (CFPB); Boison, Elizabeth (CFPB); Borzekowski, Ron (CFPB); Brown, Amy (CFPB); 'Bulletin News'; Cameron, Matt (CFPB); Canan, Stacy (CFPB); Case, Whitney (CFPB); CFPB_Daily Briefing Book; Chandler, Jocelyn (CFPB); Chea, Keo (CFPB); Chieco, Gena (CFPB); Cochran, Kelly (CFPB); Conrad, Derek (CFPB); Corbett, Elizabeth (CFPB); Criado, Alicia (CFPB); Cumpiano, Flavio (CFPB); D'Angelo, Chris (CFPB); Deutsch, Rebecca (CFPB); Donoghue, Kristen (CFPB); Dully, Crystal (CFPB); Duong, Nhu-Han (CFPB); Ehrlich, Jeffrey (CFPB); Eisenhower, Nora (CFPB); Ellis, Elizabeth (CFPB); English, Leandra (CFPB); Erdmann, Craig (CFPB); Eskola, David (CFPB); Ficklin, Patrice (CFPB); France, Elizabeth (CFPB); Frotman, Seth (CFPB); Fulford, Martha (CFPB); Galicia, Catherine (CFPB); Gilford, Samuel (CFPB); Gragan, David (CFPB); Griffin, Mary (CFPB); Hand, Delicia (CFPB); Harper, Morgan (CFPB); Hassouni, Lauren (CFPB); Hayes, Stephen (CFPB); Hillebrand, Gail (CFPB); Holland, Megan (CFPB); Howard, Jennifer (CFPB); Hrdy, Alice (CFPB); Hunt, Wanda (CFPB); Johnson, Christine (CFPB); Konwinski, Lisa (CFPB); Korn, Jonathan (CFPB); Kunapuli, Deepika (CFPB); Langer, Jeffrey (CFPB); Lee, Swan (CFPB); Limon, Noerena (CFPB); Lipsett, Christopher (CFPB); Logan, Amanda (CFPB); Manna, Meredith (CFPB); Markus, Kent (CFPB); Martin, Angela (CFPB); Martinez, Zixta (CFPB); Martinovich, Alicia (CFPB); Mayorga, David (CFPB); Molyneaux, Terri (CFPB); More, Isabella (CFPB); Morris, Deborah (CFPB); Mosena, Lea (CFPB); Muniz, Brenda (CFPB); Nakamura, Kent (CFPB); Nassar, Shaba (CFPB); O'Brien, Brian "Patrick" (CFPB); Olstad, Per (CFPB); Pandolfo, Anthony (CFPB); Parker Rose, Cheryl (CFPB); Pearl, Joanna (CFPB); Petersen, Cara (CFPB); Peterson, Christopher (Detailer) (CFPB); Petraeus, Hollister (CFPB); Pierce, Michael (CFPB); Pippin, Matthew (CFPB); Pitts, John (CFPB); Pope, David (CFPB); Quan, Dan (CFPB); Raso, Connor (CFPB); Raso, Jane (CFPB); RC; Rubenstein, David (CFPB); Russell, Jessica (CFPB); Sanford, Paul (CFPB); Sapir, Amanda (CFPB); Sheehan, Timothy (CFPB); Silberman, David (CFPB); Smith, Daniel (CFPB); Sokolov, Dan (CFPB); Standarowski, Derek (CFPB); Stern, Gena (CFPB); Stockett, Jennifer (CFPB); Stone, Bayard "Corey" (CFPB); Suskind, Walter (CFPB); Swartz, Jeff (CFPB); Szybala, Julia (CFPB); Thibos, Megan (CFPB); Thompson, Diane (CFPB); Thompson, Shelley (CFPB); Tindall, Anne (CFPB); Tosini, Suzanne (CFPB); Truong, To-Quyen (CFPB); Twohig, Peggy (CFPB); Vaeth, Chris (CFPB); Vahey, Moira (CFPB); Van Dyke, Laura (CFPB); VanMeter, Stephen (CFPB); Vasan, Ashwin (CFPB); Wade-Gery, William (CFPB); Welbeck, Katherine (CFPB); White, Evan (CFPB); Williams, Richard (CFPB); Winseck, Brian (CFPB); Young, Christopher (CFPB); Zorc, Anne (CFPB); Minor, John (CFPB); McNamara, John (CFPB); Ploch, Amanda (CFPB); McNamara, John (CFPB); Weldon, Lauren (CFPB); McPartland, Kristin (CFPB); Ober, James (Intern) (CFPB); Rainey, Zol (CFPB)

Subject: [PRESS] Slate: Prosecuting Wells Fargo Executives Won't Solve Anything

Slate: Prosecuting Wells Fargo Executives Won't Solve Anything

I know. I helped prosecute the executives at the center of Enron.

Samuel Buell

September 16, 2016

It was revealed last week that Wells Fargo, the second-largest bank in the country, has been caught in a [craven money grab](#) at the expense of its smallest retail customers in a scandal that recalls abuses of the 2008 financial crisis in terms of sheer audacity. Taking a page from the telecom companies that used to "slam" customers by changing their long-distance providers without notice or request, Wells Fargo's salespeople opened millions of credit card and other accounts for individuals who did not ask for them, producing fees for the bank and inflicting credit damage on consumers.

It's plain why this happened. The cause was a familiar two-step among the management of the massive corporations that dominate global banking and many other industries. Step one: Set aggressive sales and earnings targets, using employee compensation as the incentive to get there. Step two: Fail to monitor the salespeople (or traders, or engineers, or whomever might be on the front lines several levels down) who inevitably respond to the enormous financial and career pressures—and lax supervision—by crossing ethical and legal lines.

What's less plain is the regulatory and legal cure to this repeating problem in the world of large American corporations. Contrary to understandable popular urges, criminal prosecution cannot free us from the grip of these recurring maladies.

What is the result whenever these sorts of abuses are uncovered? Big headlines, big uproar, and a large, usually "unprecedented" fine. Lather, rinse, repeat. This has been the story of the corporate scandal in America and its legal system for at least two decades. Wells Fargo was unusually cautious in the years leading up to 2008, hovering around the perimeter of the risk-laden mortgage-backed securities market and refusing to deal in the most toxic of mortgage products. But even this bank turns out to have no immunity from the cycle of profit pressures, line-crossing, scandalous revelations, and angry recriminations from the public and politicians.

Many people think this sort of thing keeps on happening because we haven't prosecuted enough people or sentenced those who have been convicted to enough prison time. This belief is erroneous. In the early 2000s, dozens of executives of major corporations, including [Enron](#) and [WorldCom](#), were imprisoned, some for more than 20 years. (I was a prosecutor in the Enron cases.)

Those prosecutions apparently did nothing to deter the risk-taking orgy of the banks and their investment markets during the mortgage-backed securities craze, even though the institutions that crashed our financial system employed practices that were simply less illegal versions of what the rogue companies of 2001 and 2002 had done. The "less illegal" part explains why criminal cases against bank executives proved so difficult to mount after 2008: The Enron-era prosecutions, as much as a deterrent, might have highlighted the sort of behavior that lands an executive in prison and given the next generation of corporate managers a clearer idea of how to skirt, and exploit, the lines of the law.

Contrary to popular belief, while probation and community service were once the norm for white-collar crimes, the [data](#)—as opposed to the most press-worthy anecdotes—show that sentences of five, 10, and even 15 years in prison—without parole—are now commonplace. Even judges with no sympathy for business criminals have blanched at harsh sentences sometimes called for under the United States sentencing guidelines, a ratchet that Congress has turned up after each major financial scandal to a point where big fraud cases can now earn the equivalent of aggravated murder: [life](#) in federal prison with no possibility of parole.

The real reason that criminal law has not delivered us from our corporate troubles is that it does not have the capacity to do so. The true barrier is the definition of white-collar crimes themselves, not the people whose job it is to prosecute them. Furthermore, there is no plausible fix to those laws that would transform them into a magic tool for corporate control.

Perhaps the salespeople who crammed those products onto Wells Fargo's customers could be prosecuted for fraud or the like. But the bank has [fired more than 5,000 people](#) for this conduct! Does anyone believe that Wells Fargo just happened to have a really bad recruiting operation that selected only proto-criminals to be hired at the bank?

As is almost always true with the big corporate scandals, the problem at Wells Fargo was not bad apples but a diseased orchard. Too often, as in this case, the owners and managers of the orchard can't be prosecuted because, while creating an environment of high rewards and low or no penalties, they didn't break laws themselves or, in all likelihood, even know laws were being broken.

It is tempting to think we should make a crime of this kind of bad management. But it is questionable whether such a law could pass constitutional muster. Consider the vagueness, especially in the context of the largest corporations, of things like managing too aggressively, incentivizing employees too strongly, or monitoring legal compliance too loosely. Constitutional questions aside, we ought to hesitate to condemn with the harshest of sanctions the very risk-taking behaviors corporations and capitalism are by definition designed to promote in the first place.

The problem is the large corporation, not the people inside it—who turn over and over across scandal after scandal. It is time to put aside fixation with prosecutions as the cure-all for America's corporate ills. The brilliant American innovation of the large, modern public company has had a major role in bringing our nation historically unprecedented wealth. But these corporations are plainly out of the control of those tasked with managing and regulating them. The corporate institution itself—its scale and the rules for how it operates—is what needs a hard and deep new look.

The immediate imperative is not a splashy police roundup but a fundamental rethinking of the scale of large American businesses and the day-to-day legal responsibilities of corporate managers. This should be a sustained conversation that leads to serious reforms such as those championed by [Theodore Roosevelt in the 1900s](#) and [Franklin Roosevelt 1930s](#), following our first troubled encounters with the American corporate behemoth. Those reforms were powerful and effective, but these very different times call for new ideas. Getting that conversation started is the only way to get past the repeating cycle of the American corporate scandal.

http://www.slate.com/articles/news_and_politics/jurisprudence/2016/09/why_prosecuting_wells_fargo_executives_won_t_solve_anything.html

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: FW: [PRESS] TheStreet: CFPB Record Fine of Wells Fargo Places Regulatory Agency in the Limelight Again
Date: Tuesday, September 13, 2016 11:48:57 AM

Jeff Ehrlich
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From: Van Dyke, Laura (CFPB)
Sent: Tuesday, September 13, 2016 11:47 AM
To: Agarwal, Abhishek (CFPB); Alag, Sartaj (CFPB); Alexis, Anthony (CFPB); Auchterlonie, Sarah (CFPB); Blatnik, Edward (CFPB); Bleicken, David (CFPB); Block, Michael (CFPB); Boison, Elizabeth (CFPB); Borzekowski, Ron (CFPB); Brown, Amy (CFPB); 'Bulletin News'; Cameron, Matt (CFPB); Canan, Stacy (CFPB); Case, Whitney (CFPB); CFPB_Daily Briefing Book; Chandler, Jocelyn (CFPB); Chea, Keo (CFPB); Chieco, Gena (CFPB); Cochran, Kelly (CFPB); Conrad, Derek (CFPB); Corbett, Elizabeth (CFPB); Criado, Alicia (CFPB); Cumpiano, Flavio (CFPB); D'Angelo, Chris (CFPB); Deutsch, Rebecca (CFPB); Donoghue, Kristen (CFPB); Dully, Crystal (CFPB); Duong, Nhu-Han (CFPB); Ehrlich, Jeffrey (CFPB); Eisenhower, Nora (CFPB); Ellis, Elizabeth (CFPB); English, Leandra (CFPB); Erdmann, Craig (CFPB); Eskola, David (CFPB); Ficklin, Patrice (CFPB); France, Elizabeth (CFPB); Frotman, Seth (CFPB); Fulford, Martha (CFPB); Galicia, Catherine (CFPB); Gilford, Samuel (CFPB); Gragan, David (CFPB); Griffin, Mary (CFPB); Hand, Delicia (CFPB); Harper, Morgan (CFPB); Hassouni, Lauren (CFPB); Hayes, Stephen (CFPB); Hillebrand, Gail (CFPB); Holland, Megan (CFPB); Howard, Jennifer (CFPB); Hrdy, Alice (CFPB); Hunt, Wanda (CFPB); Johnson, Christine (CFPB); Konwinski, Lisa (CFPB); Korn, Jonathan (CFPB); Kunapuli, Deepika (CFPB); Langer, Jeffrey (CFPB); Lee, Swan (CFPB); Limon, Noerena (CFPB); Lipsett, Christopher (CFPB); Logan, Amanda (CFPB); Manna, Meredith (CFPB); Markus, Kent (CFPB); Martin, Angela (CFPB); Martinez, Zixta (CFPB); Martinovich, Alicia (CFPB); Mayorga, David (CFPB); Molyneaux, Terri (CFPB); More, Isabella (CFPB); Morris, Deborah (CFPB); Mosen, Lea (CFPB); Muniz, Brenda (CFPB); Nakamura, Kent (CFPB); Nassar, Shaba (CFPB); O'Brien, Brian "Patrick" (CFPB); Olstad, Per (CFPB); Pandolfo, Anthony (CFPB); Parker Rose, Cheryl (CFPB); Pearl, Joanna (CFPB); Petersen, Cara (CFPB); Peterson, Christopher (Detail) (CFPB); Petraeus, Hollister (CFPB); Pierce, Michael (CFPB); Pippin, Matthew (CFPB); Pitts, John (CFPB); Pope, David (CFPB); Quan, Dan (CFPB); Raso, Connor (CFPB); Raso, Jane (CFPB); RC; Rubenstein, David (CFPB); Russell, Jessica (CFPB); Sanford, Paul (CFPB); Sapir, Amanda (CFPB); Sheehan, Timothy (CFPB); Silberman, David (CFPB); Smith, Daniel (CFPB); Sokolov, Dan (CFPB); Standarowski, Derek (CFPB); Stern, Gena (CFPB); Stockett, Jennifer (CFPB); Stone, Bayard "Corey" (CFPB); Suskind, Walter (CFPB); Swartz, Jeff (CFPB); Szybala, Julia (CFPB); Thibos, Megan (CFPB); Thompson, Diane (CFPB); Thompson, Shelley (CFPB); Tindall, Anne (CFPB); Tosini, Suzanne (CFPB); Truong, To-Quyen (CFPB); Twohig, Peggy (CFPB); Vaeth, Chris (CFPB); Vahey, Moira (CFPB); Van Dyke, Laura (CFPB); VanMeter, Stephen (CFPB); Vasan, Ashwin (CFPB); Wade-Gery, William (CFPB); Welbeck, Katherine (CFPB); White, Evan (CFPB); Williams, Richard (CFPB); Winseck, Brian (CFPB); Young, Christopher (CFPB); Zorc, Anne (CFPB); Minor, John (CFPB); McNamara, John (CFPB); Ploch, Amanda (CFPB); McNamara, John (CFPB); Weldon, Lauren (CFPB); McPartland, Kristin (CFPB); Ober, James (Intern) (CFPB)
Subject: [PRESS] TheStreet: CFPB Record Fine of Wells Fargo Places Regulatory Agency in the Limelight Again

TheStreet: CFPB Record Fine of Wells Fargo Places Regulatory Agency in the Limelight Again
Democrats credit the Consumer Financial Protection Bureau for reigning in banking excesses, while

Republicans say it is unnecessary.

Deena Zaidi

September 13, 2016

The Consumer Financial Protection Bureau (CFPB) fined Wells Fargo a [\\$185 million last week](#) last week due to unlawful sales practices. It was the largest fine in the regulatory agency's five-year history.

Wells Fargo employees illegally and secretly opened roughly 1.5 million deposit accounts and transferred funds from existing consumers' accounts to these ghost accounts. Employees opened the accounts to reach their sales targets and get earn bonuses.

This unsavory episode rekindled fears about the honesty of the banking industry. Wells Fargo, the country's second largest bank, had escaped relatively lightly in the 2008 financial crisis and subsequently, but now joins a list of major institutions whose practices have been illegal or at least grossly unfair to consumers. It was the second time in recent months that the bank's actions of led to a CFPB fine.

It also once again spotlighted the work of the CFPB, the regulatory agency that oversees financial services firms' products and services. The CFPB was part of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The legislation, which was named for former Sen. Christopher Dodd (D-Conn.) and ex-Congressman Barney Frank (D-Mass.), aimed to curb the type of excesses that led to the 2008 financial services crisis.

The main political parties, Democrats and Republicans, have disagreed vehemently about the CFPB with Democrats crediting it for reigning in the sort of excesses that created the banking crisis of 2008 and Republicans saying it is unnecessary and favoring its dismantling, along with much of Dodd Frank. The debate underscores the role of government in business, a major issue in the current presidential campaign between Hillary Clinton and Donald Trump.

Wells Fargo's employees illegally enrolled unaware customers for products and services like deposit accounts, credit cards, debit cards, and online banking. According to the bank's analysis, its employees applied for roughly 565,000 unauthorized credit card accounts, which resulted in annual fees and other charges for customers.

Federal law prohibits disclosure of personal information to create unapproved deposit and credit card accounts in addition to the issuance of debit and credit cards. The bank has fired 5300 employees [related to the scandal](#) and issued public apologies, but the bank's critics say that its senior management should be held accountable for creating an environment in which employees were pressured to hit sales quotas.

CFPB Director Richard Cordray blamed Wells Fargo's corporate culture for permitting "reckless, unsafe or unsound practices," according to The [Washington Post](#).

Wells Fargo was [recently charged](#) with wrongfully levying illegal fees on student loans and failing to provide payment information to customers, which they were entitled to receive. The bank has to pay a \$3.6 million penalty to the CFPB.

"Because of the breakdowns throughout Wells Fargo's servicing process, thousands of student loan borrowers encountered problems with their loans or received misinformation about their payment options," the CFPB said.

Since 2011, CFPB has fined many of the country's major banks. Democrats say this has placed a check on banking misbehavior. Some Republicans have called it a "rogue agency. In July 2015, former presidential candidate Ted Cruz introduced a measure to [abolish the CFPB outright](#), saying it "does little to protect consumers." Trump, who tangled with Cruz on many issues during the Republican primary, largely agreed with the Texas senator.

Yet the recent action against Wells Fargo will likely weaken such arguments.

A day after the CFPB action against Wells Fargo, Clinton called it "a stark reminder of why we need a strong consumer watchdog to safeguard against unfair and deceptive practices."

<https://www.thestreet.com/story/13702843/2/cfpb-record-fine-of-wells-fargo-places-regulatory-agency-in-the-limelight-again.html>

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Fw: [PRESS]: CFPB Fines Wells Fargo \$100 Million for Widespread Illegal Practice of Secretly Opening Unauthorized Accounts
Date: Thursday, September 08, 2016 11:43:45 AM

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Van Dyke, Laura (CFPB) <Laura.VanDyke@cfpb.gov>

Sent: Thursday, September 8, 2016 11:41 AM

To: Agarwal, Abhishek (CFPB); Alag, Sartaj (CFPB); Alexis, Anthony (CFPB); Auchterlonie, Sarah (CFPB); Blatnik, Edward (CFPB); Bleicken, David (CFPB); Block, Michael (CFPB); Boison, Elizabeth (CFPB); Borzekowski, Ron (CFPB); Brown, Amy (CFPB); 'Bulletin News'; Cameron, Matt (CFPB); Canan, Stacy (CFPB); Case, Whitney (CFPB); CFPB_Daily Briefing Book; Chandler, Jocelyn (CFPB); Chea, Keo (CFPB); Chieco, Gena (CFPB); Cochran, Kelly (CFPB); Conrad, Derek (CFPB); Corbett, Elizabeth (CFPB); Criado, Alicia (CFPB); Cumpiano, Flavio (CFPB); D'Angelo, Chris (CFPB); Deutsch, Rebecca (CFPB); Donoghue, Kristen (CFPB); Dully, Crystal (CFPB); Duong, Nhu-Han (CFPB); Ehrlich, Jeffrey (CFPB); Eisenhower, Nora (CFPB); Ellis, Elizabeth (CFPB); English, Leandra (CFPB); Erdmann, Craig (CFPB); Eskola, David (CFPB); Ficklin, Patrice (CFPB); France, Elizabeth (CFPB); Frotman, Seth (CFPB); Fulford, Martha (CFPB); Galicia, Catherine (CFPB); Gilford, Samuel (CFPB); Gragan, David (CFPB); Griffin, Mary (CFPB); Hand, Delicia (CFPB); Harper, Morgan (CFPB); Hassouni, Lauren (CFPB); Hayes, Stephen (CFPB); Hillebrand, Gail (CFPB); Holland, Megan (CFPB); Howard, Jennifer (CFPB); Hrdy, Alice (CFPB); Hunt, Wanda (CFPB); Johnson, Christine (CFPB); Konwinski, Lisa (CFPB); Korn, Jonathan (CFPB); Kunapuli, Deepika (CFPB); Langer, Jeffrey (CFPB); Lee, Swan (CFPB); Limon, Noerena (CFPB); Lipsett, Christopher (CFPB); Logan, Amanda (CFPB); Manna, Meredith (CFPB); Markus, Kent (CFPB); Martin, Angela (CFPB); Martinez, Zixta (CFPB); Martinovich, Alicia (CFPB); Mayorga, David (CFPB); Molyneaux, Terri (CFPB); More, Isabella (CFPB); Morris, Deborah (CFPB); Mosena, Lea (CFPB); Muniz, Brenda (CFPB); Nakamura, Kent (CFPB); Nassar, Shaba (CFPB); O'Brien, Brian Patrick (CFPB); Olstad, Per (CFPB); Pandolfo, Anthony (CFPB); Parker Rose, Cheryl (CFPB); Pearl, Joanna (CFPB); Petersen, Cara (CFPB); Peterson, Christopher (Detail) (CFPB); Petraeus, Hollister (CFPB); Pierce, Michael (CFPB); Pippin, Matthew (CFPB); Pitts, John (CFPB); Pope, David (CFPB); Quan, Dan (CFPB); Raso, Connor (CFPB); Raso, Jane (CFPB); RC; Rubenstein, David (CFPB); Russell, Jessica (CFPB); Sanford, Paul (CFPB); Sapir, Amanda (CFPB); Sheehan, Timothy (CFPB); Silberman, David (CFPB); Smith, Daniel (CFPB); Sokolov, Dan (CFPB); Standarowski, Derek (CFPB); Stern, Gena (CFPB); Stockett, Jennifer (CFPB); Stone, Bayard Corey (CFPB); Suskind, Walter (CFPB); Swartz, Jeff (CFPB); Szybala, Julia (CFPB); Thibos, Megan (CFPB); Thompson, Diane (CFPB); Thompson, Shelley (CFPB); Tindall, Anne (CFPB); Tosini, Suzanne (CFPB); Truong, To-Quyen (CFPB); Twohig, Peggy (CFPB); Vaeth, Chris (CFPB); Vahey, Moira (CFPB); Van Dyke, Laura (CFPB); VanMeter, Stephen (CFPB); Vasan, Ashwin (CFPB); Wade-Gery, William (CFPB); Welbeck, Katherine (CFPB); White, Evan (CFPB); Williams, Richard (CFPB); Winseck, Brian (CFPB); Young, Christopher (CFPB); Zorc, Anne (CFPB); Minor, John (CFPB); McNamara, John (CFPB); Ploch, Amanda (CFPB); McNamara, John (CFPB); Weldon, Lauren (CFPB); McPartland, Kristin (CFPB); Ober, James (Intern) (CFPB)

Subject: [PRESS]: CFPB Fines Wells Fargo \$100 Million for Widespread Illegal Practice of Secretly Opening Unauthorized Accounts

Today's release will go out at 12pm. Please do not distribute internally or externally before that time.



FOR IMMEDIATE RELEASE:

September 8, 2016

CONTACT:

Office of Communications

Tel: (202) 435-7170

**CONSUMER FINANCIAL PROTECTION BUREAU FINES WELLS FARGO \$100 MILLION FOR
WIDESPREAD ILLEGAL PRACTICE OF SECRETLY OPENING UNAUTHORIZED ACCOUNTS**

*Bank Incentives to Boost Sales Figures Spurred Employees to Secretly Open Deposit and Credit Card
Accounts*

WASHINGTON, D.C. — Today the Consumer Financial Protection Bureau (CFPB) fined Wells Fargo Bank, N.A. \$100 million for the widespread illegal practice of secretly opening unauthorized deposit and credit card accounts. Spurred by sales targets and compensation incentives, employees boosted sales figures by covertly opening accounts and funding them by transferring funds from consumers' authorized accounts without their knowledge or consent, often racking up fees or other charges. According to the bank's own analysis, employees opened more than two million deposit and credit card accounts that may not have been authorized by consumers. Wells Fargo will pay full restitution to all victims and a \$100 million fine to the CFPB's Civil Penalty Fund. The bank will also pay an additional \$35 million penalty to the Office of the Comptroller of the Currency, and another \$50 million to the City and County of Los Angeles.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," said CFPB Director Richard Cordray. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed. Today's action should serve notice to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences."

The full text of the CFPB's Consent Order can be found at:

http://files.consumerfinance.gov/f/documents/092016_cfpb_WFBconsentorder.pdf

Wells Fargo, headquartered in Sioux Falls, S.D., is one of the biggest banks in the country and offers many consumer financial products and services, including savings and checking accounts, credit cards, debit and ATM cards, and online-banking services. In recent years, the bank has sought to distinguish itself in the marketplace as a leader in "cross selling" these products and services to existing customers who did not already have them. When cross selling is based on efforts to generate more business from existing customers based on strong customer satisfaction and excellent customer service, it is a common and accepted business practice. But here the bank had compensation incentive programs for its employees that encouraged them to sign up existing clients for deposit accounts, credit cards, debit cards, and online banking, and the bank failed to monitor the implementation of these programs with adequate care.

According to today's enforcement action, thousands of Wells Fargo employees illegally enrolled consumers in these products and services without their knowledge or consent in order to obtain financial compensation for meeting sales targets. The Dodd-Frank Wall Street Reform and Consumer

Protection Act prohibits unfair, deceptive, and abusive acts and practices. Wells Fargo's violations include:

- **Opening deposit accounts and transferring funds without authorization:** According to the bank's own analysis, employees opened roughly 1.5 million deposit accounts that may not have been authorized by consumers. Employees then transferred funds from consumers' authorized accounts to temporarily fund the new, unauthorized accounts. This widespread practice gave the employees credit for opening the new accounts, allowing them to earn additional compensation and to meet the bank's sales goals. Consumers, in turn, were sometimes harmed because the bank charged them for insufficient funds or overdraft fees because the money was not in their original accounts.
- **Applying for credit card accounts without authorization:** According to the bank's own analysis, Wells Fargo employees applied for roughly 565,000 credit card accounts that may not have been authorized by consumers. On those unauthorized credit cards, many consumers incurred annual fees, as well as associated finance or interest charges and other fees.
- **Issuing and activating debit cards without authorization:** Wells Fargo employees requested and issued debit cards without consumers' knowledge or consent, going so far as to create PINs without telling consumers.
- **Creating phony email addresses to enroll consumers in online-banking services:** Wells Fargo employees created phony email addresses not belonging to consumers to enroll them in online-banking services without their knowledge or consent.

Enforcement Action

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, the CFPB has the authority to take action against institutions violating consumer financial laws, including engaging in unfair, deceptive, or abusive acts or practices. Today's order goes back to Jan. 1, 2011. Among the things the CFPB's order requires of Wells Fargo:

- **Pay full refunds to consumers:** Wells Fargo must refund all affected consumers the sum of all monthly maintenance fees, nonsufficient fund fees, overdraft charges, and other fees they paid because of the creation of the unauthorized accounts. These refunds are expected to total at least \$2.5 million. Consumers are not required to take any action to get refunds to which they are entitled.
- **Ensure proper sales practices:** Wells Fargo must hire an independent consultant to conduct a thorough review of its procedures. Recommendations may include requiring employees to undergo ethical-sales training and reviewing the bank's performance measurements and sales goals to make sure they are consistent with preventing improper sales practices.
- **Pay a \$100 million fine:** Wells Fargo will pay a \$100 million penalty to the CFPB's Civil Penalty Fund. Today's penalty is the largest the CFPB has imposed to date.

###

The Consumer Financial Protection Bureau is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives. For more information, visit www.consumerfinance.gov.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: FW: [PRESS]: CFPB, OCC, and Los Angeles City Attorney to Host Press Call on Enforcement Action
Date: Wednesday, September 07, 2016 5:49:15 PM

FYI

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Van Dyke, Laura (CFPB)
Sent: Wednesday, September 07, 2016 5:35 PM
To: _DL_CFPB_ExternalAffairs; Agarwal, Abhishek (CFPB); Alag, Sartaj (CFPB); Alexis, Anthony (CFPB); Auchterlonie, Sarah (CFPB); Blatnik, Edward (CFPB); Bleicken, David (CFPB); Block, Michael (CFPB); Boison, Elizabeth (CFPB); Borzekowski, Ron (CFPB); Brown, Amy (CFPB); 'Bulletin News'; Cameron, Matt (CFPB); Canan, Stacy (CFPB); Case, Whitney (CFPB); CFPB_Daily Briefing Book; Chandler, Jocelyn (CFPB); Chea, Keo (CFPB); Chieco, Gena (CFPB); Cochran, Kelly (CFPB); Conrad, Derek (CFPB); Corbett, Elizabeth (CFPB); Criado, Alicia (CFPB); Cumpiano, Flavio (CFPB); D'Angelo, Chris (CFPB); Deutsch, Rebecca (CFPB); Donoghue, Kristen (CFPB); Dully, Crystal (CFPB); Duong, Nhu-Han (CFPB); Ehrlich, Jeffrey (CFPB); Eisenhower, Nora (CFPB); Ellis, Elizabeth (CFPB); English, Leandra (CFPB); Erdmann, Craig (CFPB); Eskola, David (CFPB); Ficklin, Patrice (CFPB); France, Elizabeth (CFPB); Frotman, Seth (CFPB); Fulford, Martha (CFPB); Galicia, Catherine (CFPB); Gilford, Samuel (CFPB); Gragan, David (CFPB); Griffin, Mary (CFPB); Hand, Delicia (CFPB); Harper, Morgan (CFPB); Hassouni, Lauren (CFPB); Hayes, Stephen (CFPB); Hillebrand, Gail (CFPB); Holland, Megan (CFPB); Howard, Jennifer (CFPB); Hrdy, Alice (CFPB); Hunt, Wanda (CFPB); Johnson, Christine (CFPB); Konwinski, Lisa (CFPB); Korn, Jonathan (CFPB); Kunapuli, Deepika (CFPB); Langer, Jeffrey (CFPB); Lee, Swan (CFPB); Limon, Noerena (CFPB); Lipsett, Christopher (CFPB); Logan, Amanda (CFPB); Manna, Meredith (CFPB); Markus, Kent (CFPB); Martin, Angela (CFPB); Martinez, Zixta (CFPB); Martinovich, Alicia (CFPB); Mayorga, David (CFPB); Molyneaux, Terri (CFPB); More, Isabella (CFPB); Morris, Deborah (CFPB); Mosen, Lea (CFPB); Muniz, Brenda (CFPB); Nakamura, Kent (CFPB); Nassar, Shaba (CFPB); O'Brien, Brian "Patrick" (CFPB); Olstad, Per (CFPB); Pandolfo, Anthony (CFPB); Parker Rose, Cheryl (CFPB); Pearl, Joanna (CFPB); Petersen, Cara (CFPB); Peterson, Christopher (Detail) (CFPB); Petraeus, Hollister (CFPB); Pierce, Michael (CFPB); Pippin, Matthew (CFPB); Pitts, John (CFPB); Pope, David (CFPB); Quan, Dan (CFPB); Raso, Connor (CFPB); Raso, Jane (CFPB); RC; Rubenstein, David (CFPB); Russell, Jessica (CFPB); Sanford, Paul (CFPB); Sapir, Amanda (CFPB); Sheehan, Timothy (CFPB); Silberman, David (CFPB); Smith, Daniel (CFPB); Sokolov, Dan (CFPB); Standarowski, Derek (CFPB); Stern, Gena (CFPB); Stockett, Jennifer (CFPB); Stone, Bayard "Corey" (CFPB); Suskind, Walter (CFPB); Swartz, Jeff (CFPB); Szybala, Julia (CFPB); Thibos, Megan (CFPB); Thompson, Diane (CFPB); Thompson, Shelley (CFPB); Tindall, Anne (CFPB); Tosini, Suzanne (CFPB); Truong, To-Quyen (CFPB); Twohig, Peggy (CFPB); Vaeth, Chris (CFPB); Vahey, Moira (CFPB); Van Dyke, Laura (CFPB); VanMeter, Stephen (CFPB); Vasan, Ashwin (CFPB); Wade-Gery, William (CFPB); Welbeck, Katherine (CFPB); White, Evan (CFPB); Williams, Richard (CFPB); Winseck, Brian (CFPB); Young, Christopher (CFPB); Zorc, Anne (CFPB); Minor, John (CFPB); McNamara, John (CFPB); Ploch, Amanda (CFPB); McNamara, John (CFPB); Weldon, Lauren (CFPB); McPartland, Kristin (CFPB); Ober, James (Intern) (CFPB)
Subject: [PRESS]: CFPB, OCC, and Los Angeles City Attorney to Host Press Call on Enforcement Action

Today's advisory will go to press at 6pm

FOR PLANNING PURPOSES ONLY:

September 7, 2016

CONTACT:

CFPB Office of Communications

Tel: (202) 435-7170

*****MEDIA ADVISORY*****

**CONSUMER FINANCIAL PROTECTION BUREAU, OFFICE OF THE COMPTROLLER OF THE CURRENCY,
AND LOS ANGELES CITY ATTORNEY TO HOST PRESS CALL ON AN ENFORCEMENT ACTION**

WASHINGTON – On Thursday, September 8, the Consumer Financial Protection Bureau (CFPB), the Office of the Comptroller of the Currency (OCC) and the Office of the Los Angeles City Attorney will hold a press call to discuss an enforcement action. The call will begin with on-the-record remarks from CFPB Director Richard Cordray, Comptroller of the Currency Thomas J. Curry, and Los Angeles City Attorney Mike Feuer. It will be followed by an opportunity for questions with senior officials.

Materials will be released to press prior to the call.

-

Please note, this call will be open to credentialed members of the press only.

WHAT: Press Call on Enforcement Action

WHO: Richard Cordray, Director, CFPB
 Thomas J. Curry, Comptroller of the Currency, OCC
 Mike Feuer, Los Angeles City Attorney

WHEN: 12:30 p.m. EDT, Thursday, September 8, 2016

Media Notes:

To participate in the press call, credentialed members of the media must RSVP with name and publication to Laura Van Dyke at Laura.VanDyke@cfpb.gov by 12:30 p.m. EDT, Thursday, September 8.

Media Contacts:

CFPB: David Mayorga | david.mayorga@cfpb.gov | 202-435-7159

OCC: Bryan Hubbard | publicaffairs3@occ.treas.gov | 202-649-6870

LA City Attorney: Rob Wilcox | rob.wilcox@lacity.org | 213-978-8377

###

The Consumer Financial Protection Bureau is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives. For more information, visit www.ConsumerFinance.gov.

From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: 20160411 DRAFT Modification Letter
Date: Monday, April 11, 2016 12:13:16 PM

Sorry—I see it's essentially everything I added that Natalie strikes.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Williams, Natalie (CFPB)
Sent: Monday, April 11, 2016 12:12 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: 20160411 DRAFT Modification Letter

Lawrence,

Here are my thoughts on the mod letter. (b) (5), (b) (7)(E)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Gave a suggestion in a comment bubble.

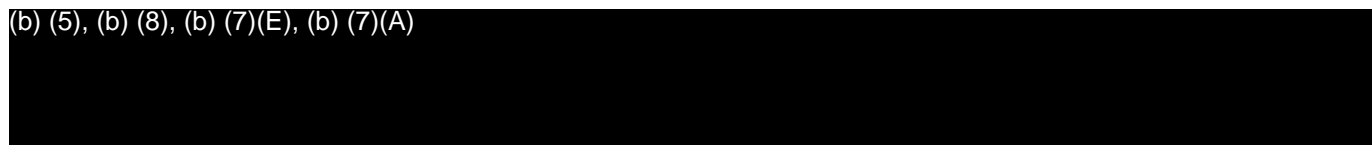
From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Cc: [Goldblatt, Stefanie Isser \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Donoghue, Kristen \(CFPB\)](#); [Pearl, Joanna \(CFPB\)](#)
Subject: Re: Access letters - Wells Fargo Sales Practices
Date: Friday, September 16, 2016 1:09:41 PM

Yes. Looping in Stef, who is also handling such requests with LB.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Hartmann, Leanne (CFPB)
Sent: Friday, September 16, 2016 12:45 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Cc: Ehrlich, Jeffrey (CFPB)
Subject: Access letters - Wells Fargo Sales Practices

(b) (5), (b) (8), (b) (7)(E), (b) (7)(A)



It probably makes sense to have one person to handle these (b) (5), (b) (8), (b) (7)(E), unless you all think otherwise. Barry volunteered himself on the phone to me, and I'm of course happy to let him handle them, but wanted to make sure you're all on board with that plan.

Thanks,
Leanne

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ledbetter, Roshonda](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Add'l Materials for Corporate Rep. Testimony on June 28, 2016
Date: Monday, June 27, 2016 12:30:37 PM

I am going to send an email to Doug. Tell him it's an emergency situation since the IH is tomorrow. I will let you know what his response is.

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Hartmann, Leanne (CFPB)
Sent: Monday, June 27, 2016 12:14 PM
To: Reiferson, Barry (CFPB); Ledbetter, Roshonda
Cc: Brown, Lawrence (CFPB)
Subject: FW: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

Have we downloaded these additional documents that they sent on Saturday to the Z drive?

Also – I haven't contacted them about getting a disc with all of these materials, but can do so today so long as everyone is okay with that approach.

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: SHANNON.BALES@MTO.COM [<mailto:shannon.bales@mto.com>]
Sent: Saturday, June 25, 2016 9:05 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB)
Cc: Anand.Raman@skadden.com; Bwilliams@proskauer.com; David.fry@mto.com; David.j.rice@wellsfargo.com; Craig.lavoie@mto.com; Darren.Welch@skadden.com
Subject: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

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Dear Barry, Leanne, and John:

(b) (4)

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Best,
Shannon

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--

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From: [Ledbetter, Roshonda](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Add'l Materials for Corporate Rep. Testimony on June 28, 2016
Date: Monday, June 27, 2016 12:37:39 PM

Doug stated that he can load it to the Z-drive and relatively. I am filing out the SharePoint request now. Is it a password for this download?

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 | (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Hartmann, Leanne (CFPB)
Sent: Monday, June 27, 2016 12:14 PM
To: Reiferson, Barry (CFPB); Ledbetter, Roshonda
Cc: Brown, Lawrence (CFPB)
Subject: FW: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

Have we downloaded these additional documents that they sent on Saturday to the Z drive?

Also – I haven't contacted them about getting a disc with all of these materials, but can do so today so long as everyone is okay with that approach.

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: SHANNON.BALES@MTO.COM [<mailto:shannon.bales@mto.com>]
Sent: Saturday, June 25, 2016 9:05 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB)
Cc: Anand.Raman@skadden.com; Bwilliams@proskauer.com; David.fry@mto.com; David.j.rice@wellsfargo.com; Craig.lavoie@mto.com; Darren.Welch@skadden.com
Subject: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

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Dear Barry, Leanne, and John:

(b) (8), (b) (4), (b) (9)

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Best,
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From: [Clark, Mary \(Susie\)\(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Naylor, Jonathan \(CFPB\)](#)
Subject: FW: Article: Why Berkshire Hathaway Wants to Buy More Wells Fargo Stock
Date: Friday, July 08, 2016 12:03:07 PM

The quote below explains why Berkshire Hathaway is a big fan of Wells Fargo. The numbers quoted help to put the \$100 million penalty in perspective.

Susie Clark

Examiner
Supervision/West Region
Consumer Financial Protection Bureau
Consumerfinance.gov

Cell: (b) (6)
mary.clark@cfpb.gov

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From: Crosley, John (CFPB)
Sent: Thursday, July 07, 2016 10:40 AM
To: Mui, Michael (CFPB); Naylor, Jonathan (CFPB); Sinclair, Rosanne (CFPB); Clark, Mary (Susie)(CFPB); Campbell, Verlin (CFPB); Gebauer, Frank (CFPB)
Subject: RE: Article: Why Berkshire Hathaway Wants to Buy More Wells Fargo Stock

(b) (5), (b) (8)

John Crosley,
West Region Analyst
Office (415) 844-9776 or Cell (b) (6)

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From: Mui, Michael (CFPB)
Sent: Thursday, July 07, 2016 10:27 AM
To: Crosley, John (CFPB)
Subject: FW: Article: Why Berkshire Hathaway Wants to Buy More Wells Fargo Stock

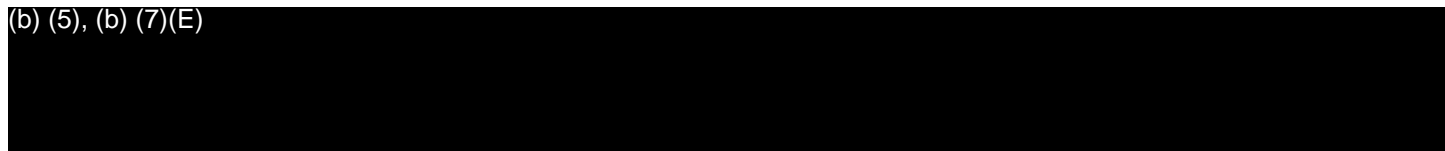
(b) (5), (b) (8)

From: [Reiferson, Barry \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Binders from Wells Fargo for hearings
Date: Tuesday, June 21, 2016 7:49:28 AM

They promised them today. We also expect daily calls to discuss open issues. Good to have the ability to pressure them with enforcement.

From: Ehrlich, Jeffrey (CFPB)
Sent: Tuesday, June 21, 2016 07:31 AM
To: Hartmann, Leanne (CFPB); Wells, John (CFPB); Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: Re: Binders from Wells Fargo for hearings

(b) (5), (b) (7)(E)



Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Hartmann, Leanne (CFPB)
Sent: Monday, June 20, 2016 08:13 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: Binders from Wells Fargo for hearings

Here is [the link](#) to the folder on the Z drive containing the documents they've provided – I'm working on getting additional hard copies of the documents as well so that you will have them when you arrive on Wednesday.

File path (same as Barry sent) is: (b) (7)(E)



Thanks,
Leanne

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Call with LA and the OCC
Date: Thursday, July 14, 2016 2:25:41 PM

Sorry, LB – Steve told me yesterday that he is generally available, and just wanted to see who else to include (I wasn't sure...). I may not be available in the morning my time, which is why I haven't done anything to get the call on the calendar – I am traveling tomorrow morning and may not have cell phone range for at least a portion of the drive. I'll be teleworking in the afternoon, Pacific time.

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From: Brown, Lawrence (CFPB)
Sent: Thursday, July 14, 2016 11:23 AM
To: Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB)
Subject: RE: Call with LA and the OCC

I have a call with Steve in a half hour and I will get his availability for a call for Friday.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, July 14, 2016 2:22 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB)
Subject: Call with LA and the OCC

Could we set that up for tomorrow? I owe an answer to the OCC, which wanted to talk to LA very soon. Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)

Consumer Financial Protection Bureau
consumerfinance.gov

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From: [Consumer Protection Law360](#)
To: [Brown Lawrence \(CFPB\)](#)
Subject: CFPB Wells Fargo Fine A Red Flag On Pay, Sales Plans
Date: Friday, September 09, 2016 4:34:10 AM



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Friday, September 9, 2016



TOP NEWS

Wells Fargo To Pay \$185M Fine For Fraudulent Sales Tactics

Wells Fargo on Thursday was hit with \$185 million in civil penalties after its aggressive cross-selling of financial products and employee performance targets resulted in thousands of unauthorized accounts being opened without consumers' knowledge.

Cruise Cos. Settle Robocall Class Action For Up To \$76M

Attorneys litigating a massive class action accusing several cruise marketing companies of violating the Telephone Consumer Protection Act by robocalling millions of Americans with offers for free trips told an Illinois federal judge overseeing the case Thursday that they had reached a settlement that could see the companies paying out up to \$76 million.

8th Circ. Says Spokeo Ends Charter Consumers' Privacy Suit

The Eighth Circuit refused to revive class allegations that Charter Communications Inc. stored the personally identifiable information of consumers after they canceled their services, ruling Thursday that the consumers failed to show harm under the Spokeo test.

7th Circ. Says Tribe Is Immune From Credit Card Privacy Suit

The Seventh Circuit refused Thursday to revive class allegations that receipts from a Wisconsin tribe's stores violated the Fair Credit Reporting Act, finding the tribe immune from court action.

Goya Slips Some Of Octopus False Ad Class Action

A California federal judge on Thursday trimmed a proposed class action alleging Goya duped customers by selling canned octopus products that actually contained cheaper jumbo squid parts, saying some of the allegations don't stand up but allowing a consumer to revise the lacking claims.

USDA Can't Duck Food-Safety Groups' Organic Rule Challenge

A California federal judge declined Thursday to dismiss a suit accusing the U.S. Department of Agriculture of revamping the Organic Foods Production Act without allowing for public comment, saying the food-safety groups leading the suit had shown they had concrete grounds behind the suit.

ANALYSIS

CFPB Wells Fargo Fine A Red Flag On Pay, Sales Plans

The \$185 million penalty the Consumer Financial Protection Bureau and two other agencies handed to Wells Fargo & Co. on Thursday, following revelations that employees had opened over a million sham accounts to meet sales targets and qualify for additional pay, should serve as a warning to others to carefully monitor their employees and re-evaluate aggressive incentive plans, experts said.

LAW FIRMS

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Carlton Fields
Carter Ledyard
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Coughlin Duffy
Drinker Biddle
Edelman Combs
Edelson PC
Fish & Richardson
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Frank LLP
Gibson Dunn
Gibson McAskill
Glancy Prongay
Golomb & Honik
Gordon & Rees
Greenberg Traurig
Greenspoon Marder
Hausfeld
Hinshaw & Culbertson
Husch Blackwell
Jones Day
Katten Muchin
Kirkland & Ellis
Koppel Patrick
Lackebach Siegel
Latham & Watkins
Littler Mendelson
Loevy & Loevy
McCusker Anselmi
Meagher & Geer
Morgan Lewis
Much Shelist
Paul Hastings

Euro Drug Pricing's Tradeoffs May Limit Appeal In US

As U.S. lawmakers call for pharmaceutical companies to rein in drug prices in the wake of Mylan's EpiPen price increase, experts say consumers will need to weigh whether Europe and Canada's regulated, but cheaper, prices are worth the underdiscussed tradeoffs, including reduced access to some medication and stifled industry innovation.

POLICY & REGULATION

House OKs Bills Trimming SEC Rules On Small Businesses

The U.S. House of Representatives voted through a series of changes to securities and disclosure laws Thursday in the face of Democratic and White House criticism that the changes meant to ease small businesses' access to capital would destabilize markets and make it easier to swindle investors.

House Asks GAO To Investigate OPM Hack Response Deal

The House Oversight Committee on Wednesday asked a government watchdog to look into whether the U.S. Office of Personnel Management unlawfully stiffed CyTech Services LLC for its work helping to uncover and respond to the high-profile hack of OPM's databases in 2015.

FTC Chair Threatens Action On Ransomware Holes

Businesses could face trouble with the Federal Trade Commission if they fail to fix security holes that allow ransomware attacks, Chairwoman Edith Ramirez said Wednesday, threatening to continue a streak of now over 60 enforcement actions against companies with poor data security.

FCC Chief Floats Apps-Based Set-Top Box Plan After Backlash

The Federal Communications Commission's chairman revealed a revised plan Thursday to unlock the set-top box market, now requiring pay-TV companies to provide consumers apps to access content on widely available third-party platforms, after meeting stiff resistance on an earlier version of the plan.

LITIGATION

7th Circ. Revives Claims Over 'Misleading' Student Debt Suit

A Seventh Circuit three-judge panel on Wednesday revived a class action alleging law firm Weinstein Pinson & Riley used misleading wording in a state complaint seeking unpaid student debt from the class members.

Vitamin Health Asks 6th Circ. To Revive Coverage Battle

Vitamin Health Inc. urged the Sixth Circuit on Wednesday to reverse a decision that Hartford Casualty Insurance Co. doesn't have to defend the dietary supplement maker in a patent infringement and false advertising suit, saying the insurer had a duty to defend under Michigan law because the litigation arguably fell within policy coverage.

For-Profit University Can't Block TCPA Class Claims Yet

An Illinois federal judge on Thursday refused to toss class allegations that for-profit college American Intercontinental University Inc. used illegal telemarketing to recruit students, saying the move is premature.

Vt. Launches Lawsuit Against VW Over Emissions Scandal

Vermont on Thursday became the latest state to sue Volkswagen over its ongoing emissions scandal, launching a lawsuit in state court alleging the German automotive giant used software in diesel vehicles to cheat emissions tests and misled customers by marketing the cars as environmentally friendly.

EXPERT ANALYSIS

Plunkett Cooney
Porter & Malouf
Prickett Jones
Quarles & Brady
Schmeiser Olsen
Shook Hardy
Sidley Austin
Simon Law Firm
Siprut PC
Smith Segura
Stroock & Stroock
Tabet DiVito
Thompson Coburn
Wachtell Lipton
Wiggin and Dana
Zimmerman Law Offices PC

COMPANIES

ASUSTeK Computer Inc.
AT&T Inc.
Allergan PLC
Allstate Corporation
America's Health Insurance Plans
American Bar Association
American Council of Life Insurers
American Insurance Association
Anthem Inc.
Audi AG
Bausch & Lomb
Biogen Inc.
Bloomberg
Charter Communications Inc.
Expert Global Solutions Inc.
Fitbit Inc.
Hewlett Packard Enterprise Co.
John Wiley & Sons, Inc.
Johnson & Johnson
Los Angeles Times
McDonald's Corporation
Micro Focus International PLC
Microsoft Corporation
Mylan NV
National Association of Consumer Advocates
National Association of Insurance Commissioners
Netflix Inc.
New York Times Co.
Octapharma AG
Pfizer Inc.
Porsche
PricewaterhouseCoopers
Redbox Automated Retail LLC
Santander Bank NA

Are Vending Machines Public Accommodations Under ADA?

The Fifth Circuit's recent decision in *Magee v. Coca-Cola Refreshments USA* is the first circuit court ruling to consider the extent to which the Americans with Disabilities Act obligates vending machine manufacturers and owners to provide accessible vending machines to the public and brings some clarity to an issue that has been under consideration by a number of courts throughout the U.S., say Robert Naeve and Mark Earnest of Jones Day.

NAIC's New Cybersecurity Model Law Draft Is Still Flawed

While the National Association of Insurance Commissioners' latest draft of its revised cybersecurity model law addresses some concerns that insurers previously raised, other fundamental problems remain, including surrounding uniformity and superseding of other state notification laws, says John Pitblado of Carlton Fields Jorden Burt PA.

The 411 On Using Text Messages To Issue Physician Orders

Advantages and disadvantages aside, health care practitioners, administrators and compliance officers have been struggling with whether texting orders is legal and acceptable from an accreditation standpoint. And for good reason: This road has taken a number of crazy twists and turns as we await guidance from the Joint Commission and the Centers for Medicare and Medicaid Services, say Sarah Coyne and Jon Kammerzell of Quarles & Brady LLP.

LEGAL INDUSTRY

Breaking Into BigLaw Without A BigLaw Resume

Scan the attorney profiles on any BigLaw website, and you'll notice a trend: a majority of the attorneys have likely attended just a handful of the nation's most prestigious law schools and many of them have followed very similar career paths. Here, experts offer tips for breaking into BigLaw as an outlier.

Dozens Of GCs Pledge To Give Work To More Diverse Firms

Two dozen general counsels from varied major corporations, like eBay Inc., United Airlines, McDonald's Corp. and Biogen Inc., signed a letter Wednesday pledging to give their legal work to more diverse law firms.

Law360's Weekly Verdict: Legal Lions & Lambs

Legal lions from Littler Mendelson PC and Gibson Dunn were steady at the wheel for ride-hailing giant Uber, winning a major federal decision on the future of labor claims brought by drivers. Our legal lambs are led by an inventor and lawyers who pressed "bad faith" patent suits and will end up footing their opponent's legal bills.

NY Judicial Nominee Advances To Full Senate

A Senate panel voted through a Gibson McAskill & Crosby LLP partner's nomination to a vacancy on New York's federal bench Thursday, after a six-month wait in the Senate Judiciary Committee.

Rainmaker Q&A: Morgan Lewis' Anne Marie Estevez

Never say no if someone needs a favor or you can proactively help a company avoid a significant issue or risk. It takes time, but "what goes around, comes around" more frequently than many think, says Anne Marie Estevez, a labor and employment partner at Morgan Lewis & Bockius LLP.

Rainmaker Q&A: Much Shelist's Mitchell Roth

Part of remaining a rainmaker is surrounding yourself with a great team. You can't continue to build a larger practice if you have to do all the work. Behind every great rainmaker is a great team, says Mitchell Roth, a managing partner and principal at Much Shelist PC.

JOBS

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eBay Inc.

GOVERNMENT AGENCIES

Consumer Financial Protection Bureau
Federal Bureau of Investigation
Federal Communications Commission
Federal Trade Commission
Food and Drug Administration
Government Accountability Office
Office of the Comptroller of the Currency
Oneida Tribe of Indians of Wisconsin
Securities and Exchange Commission
U.S. Department of Agriculture
U.S. Department of Health and Human Services
U.S. Department of Justice
U.S. House of Representatives
U.S. Office of Personnel Management
U.S. Sentencing Commission
U.S. Supreme Court

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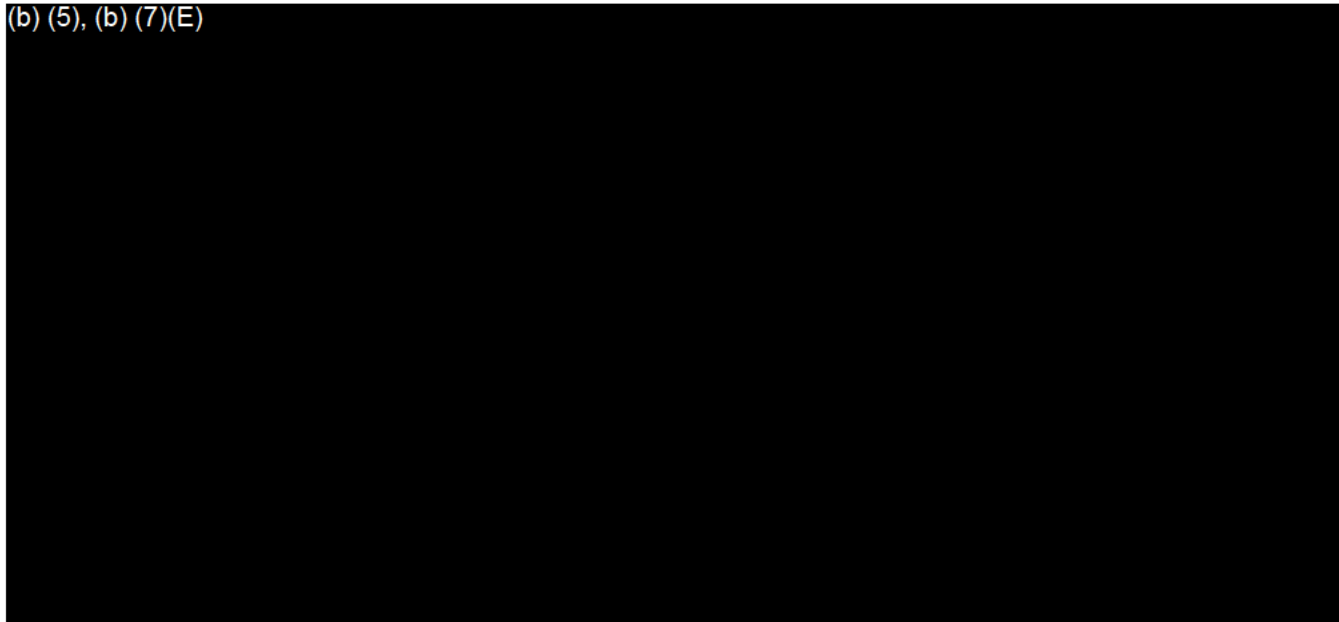
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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Checking in
Date: Wednesday, June 08, 2016 11:40:18 AM

Hey LB –

(b) (5), (b) (7)(E)



I think that's all the news so far...but it is in constant flux so stay tuned – it could change in an instant!

Keep well – and we'll all be here when you get back, so don't you worry about us. ☺

~leanne

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, June 08, 2016 6:34 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Checking in

Hey everyone,

I just wanted to check in to see how things were going with Wells. (b) (6)

I read Jonathan Naylor's email about his response to the deck. It was interesting that attorneys for Wells did 98% of the

talking. I will always wonder what story the email traffic would have uncovered. Let me know if you all need any information from me. I try to check email late in the evening. Before I get back, please be thinking of ways I can help even though I have no real ability to travel right now. Thanks for carrying the extra load while I'm out and I hope you all are having fun with this.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Hartmann, Leanne \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: CID 2.0
Date: Friday, May 06, 2016 2:56:54 PM
Attachments: [CID 2 to Wells Fargo 05062016.doc](#)

Feel free to comment before this goes to Natalie.

Thanks,
Barry

From: [Wells, John \(CFPB\)](#)
To: [Williams, Natalie \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: City of LA - request for call
Date: Thursday, May 26, 2016 2:33:29 PM

Works for me too.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: Williams, Natalie (CFPB)
Sent: Thursday, May 26, 2016 2:33 PM
To: Ehrlich, Jeffrey (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB); Reiferson, Barry (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: RE: City of LA - request for call

I can as well.

From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, May 26, 2016 2:33 PM
To: Hartmann, Leanne (CFPB); Wells, John (CFPB); Williams, Natalie (CFPB); Reiferson, Barry (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: RE: City of LA - request for call

I could do 5 ET today.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Hartmann, Leanne (CFPB)
Sent: Thursday, May 26, 2016 2:31 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Williams, Natalie (CFPB); Reiferson, Barry (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: City of LA - request for call

Hi all –

Steve Son just called me and asked if we could schedule a call with him and his supervisors sooner rather than later. That would include Mike Feuer (the City Attorney), Jim Clark, his deputy, and Steve – potentially others on their side as well, but those are the main people. Jeff, he'd like you on the call if at all possible (along with as much of the team as is available).

He suggested after 2pm today Pacific time/5pm Eastern or tomorrow morning – they have some court deadlines tomorrow and Tuesday they are working against and would prefer to speak sooner rather than later.

Please let me know what time works best for you, and I'll coordinate with Steve's office to get it on the calendar.

Thanks,
Leanne

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

www.consumerfinance.gov

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: RE: Clearance Review Completed :DUE Tuesday @ Noon - EAP: Review Request: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE
Date: Wednesday, July 13, 2016 10:04:18 AM

That's fine, although John and I will not be involved in these discussions.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Reiferson, Barry (CFPB)
Sent: Wednesday, July 13, 2016 9:58 AM
To: Ehrlich, Jeffrey (CFPB); Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB)
Subject: RE: Clearance Review Completed :DUE Tuesday @ Noon - EAP: Review Request: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE

From Anand:

That will probably work -- though I am waiting to hear from Bart, and it may be a few minutes until he checks his emails. I am going to be meeting with Brandis Anderson and Joshua Orenstein at 10 AM at 1625 I Street. Assuming that Bart can make 11 AM work, then Jeff and John can track me down and we can meet/talk then. -- Anand

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Ehrlich, Jeffrey (CFPB)
Sent: Wednesday, July 13, 2016 9:43 AM
To: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB)
Subject: RE: Clearance Review Completed :DUE Tuesday @ Noon - EAP: Review Request: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE

John and I could be free at 10:30---just have to move something that is moveable.

Jeff Ehrlich
Deputy Enforcement Director

Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Reiferson, Barry (CFPB)
Sent: Wednesday, July 13, 2016 9:42 AM
To: Brown, Lawrence (CFPB); Ehrlich, Jeffrey (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB)
Subject: RE: Clearance Review Completed :DUE Tuesday @ Noon - EAP: Review Request: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE

I am trying to reach Anand to have a call with them around 11-11:30 edt. Can we reschedule our call to 10:30 edt to make that a possibility?

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, July 13, 2016 9:18 AM
To: Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB)
Subject: RE: Clearance Review Completed :DUE Tuesday @ Noon - EAP: Review Request: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE

Great!

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ehrlich, Jeffrey (CFPB)
Sent: Wednesday, July 13, 2016 9:16 AM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB)
Subject: FW: Clearance Review Completed :DUE Tuesday @ Noon - EAP: Review Request: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE

We have authority.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Vanlaere, Todd (CFPB)
Sent: Wednesday, July 13, 2016 9:15 AM
To: Ehrlich, Jeffrey (CFPB)
Subject: RE: Clearance Review Completed :DUE Tuesday @ Noon - EAP: Review Request: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE

The Director has approved. We'll circulate the official document shortly.

From: Ehrlich, Jeffrey (CFPB)
Sent: Wednesday, July 13, 2016 8:01 AM
To: CFPB_Executive Secretary
Cc: Vanlaere, Todd (CFPB); Wells, John (CFPB)
Subject: RE: Clearance Review Completed :DUE Tuesday @ Noon - EAP: Review Request: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE
Importance: High

Exec Sec,

Do you know whether RC approved this last night? We have a meeting with opposing counsel this morning and would like to know whether we have authority. Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: CFPB_Executive Secretary
Sent: Tuesday, July 12, 2016 11:57 AM

To: Ehrlich, Jeffrey (CFPB)
Cc: Turner, Austin (Detailee); CFPB_Daily Briefing Book
Subject: FW: Clearance Review Completed :DUE Tuesday @ Noon - EAP: Review Request: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE

Thank you. We will include the attached in the Director's book tonight.

From: Ehrlich, Jeffrey (CFPB)
Sent: Tuesday, July 12, 2016 11:39 AM
To: CFPB_Executive Secretary; Turner, Austin (Detailee)
Cc: Wells, John (CFPB); Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Hayes, Stephen (CFPB); Bateman, Kristin (CFPB)
Subject: RE: Clearance Review Completed :DUE Tuesday @ Noon - EAP: Review Request: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE

Thank you. Here is the memo, incorporating Legal's comments. (And thanks, Legal!)

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: CFPB_Executive Secretary
Sent: Tuesday, July 12, 2016 10:29 AM
To: Turner, Austin (Detailee)
Cc: Wells, John (CFPB); Ehrlich, Jeffrey (CFPB); Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Hayes, Stephen (CFPB); Bateman, Kristin (CFPB); CFPB_Executive Secretary
Subject: FW: Clearance Review Completed :DUE Tuesday @ Noon - EAP: Review Request: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE

Please see the comment below and the attached edits from the Legal Division (Kristin Bateman and Steve Hayes). Please address their concerns and resubmit the memo for inclusion in the Director's book.

From: Dolci, Richard (Contractor)(CFPB)
Sent: Tuesday, July 12, 2016 10:24 AM
To: CFPB_Executive Secretary
Cc: Coleman, John (CFPB); Coates, Laura (CFPB); Frisone, Joseph (CFPB); CFPB_OGC_Clearance
Subject: Clearance Review Completed :DUE Tuesday @ Noon - EAP: Review Request: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE

Executive Secretary:

Legal (Kristin Bateman and Steve Hayes) has completed its review and edits and comments are in the above Recommendation Memo. There are no comments on the decision memo or complaint.
Thanks.

Richard Dolci

From: CFPB_Executive Secretary

Sent: Monday, July 11, 2016 12:05 PM

To: CFPB_Executive Secretary; Hillebrand, Gail (CFPB); Bleicken, David (CFPB); Silberman, David (CFPB); Martinez, Zixta (CFPB); VanMeter, Stephen (CFPB); McLeod, Mary (CFPB); Sanford, Paul (CFPB); Twohig, Peggy (CFPB); Markus, Kent (CFPB); Ficklin, Patrice (CFPB); Cochran, Kelly (CFPB); Petraeus, Hollister (CFPB); Agostini, Stephen (CFPB); Pearl, Joanna (CFPB); Gelfond, Rebecca (CFPB); Truong, To-Quyen (CFPB); Alag, Sartaj (CFPB); Coates, Laura (CFPB); Alexis, Anthony (CFPB); Coleman, John (CFPB); Corbett, Elizabeth (CFPB); Holman, Melissa (CFPB); Borzekowski, Ron (CFPB); Harper, Morgan (CFPB); White, Evan (CFPB); Boison, Elizabeth (CFPB); Jeschke, Richard (Aaron) (CFPB); Ahmad, Rumana (CFPB); Carrillo, Raul (CFPB); Ficklin, Patrice (CFPB); Davis, Charles (Christopher) (CFPB); Williams, Monique (CFPB); Carley, James (CFPB); Chow, Edwin (CFPB); Bundy Scanlan, Agnes (CFPB); Schroeder, John (CFPB); Donoghue, Kristen (CFPB); Fulton, Kate (CFPB); Rainey, Zol (CFPB)

Cc: Bigham, Abigail (CFPB); Jackson, Monica (CFPB); D'Angelo, Chris (CFPB); Lipsett, Christopher (CFPB); Vanlaere, Todd (CFPB); Chieco, Gena (CFPB); Chandler, Jocelyn (CFPB)

Subject: Review Request: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE

By 12:00 pm, Tuesday, July 12, 2016:

Please contact the Office of the Executive Secretary (cfpb_executivesecretary@cfpb.gov) if you have any comments on the attached recommendation memo regarding Wells Fargo Bank, N.A. The following documents are also included for reference:

- Tab 1: Draft decision memorandum from the Director; and
- Tab 2: Draft complaint.

Thank you.

PLEASE NOTE RE: GOVERNMENT ETHICS: Your participation in this matter through decision, approval, disapproval, recommendation, investigation or advice is considered “personal and substantial participation in a particular matter involving specific parties” for purposes of the government ethics rules. If you have financial interests in, covered relationships with, or other personal connections with any of the parties identified in these documents, or with any of their representatives, you should consult with the CFPB Ethics Office before participating in this matter.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Elliott, Brandace \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: Re: CMP for Wells Fargo
Date: Monday, September 19, 2016 12:49:51 PM

Thank you.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Elliott, Brandace (CFPB)
Sent: Monday, September 19, 2016 12:43 PM
To: Brown, Lawrence (CFPB)
Cc: Ehrlich, Jeffrey (CFPB)
Subject: RE: CMP for Wells Fargo

Greetings,

We have received the Civil Penalty receipt from Wells Fargo for \$100,000,000.00 in the Civil Penalty FRBNY account.

Brandace

From: Brown, Lawrence (CFPB)
Sent: Friday, September 09, 2016 8:05 AM
To: Elliott, Brandace (CFPB)
Cc: Hassouni, Lauren (CFPB)
Subject: RE: CMP for Wells Fargo

Brandace,

This is correct. I have forwarded the instructions to the bank's counsel.

Thanks!

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW

Washington, DC 20006

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From: Elliott, Brandace (CFPB)
Sent: Thursday, September 08, 2016 6:00 PM
To: Brown, Lawrence (CFPB)
Cc: Hassouni, Lauren (CFPB)
Subject: CMP for Wells Fargo

Congratulations!

Attached are the wire instructions for the transfer of CMP. Please have the defendants use the Lawbase case number (2016-1667-02) when transferring the funds.

Below is our understanding of the case. Let us know if anything should be corrected.

Defendant Name: Wells Fargo - Sales Practices
Case Number: 2016-1667-02
CMP Amount: \$100M
Anticipated Date of Transfer: 09/08/2016-09/18/2016

Brandace

From: Anderson, Brandis (CFPB)
Sent: Friday, August 19, 2016 6:40 PM
To: Elliott, Brandace (CFPB); Hassouni, Lauren (CFPB)
Subject: FW: CMP for Wells Fargo EFS Enforcement Action

Hello –

I read Rumana's out of office, and now realize I am not sure to which of you I should have sent the email below. In any case, please let me know about the wiring instructions when you have a free moment.

Thanks,
Brandis

Brandis C. Anderson
Enforcement Attorney
Consumer Financial Protection Bureau
Tel: 202 435 7548
Mob: (b) (6)
Email: brandis.anderson@cfpb.gov
consumerfinance.gov

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From: Anderson, Brandis (CFPB)
Sent: Friday, August 19, 2016 4:18 PM
To: Hassouni, Lauren (CFPB)
Subject: CMP for Wells Fargo EFS Enforcement Action

Hi Lauren –

On Monday we are announcing the Wells Fargo EFS action, and the Bank is required to wire over a \$3.6 million CMP. Wells Fargo asked for the wiring instructions. Can you send that info to me?

Also, the Bank asked if they could pay the CMP by check, and I am pretty sure the answer is “no,” but I wanted to confirm.

In case you need it, attached is the final draft of the consent order (to be signed by Noon by the Director).

Thanks,
Brandis

Brandis C. Anderson
Enforcement Attorney
Consumer Financial Protection Bureau
Tel: 202 435 7548
Mob: (b) (6)
Email: brandis.anderson@cfpb.gov
consumerfinance.gov

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Consumer Financial Civil Penalty Fund Deposit Instructions for Federal Reserve Bank “Fedwire”

Any individual or entity making a civil money penalty payment to the Consumer Financial Protection Bureau’s (CFPB) Consumer Financial Civil Penalty Fund should follow the deposit instructions provided below.

Remit funds to the Federal Reserve Bank of New York via Fedwire including the following information:

1. Transaction type code 15
2. ABA routing number: (b) (4), (b) (6), (b) (7)(C)
3. Account Name: Consumer Financial Civil Penalty Fund.

If an account number is required, the routing number (b) (4), (b) (6), (b) (7)(C) may be used as both the routing and account number.

Please include in the “Sender to Receiver Information” field the CFPB case reference number to help ensure the received funds are properly posted to reflect your payment.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Fw: Compass Point: Political and Practical Level-Setting Ahead of Wells Fargo Senate
Date: Monday, September 19, 2016 7:38:34 PM

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Galicia, Catherine (CFPB) <Catherine.Galicia@cfpb.gov>
Sent: Monday, September 19, 2016 4:40 PM
To: Pippin, Matthew (CFPB); Ehrlich, Jeffrey (CFPB); Mayorga, David (CFPB)
Subject: FW: Compass Point: Political and Practical Level-Setting Ahead of Wells Fargo Senate

From: Isaac Boltansky [mailto:IBoltansky@compasspointllc.com]
Sent: Monday, September 19, 2016 4:06 PM
To: Isaac Boltansky
Subject: Compass Point: Political and Practical Level-Setting Ahead of Wells Fargo Senate



Member FINRA/SIPC

Email Summary

September 19, 2016

Political and Practical Level-Setting Ahead of Wells Fargo Senate Hearing

Isaac Boltansky | 202.534.1396 | iboltansky@compasspointllc.com

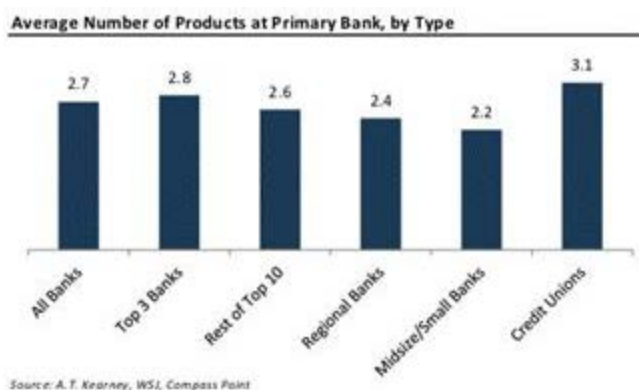
[Please click here for full report](#)

Highlights

In recent days we have been making the rounds with clients and contacts in D.C. regarding the Wells Fargo scandal, the potential political fallout, and the practical impact on the banking system. We include below our takeaways as well as thoughts on Tuesday's Senate Banking Committee hearing.

Cross-Selling Will be a Supervisory Focus but it Won't Simply End. We are confident that the

Wells Fargo episode will result in added supervisory scrutiny of bank cross-selling practices which could ultimately impact both operations and earnings. However, the egregiousness of the Wells Fargo practices and the resulting regulatory actions should not be mistaken for a wholesale indictment of all cross-selling practices. Wells Fargo opened 1.5 million unauthorized deposit accounts causing ~\$2 million in undue fees, submitted over half a million unauthorized credit card applications, embraced simulated funding practices, and seemingly fostered a culture that caused clear consumer harm. This is a far cry from the use of data analytics to target loan product advertising and compensation structures based on outcome rather than volume churn. The unknown at this point is whether bank executives and boards retrench from cross-selling activities altogether as the regulatory and legal uncertainty makes the risk/reward calculation unappealing. We expect near-term pressure on all bank cross-selling activities, but new structures and compliance paradigms will emerge from this scandal, which should shield certain practices.



Odds of Targeted CFPB Changes Lowered. With this aptly timed action, the CFPB has fortified its position on Capitol Hill and dramatically lessened the likelihood of legislative changes to its structure. We have viewed budgetary changes to the bureau as highly unlikely, but our sense is that the Wells Fargo incident has highlighted the bureau's practical and political power, which should shield the agency for the foreseeable future. As a result, we believe that efforts to curtail the bureau's power – either through targeted measures or a shift to its governance structure – are unlikely to gain traction in the medium-term. We expect the CFPB governance issue to reemerge when Director Cordray steps down, which will happen no later than July 2018, but the bureau appears to be safe from legislative threat for now. Broadly speaking, many market participants expected a CFPB retrenchment – through either the *PHH* court case or legislative action – and our sense is that the Wells Fargo scandal has effectively blocked the legislative avenue for changes.

Senate Hearing Expectations. On Tuesday at 10:00amET, the Senate Banking Committee will hold a hearing on the Wells Fargo account scandal with CEO John Stumpf, Comptroller of the Currency Tom Curry, CFPB Director Richard Cordray, and the chief deputy of the Los Angeles City

Attorney. We expect the Senate Banking Committee hearing on the Wells Fargo scandal to be lengthy, uncomfortable, and broadly negative for the banking sector as a whole. Given the egregiousness of the actions in question, and the populist winds driving this election cycle, we do not believe there is a single member of the committee who will stand in the line of fire for Wells Fargo CEO John Stumpf. Generally speaking, the hearing should serve as a platform for lawmakers on both sides of the aisle to show their support for strong executive compensation claw-back standards, the community banking model as an alternative to money center banks, and a broader examination of incentive structures within the banking system. In terms of the Q&A, we expect the Democrats to use their time to build a narrative that Wells Fargo fostered a culture of consumer harm and its management was either unwilling or unable to appropriately police employee behavior. We also expect Senator Warren (D-MA) to express her displeasure with Comptroller Curry and Director Cordray over Wells Fargo neither admitting nor denying wrongdoing as part of this settlement. Finally, we believe Senators Toomey (R-PA) and Kirk (R-IL) could prove to be surprisingly pointed in their Q&A given that they are each facing tight reelection races.

Wells May Shed Product Offerings as Cross-Sell Opportunity Fades. There is a narrative emerging that Wells Fargo may choose to shed peripheral business lines now that its cross-selling engine has gone up in smoke. Our sense is that once the regulatory and legal dust settles, Wells Fargo could choose to streamline its community bank by ceasing certain product offerings such as private student loans.

Why Did this Snowball So Quickly? Clients generally view the Wells Fargo issue as serious, but they are intrigued by the speed at which this issue overtook the broader conversation. We believe there are three primary reasons why this story has ballooned so quickly. **First**, the revelations that Carrie Tolstedt, the group head of Wells Fargo's community bank, left with a ~\$125 million pay package which angered lawmakers on both sides of the aisle. **Second**, earlier this month the House Financial Services Committee considered the Financial Choice Act, a bill that would curtail the CFPB's authority. Democrats used the Wells Fargo action to highlight the need for the bureau. **Third**, the election is less than two months away and this story fits perfectly with the populist framework defining this cycle.

Criminal Action Remains Possible. Our sense is that the Wells Fargo account scandal is still in the early innings as criminal action remains possible. Beyond the Senate Banking Committee, the following items are reportedly outstanding: (1) a lawsuit seeking class action status in the U.S. District Court in Utah; (2) a subpoena from the Southern District of New York; (3) a subpoena from the Northern District of California; and (4) an investigation by the House Financial Services Committee which should produce a steady stream of document releases in the weeks ahead. While it is far too early to gauge criminal culpability, our sense is that the current political winds significantly increase the likelihood of further legal action.

Our Expectations of Ultimate Impact. On balance, we continue to believe that the Wells Fargo scandal will result in heightened regulatory scrutiny of bank cross-selling practices, executive compensation claw-backs, and possibly additional senior departures from the bank. On Capitol Hill, this scandal is likely to further strengthen the influence of community banks, shield the CFPB from significant structural shifts for the foreseeable future, and complicate efforts for regulatory relief.



Isaac Boltansky
Compass Point Research & Trading, LLC
1055 Thomas Jefferson Street, NW | Suite 303 | Washington, DC 20007
202.534.1396 | 443.255.7818 | iboltansky@compasspointllc.com

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: Documents
Date: Friday, September 16, 2016 3:54:41 PM
Attachments: [Ref 1523.pdf](#)

In the course of reviewing complaints over the last few days, we came across the attached document. Seems relevant to what's going on now.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Wells, John \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Cc: [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Draft CID for Wells Fargo Company Rep
Date: Tuesday, June 07, 2016 6:08:41 PM


If we want LA to be present, we could do so in a cover letter/email. I agree on all other points.

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Wells, John (CFPB)
Sent: Tuesday, June 07, 2016 06:05 PM
To: Reiferson, Barry (CFPB); Ehrlich, Jeffrey (CFPB)
Cc: Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Draft CID for Wells Fargo Company Rep

Thanks Barry. This looks great. A few suggested edits in the attached, none critical. (b) (5), (b) (7)

(b) (5), (b) (7)(E)



John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: Reiferson, Barry (CFPB)
Sent: Tuesday, June 07, 2016 4:10 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: Draft CID for Wells Fargo Company Rep

I attach a draft topics list for a Wells Fargo corporate representative hearing. (b) (5)

(b) (5)



Thanks,
Barry

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Williams, Natalie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Draft responses to access request letter questions
Date: Friday, April 15, 2016 9:54:14 AM
Attachments: [Draft responses to access request letter questions.doc](#)

Small suggestions

From: [Hayes, Stephen \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Bateman, Kristin \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Cc: [Coates, Laura \(CFPB\)](#)
Subject: RE: EAP: Wells Fargo Sales Practices- Investigation Opening - DUE March 9 @ 5pm
Date: Monday, June 20, 2016 1:41:49 PM

Lawrence,

We noticed that the latest anticipated review list includes an anticipated date of July 18th for the Wells Fargo Sales Practices investigation. I suspect you all would do so anyway, but wanted to ask that you send over a draft when it's ready for review.

Thanks,
Steve

Stephen F. Hayes
Counsel | Law & Policy, Legal Division
Office: (202) 435-9585
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, March 08, 2016 12:11 PM
To: Bateman, Kristin (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Cc: Hayes, Stephen (CFPB); Coates, Laura (CFPB)
Subject: RE: EAP: Wells Fargo Sales Practices- Investigation Opening - DUE March 9 @ 5pm

Hi Kristin,

We look forward to working with you and Steve on this one. It should be an interesting case!

Lawrence

From: Bateman, Kristin (CFPB)
Sent: Tuesday, March 08, 2016 12:10 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Cc: Hayes, Stephen (CFPB); Coates, Laura (CFPB)
Subject: FW: EAP: Wells Fargo Sales Practices- Investigation Opening - DUE March 9 @ 5pm

Hi guys,

Legal has no objection to your opening this investigation. Let us know if we can do anything to help as you move forward. Steve Hayes is assigned to this for Law & Policy, and I'm assigned for Litigation.

Kristin

From: Coates, Laura (CFPB)
Sent: Monday, March 07, 2016 10:32 AM
To: Zorc, Anne (CFPB); Deutsch, Rebecca (CFPB); Ladd, Christine (CFPB); Coleman, John (CFPB)
Cc: Coates, Laura (CFPB); Walthall, Janet (Cecelia) (CFPB)

Subject: PLEASE ASSIGN LIT and L&P Attorneys - EAP: Wells Fargo Sales Practices- Investigation Opening - DUE March 9 @ 5pm

From: Williams, Monique (CFPB)

Sent: Monday, March 07, 2016 9:54 AM

To: Alexis, Anthony (CFPB); Bigam, Abigael (CFPB); Bleicken, David (CFPB); Boison, Elizabeth (CFPB); Borzekowski, Ron (CFPB); Breslaw, April (CFPB); Brown, Allison (CFPB); Bundy Scanlan, Agnes (CFPB); Carley, James (CFPB); Chandler, Jocelyn (CFPB); Chieco, Gena (CFPB); Chow, Edwin (CFPB); Coates, Laura (CFPB); Cochran, Kelly (CFPB); Coleman, John (CFPB); Coon, Clayton (CFPB); Corbett, Elizabeth (CFPB); D'Angelo, Chris (CFPB); Deutsch, Rebecca (CFPB); Diamantis, Jennifer (CFPB); Donoghue, Kristen (CFPB); Dorsey, Darian (CFPB); Ficklin, Patrice (CFPB); Fulton, Kate (CFPB); Gelfond, Rebecca (CFPB); Gillespie, Katherine (CFPB); Gupta, Neeraj (CFPB); Hagins, Calvin (CFPB); Harper, Morgan (CFPB); Hillebrand, Gail (CFPB); Howard, Jennifer (CFPB); Hrdy, Alice (CFPB); Joshi, Nandan (CFPB); Kaplan, Steve (CFPB); Konwinski, Lisa (CFPB); Ladd, Christine (CFPB); Lee, Donna (CFPB); Lipsett, Christopher (CFPB); Markus, Kent (CFPB); Marshall, Mira (CFPB); Martinez, Xixta (CFPB); McLeod, Mary (CFPB); Meyers, Karen (CFPB); Olstad, Per (CFPB); Oscherwitz, Thomas (CFPB); Pearl, Joanna (CFPB); Pitts, John (CFPB); Sanford, Paul (CFPB); Schroeder, John (CFPB); Silberman, David (CFPB); Sokolov, Dan (CFPB); Torzilli, Susan (CFPB); Truong, To-Quyen (CFPB); Tuffin, Paula (CFPB); Twohig, Peggy (CFPB); Vanlaere, Todd (CFPB); VanMeter, Stephen (CFPB); Viebrock, Nathan (CFPB); Walthall, Janet (Cecelia) (CFPB); White, Evan (CFPB); Young, Christopher (CFPB); Zorc, Anne (CFPB)

Cc: Ehrlich, Jeffrey (CFPB); Williams, Natalie (CFPB); Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)

Subject: EAP: Wells Fargo Sales Practices- Investigation Opening

All:

Attached please find an opening memorandum for an investigation of Wells Fargo Sales Practices (ENF No. 2016-1667-02).

If you have questions or comments about this matter, please contact the Enforcement team members identified below by **5:00pm on Wednesday, March, 9**. Absent a request for discussion, an investigation of this matter will commence on 3/10/16.

PLEASE NOTE RE: GOVERNMENT ETHICS: Your participation in this EAP matter through decision, approval, disapproval, recommendation, investigation or advice is considered “personal and substantial participation in a particular matter involving specific parties” for purposes of the government ethics rules. If you have financial interests in or covered relationships with any of the parties identified in this EAP memo, or with any of their representatives, you should recuse yourself from participation in this EAP and consult with the CFPB Ethics Office.

Key Information for the Purpose of Ethics Compliance:

Investigation Name: Wells Fargo Sales Practices

Potential Violator(s) and Counsel, if known:

- Wells Fargo Bank, N.A.
- Unnamed employees or former employees of Wells Fargo Bank, N.A

Other Relevant Parties: None at this time

Office of Enforcement Contacts:

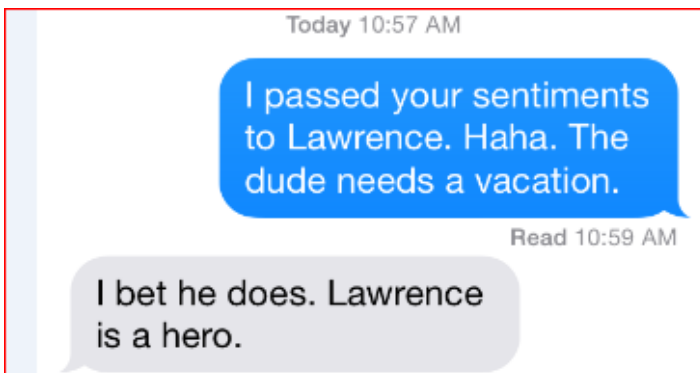
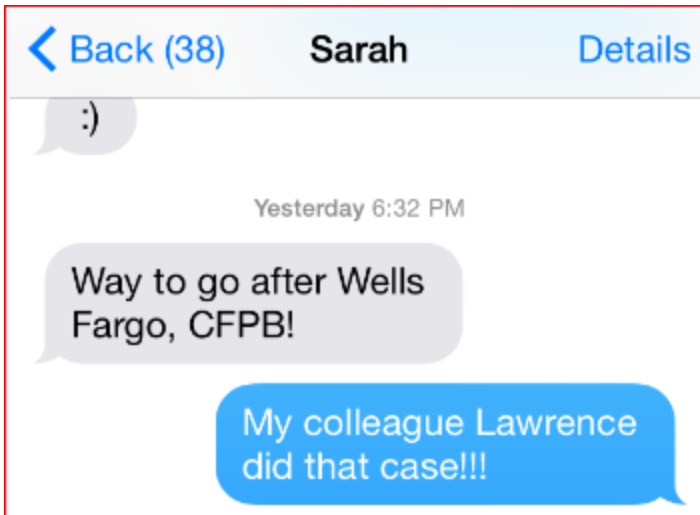
Enforcement Deputy Assigned: Jeff Ehrlich
Enforcement Asst. Deputy Assigned Natalie Williams
Investigation Team Leader Assigned: Lawrence Brown
Investigation Team Members Assigned: Barry Reiferson and Leanne Hartmann

The information contained in the attached memo is confidential and should only be distributed on an as needed basis.

Thank you,

Monique Williams
Program Analyst
Consumer Financial Protection Bureau
Tel: 202-435-9645
Mobile: (b) (6)
Email: Monique.Williams@cfpb.gov

From: [Chum, Vivian \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: From a citizen in Minnesota just now...
Date: Friday, September 09, 2016 11:04:13 AM
Attachments: [image001.png](#)
[image002.png](#)



Vivian W. Chum

Attorney-Advisor

Office of Enforcement

Consumer Financial Protection Bureau

Ph: 202-435-7565 c: (b) (6)

vivian.chum@cfpb.gov

consumerfinance.gov

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From: [Morse, Kerry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#)
Cc: [Wells, John \(CFPB\)](#)
Subject: RE: Generic Email Address for Compliance Submissions to Regional Directors
Date: Friday, August 19, 2016 10:34:34 AM

The West just established a mailbox that can be used for these types of submissions. Please use WestRegion@cfpb.gov.

I have not forgotten about getting you addresses regarding the other regions. I'll follow up with them on that.

Kerry



Kerry Morse

Senior Program Manager, Supervision Oversight
Office of Supervision Examinations
Consumer Financial Protection Bureau
P: 202-435-7476 | E: kerry.morse@cfpb.gov | consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Friday, August 19, 2016 9:05 AM
To: Ehrlich, Jeffrey (CFPB); Morse, Kerry (CFPB)
Cc: Wells, John (CFPB)
Subject: RE: Generic Email Address for Compliance Submissions to Regional Directors

Kerry,

Please let us know if there is a generic compliance email address that we can use in a consent order we expect to be issued in the next week or so. It involves Wells Fargo situated in the west region.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Ehrlich, Jeffrey (CFPB)
Sent: Friday, July 22, 2016 3:26 PM
To: Morse, Kerry (CFPB); Brown, Lawrence (CFPB)
Cc: Wells, John (CFPB)
Subject: RE: Generic Email Address for Compliance Submissions to Regional Directors

That's fine, Kerry. We can fill in an address later. It would be great to have one you could live with my Wednesday or next week. Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Morse, Kerry (CFPB)
Sent: Friday, July 22, 2016 1:37 PM
To: Ehrlich, Jeffrey (CFPB); Brown, Lawrence (CFPB)
Cc: Wells, John (CFPB)
Subject: RE: Generic Email Address for Compliance Submissions to Regional Directors

All –

(b) (5)



Kerry



Kerry Morse

Senior Program Manager, Supervision Oversight
Office of Supervision Examinations
Consumer Financial Protection Bureau
P: 202-435-7476 | E: kerry.morse@cfpb.gov | consumerfinance.gov

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From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, July 21, 2016 9:53 AM
To: Morse, Kerry (CFPB); Brown, Lawrence (CFPB)
Cc: Wells, John (CFPB)
Subject: RE: Generic Email Address for Compliance Submissions to Regional Directors

Sounds good. Thanks, Kerry.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Morse, Kerry (CFPB)
Sent: Thursday, July 21, 2016 9:16 AM
To: Ehrlich, Jeffrey (CFPB); Brown, Lawrence (CFPB)
Cc: Wells, John (CFPB)
Subject: RE: Generic Email Address for Compliance Submissions to Regional Directors

Thanks, and yes, those are all options. We have other mailboxes, as well, that might be a better choice.

Kerry



Kerry Morse

Senior Program Manager, Supervision Oversight
Office of Supervision Examinations
Consumer Financial Protection Bureau
P: 202-435-7476 | E: kerry.morse@cfpb.gov | consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ehrlich, Jeffrey (CFPB)
Sent: Wednesday, July 20, 2016 9:14 AM
To: Morse, Kerry (CFPB); Brown, Lawrence (CFPB)
Cc: Wells, John (CFPB)
Subject: RE: Generic Email Address for Compliance Submissions to Regional Directors

(b) (5)



(b) (5)

Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Morse, Kerry (CFPB)
Sent: Wednesday, July 20, 2016 9:05 AM
To: Brown, Lawrence (CFPB)
Cc: Ehrlich, Jeffrey (CFPB)
Subject: RE: Generic Email Address for Compliance Submissions to Regional Directors

Lawrence,

Thanks for offering to meet, but I don't think it's needed at this point. I am on the agenda for our Senior Leadership Team meeting tomorrow afternoon. Was planning to raise the issue then to see if the RDs are agreeable. I'll get back to you after the meeting with the approach we want to take. Does that timing work for you?

Kerry



Kerry Morse

Senior Program Manager, Supervision Oversight
Office of Supervision Examinations
Consumer Financial Protection Bureau
P: 202-435-7476 | E: kerry.morse@cfpb.gov | consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, July 20, 2016 8:40 AM
To: Morse, Kerry (CFPB)
Cc: Ehrlich, Jeffrey (CFPB)
Subject: RE: Generic Email Address for Compliance Submissions to Regional Directors

Kerry,

Let us know if you have time discuss this issue today or tomorrow.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Marshall, Mira (CFPB)
Sent: Tuesday, July 19, 2016 12:14 PM
To: Brown, Lawrence (CFPB)
Cc: Ehrlich, Jeffrey (CFPB); Morse, Kerry (CFPB)
Subject: RE: Generic Email Address for Compliance Submissions to Regional Directors

Hi Lawrence – we do have a generic e-mail box, however, it hasn't been used for things like this. I'm copying Kerry Morse, Program Manager of the OSE Oversight group, which runs the mailbox. She would need to decide if this is an appropriate use for it, or whether there's another avenue that might be better. I think it would be good if you and Jeff spoke with her directly.

Mira

Mira Marshall

Senior Advisor

Supervision Examinations

Tel: 202 435 7147
Mob: (b) (6)

mira.marshall@cfpb.gov

consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, July 19, 2016 10:59 AM
To: Marshall, Mira (CFPB)
Cc: Ehrlich, Jeffrey (CFPB)
Subject: Generic Email Address for Compliance Submissions to Regional Directors

Mira,

Jeff Ehrlich suggested that I reach out to you regarding an issue that has come up in connection with drafting a consent order requiring the entity to provide compliance plans to the regional director. In the event of a departure of any regional director, we thought it would be prudent if there was one general email address for all compliance correspondence so personnel changes do not require the order to be updated. Do you know if Supervision has such an email address?

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: I'm at my desk - 4-9787
Date: Wednesday, June 29, 2016 12:13:29 PM

Thanks. I doubt I'll ask questions since I'm doing too many things at once, but if that changes, I'll jump in.

From: Reiferson, Barry (CFPB)
Sent: Wednesday, June 29, 2016 9:04 AM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: Re: I'm at my desk - 4-9787

Leanne, given the informality you can ask questions if u want.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, June 29, 2016 11:57 AM
To: Hartmann, Leanne (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: Re: I'm at my desk - 4-9787

(b) (5)



This message was sent from my Blackberry. Please excuse my typos.

From: Hartmann, Leanne (CFPB)
Sent: Wednesday, June 29, 2016 11:52 AM
To: Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: RE: I'm at my desk - 4-9787

(b) (5)



From: Brown, Lawrence (CFPB)
Sent: Wednesday, June 29, 2016 8:49 AM
To: Hartmann, Leanne (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: Re: I'm at my desk - 4-9787

(b) (5)



This message was sent from my Blackberry. Please excuse my typos.

From: Hartmann, Leanne (CFPB)
Sent: Wednesday, June 29, 2016 10:46 AM
To: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: I'm at my desk - 4-9787

Feel free to dial me in whenever is convenient. Thanks!

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

www.consumerfinance.gov

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Wells, John \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Cc: [Ehrlich, Jeffrey \(CFPB\)](#)
Subject: RE: Inadvertent email re: (b) (6), (b) (7)
Date: Thursday, July 07, 2016 3:17:57 PM

I can be available for a call today or tomorrow, other than 10am-12pm Pacific time tomorrow (some of which involves you as well).

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

www.consumerfinance.gov

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From: Wells, John (CFPB)
Sent: Thursday, July 07, 2016 12:16 PM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Cc: Ehrlich, Jeffrey (CFPB)
Subject: Inadvertent email re: (b) (6), (b) (7)(C)

Hi WFSP team –

We need to notify Skadden about the inadvertent email Roshonda sent to the guy at Hudson Cook attaching the (b) (6), (b) (7)(C) . Could one of you hop on a call with me to call Anand today or tomorrow? Thanks,

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Let me know when you get into the office
Date: Tuesday, August 09, 2016 12:25:12 PM

I'm here! Arrived just before the call. Give a call any time. Thanks!

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, August 09, 2016 9:25 AM
To: Hartmann, Leanne (CFPB)
Subject: Let me know when you get into the office

I'll give you a call when you are free.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Steven Son](#)
To: [Hartmann, Leanne \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: Re: May 25 (the long awaited meeting)
Date: Wednesday, May 25, 2016 8:00:29 PM

Hi Leanne,

It was nice speaking with you and Barry as well, and thank you for sending over the presentation document.

We will be in touch over the coming day or two to discuss further steps.

Best,
Steve

On Wed, May 25, 2016 at 2:55 PM, Hartmann, Leanne (CFPB)
<Leanne.Hartmann@cfpb.gov> wrote:

Hi Steve –

Thanks so much for taking the time to talk with Barry and me this afternoon. I'm attaching a copy of the presentation deck from our meeting with the company this morning.

We look forward to speaking to you again soon.

Best,

Leanne

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: [\(415\) 844-9787](tel:(415)844-9787)

www.consumerfinance.gov

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From: Reiferson, Barry (CFPB)
Sent: Wednesday, May 25, 2016 12:14 PM
To: Hartmann, Leanne (CFPB)
Subject: Fw: May 25 (the long awaited meeting)

From: Reiferson, Barry (CFPB)
Sent: Wednesday, May 25, 2016 03:03 PM
To: 'steven.son@lacity.org' <steven.son@lacity.org>
Subject: Re: May 25 (the long awaited meeting)

Steve,

Are you free for a quick chat?

Barry

From: steven.son@lacity.org [<mailto:steven.son@lacity.org>]
Sent: Wednesday, May 18, 2016 12:02 PM
To: Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: May 25 (the long awaited meeting)

This message was sent securely using ZixCorp.

Hi Lawrence,

Thanks for the update, and providing us a copy of the most recent civil investigative demand. I was planning to give you a call today - does 2:00 p.m. (EST) work?

Best,

Steve

--- Originally sent by lawrence.brown@cfpb.gov on May 18, 2016 6:28 AM ---

Steve,

Wells and its counsel will come to the Bureau on May 25 to give a presentation on sales practices. Let us know if you think it would be a good idea for us to talk again before that meeting. Additionally, I'm attaching the most recent civil investigative demand that we sent to the institution on 5-13-2016.

Thanks,

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: [\(202\) 435-7116](tel:(202)435-7116)

Mobile: (b) (6)

Fax: [\(202\) 435-7722](tel:(202)435-7722)

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Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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--

Steven S. Son, Deputy City Attorney
Office of the Los Angeles City Attorney
200 N. Main St., 5th Floor CHE
Los Angeles, CA 90012
Telephone: (213) 978-8036
E-mail: steven.son@lacity.org

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From: [Steven Son](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: Re: Meeting on May 4?
Date: Friday, April 22, 2016 3:48:17 PM

Thanks, Lawrence.

On Apr 22, 2016, at 12:47 PM, Brown, Lawrence (CFPB) <Lawrence.Brown@cfpb.gov> wrote:

I'll be around in the next 15 minutes or so. Otherwise email me and I'll get back to you ASAP.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Steven Son [<mailto:steven.son@lacity.org>]
Sent: Friday, April 22, 2016 3:37 PM
To: Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Re: Meeting on May 4?

Lawrence,

Thanks for the morning call. Will you be around in the next hour or so in the event we wanted to ask you a quick question? I'll be outside of my office, but my cell is (b) (6)

Best,
Steve

On Fri, Apr 22, 2016 at 7:28 AM, Brown, Lawrence (CFPB) <Lawrence.Brown@cfpb.gov> wrote:
Will do.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: [\(202\) 435-7116](tel:(202)435-7116)
Mobile: (b) (6)
Fax: [\(202\) 435-7722](tel:(202)435-7722)

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Steven Son [mailto:steven.son@lacity.org]
Sent: Friday, April 22, 2016 10:27 AM
To: Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Re: Meeting on May 4?

Hi Lawrence. Can you call at 8:00 PST / 11:00 EST? Thanks.

Steve

On Fri, Apr 22, 2016 at 7:20 AM, Brown, Lawrence (CFPB)
<Lawrence.Brown@cfpb.gov> wrote:
Steve,

I'm generally available today. Let me know when to call.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: [\(202\) 435-7116](tel:(202)435-7116)
Mobile: (b) (6)
Fax: [\(202\) 435-7722](tel:(202)435-7722)

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006


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From: Steven Son [mailto:steven.son@lacity.org]
Sent: Friday, April 22, 2016 9:05 AM

To: Reiferson, Barry (CFPB)
Cc: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: Re: Meeting on May 4?

Good morning,

Are any of you available for a quick chat this morning? (b) (5)



Thanks,
Steve

On Apr 21, 2016, at 6:34 AM, Reiferson, Barry (CFPB) <Barry.Reiferson@cfpb.gov> wrote:

Steve,

Thanks again. Today is hectic for me but I should be able to call before cob your time.

Barry

From: Steven Son [<mailto:steven.son@lacity.org>]
Sent: Wednesday, April 20, 2016 10:41 PM
To: Reiferson, Barry (CFPB)
Cc: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: Re: Meeting on May 4?

I think that works. Do you have a few minutes to chat tomorrow about logistics? I have some other commitments in the early morning, but should be otherwise available after 10:00 (PST). Thanks.

Steve

On Apr 20, 2016, at 4:15 PM, Reiferson, Barry (CFPB) <Barry.Reiferson@cfpb.gov> wrote:

Steve,

We're flexible but are thinking 10-10:30 start time. Does that work?

Thanks,
Barry

From: Steven Son [<mailto:steven.son@lacity.org>]
Sent: Wednesday, April 20, 2016 12:11 PM
To: Reiferson, Barry (CFPB)
Cc: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: Re: Meeting on May 4?

Barry,

As a follow up to my prior e-mail, do you have an idea around what time periods you and Leanne would like to meet on either 5/4 or 5/6?

Thanks,
Steve

On Wed, Apr 20, 2016 at 8:55 AM, Steven Son
<steven.son@lacity.org> wrote:
Barry,

I think that works. We'll calendar both 5/4 and 5/6 for the time being, and we can confirm the specific date after we get more guidance from the court. I am expecting to have the court's decision (on briefing schedule) by sometime mid next week.

Thanks,
Steve

On Wed, Apr 20, 2016 at 7:10 AM, Reiferson, Barry (CFPB)
<Barry.Reiferson@cfpb.gov> wrote:
Steve,

Thank you for your willingness and flexibility. If it's alright with you and your team, we'd like to schedule May 4 tentatively, with the understanding that your schedule may not permit it. If that happens, we'd happily reschedule to May 6. Does that work?

Best,
Barry

From: steven.son@lacity.org [mailto:steven.son@lacity.org]
Sent: Tuesday, April 19, 2016 4:13 PM
To: Brown, Lawrence (CFPB)
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Meeting on May 4?

This message was sent securely using ZixCorp.

Lawrence,

We welcome Barry and Leanne to our office. However, I should let you know of some timing issues.

(b) (5)



(b) (5)

Let me know what works. Looking forward to meeting you all.

Thanks,
Steve

--- Originally sent by lawrence.brown@cfpb.gov on Apr 19,
2016 9:49 AM ---

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Steve,

My co-counsel on the Wells matter, Barry Reiferson and Leanne Hartmann, could meet with you and your team at your office on May 4. Let us know if that date would work for you all.

Thanks,

Lawrence D. Brown
Enforcement Attorney

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--

Steven S. Son, Deputy City Attorney
Office of the Los Angeles City Attorney
200 N. Main St., 5th Floor CHE
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Telephone: [\(213\) 978-8036](tel:(213) 978-8036)
E-mail: steven.son@lacity.org

--

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: FW: on call?
Date: Thursday, September 08, 2016 1:24:30 PM

Hey there. Let me know if you have a minute to follow up some time this week. Thanks.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Thursday, September 08, 2016 12:35 PM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: on call?

Should be a good show!

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Hartmann, Leanne (CFPB)
Sent: Thursday, September 08, 2016 12:35 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: on call?

I am!

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

www.consumerfinance.gov

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From: Brown, Lawrence (CFPB)

Sent: Thursday, September 08, 2016 9:34 AM

To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)

Subject: on call?

Are you all on?

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: On the line with Wells and Skadden
Date: Tuesday, August 02, 2016 5:31:07 PM

If you wrap up in the next 5-10 minutes, come by my old office (4063) for an update. (b) (5)

[REDACTED]

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From: Hartmann, Leanne (CFPB)
Sent: Tuesday, August 02, 2016 2:04 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: On the line with Wells and Skadden

Are you able to join?

(888) 453-4408, passcode (b) (6)

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: [Mayorga, David \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: RE: Press Call
Date: Wednesday, September 07, 2016 3:10:57 PM

Number: 888-603-9602
Passcode: (b)

Call is at 12:30pm EDT

David Mayorga

Office of Communications | External Affairs
Consumer Financial Protection Bureau
E: david.mayorga@cfpb.gov
O: 202.435.7159 | C: 202.309.5288

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From: Ehrlich, Jeffrey (CFPB)
Sent: Wednesday, September 07, 2016 3:10 PM
To: Mayorga, David (CFPB)
Cc: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Wells, John (CFPB)
Subject: Press Call

Mayo,

Could you please send call-in information for tomorrow's call to Leanne Hartmann and Barry Reiferson? They are on our case team and would like to listen in to the call. (Lawrence, John, and I will be live and in person.) Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: [Brown, Lawrence \(CFPB\)](#)
To: [Lohr, Douglas \(CFPB\)](#)
Cc: [Alonso, Henry](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); (b) (6), (b) (7)
Subject: Wells: Working through production format issues
Date: Wednesday, April 27, 2016 3:59:15 PM

Doug,

Would you mind reaching out to (b) (6), (b) (7)(C) to discuss production format issues relating to the Wells materials on May 2? It's my understanding that he is out until that time. Additionally, please copy (b) (6), (b) (7)(C) when you reach out to him next week. She would like to participate in any call you have with him.

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Question about Wells Fargo Enforcement Action (Unauthorized Accounts)
Date: Thursday, September 15, 2016 3:43:35 PM

Ha!

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Thursday, September 15, 2016 3:37 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: RE: Question about Wells Fargo Enforcement Action (Unauthorized Accounts)

That's what I get for trying to outline hearing questions and respond to that darn email!

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

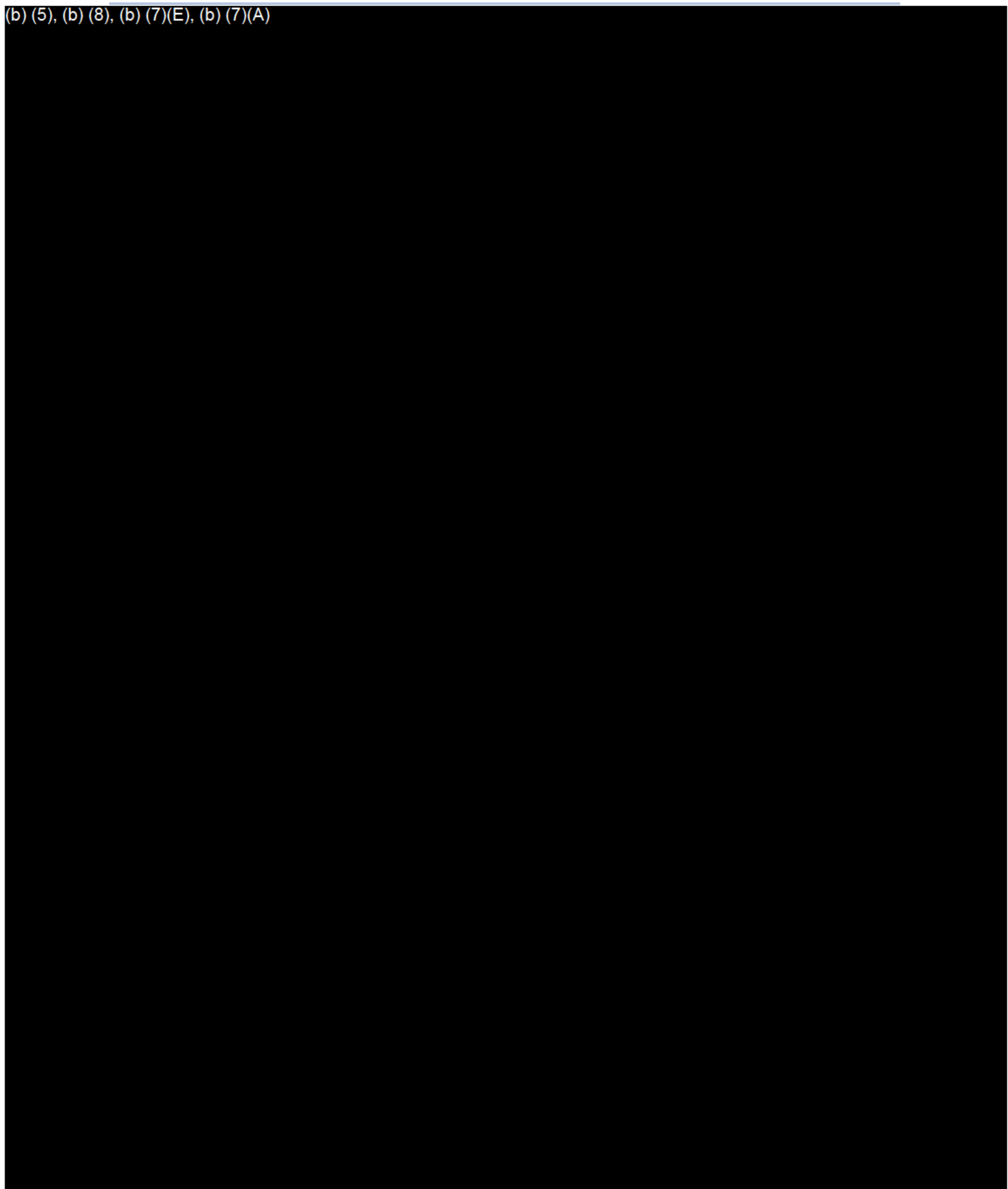
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From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, September 15, 2016 3:37 PM
To: Brown, Lawrence (CFPB)
Subject: Re: Question about Wells Fargo Enforcement Action (Unauthorized Accounts)

I'm everyone's Jeff Ehrlich!

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau

(b) (5), (b) (8), (b) (7)(E), (b) (7)(A)



From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Reinforcements?
Date: Saturday, September 17, 2016 8:29:36 AM

Thanks, Leanne. I've never been so busy at the Bureau, but I think I've got a handle on things. As you can see with your own eyes, the work you did on this case blew the lid off the can that was containing this deplorable conduct. It was very important that we included so many facts in our order, as it's allowed for an informed public discussion.

Thanks again for your great work on this matter. I'll be sure to reach out, as I've been doing, if I need help.

Enjoy your weekend.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Hartmann, Leanne (CFPB)
Sent: Friday, September 16, 2016 12:17 PM
To: Ehrlich, Jeffrey (CFPB); Brown, Lawrence (CFPB)
Subject: Reinforcements?

It sounds like you guys are dealing with a lot over there, and while I have 100% confidence that it's going smoothly, please let me know if I can be of help. Happy to come to DC if I can be put to use there – I can be on a flight Sunday if needed. Otherwise, I'll standby in SF and plug away here.

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: (b) (5)
Date: Wednesday, August 31, 2016 10:20:49 AM
Attachments: [20160831 Bureau Revised Consent Order.doc](#)

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: [Consumer Protection Law360](#)
To: [Brown Lawrence \(CFPB\)](#)
Subject: Risks Rising For Wells Fargo After Sens Blast CEO
Date: Thursday, September 22, 2016 4:23:43 AM



CONSUMER PROTECTION

Thursday, September 22, 2016



TOP NEWS

House Committee Frustrated At Mylan CEO's Tight Lip

Members of the U.S. House of Representatives' Committee on Oversight and Government Reform accused Mylan NV CEO Heather Bresch on Wednesday of dodging their questions about the controversial price increase of the company's epinephrine injector EpiPen and hiding how much the company has profited.

Relocated Rams Have To Give Fans New Tickets Or Refunds

Season-ticket holders for the former St. Louis Rams emerged victorious Wednesday in their proposed class action disputes over seat license agreements following the team's departure for Los Angeles in January, after a Missouri judge ruled that some were owed a refund, while others were owed new tickets.

JPMorgan Can't Escape NY Mortgage Delay Class Action

A New York homeowner doesn't have to allege tangible damages to prove that she and members of a proposed class were allegedly injured by JPMorgan Chase Bank NA waiting too long to file notices that they paid off their mortgages, a New York federal judge ruled Tuesday.

Honest Co.'s 'Natural' Labels Anything But Honest, Suit Says

Jessica Alba's personal care products business The Honest Co. was slapped with a proposed class action in California federal court on Tuesday by two customers who allege the company falsely labels and markets its products as natural, when some of those products actually contain synthetic, non-natural ingredients.

Psych School's 'Exceptional' \$11M Class Fraud Deal OK'd

A California judge on Wednesday approved The Chicago School of Psychology's \$11.2 million settlement to resolve students' class claims that they were lured to its Los Angeles campus with false assurances about its accreditation, saying despite two objections, the payout averaging \$95,000 per student was an "exceptional result."

ANALYSIS

Senate Grilling Just The Beginning For Wells Fargo

Investor confidence in Wells Fargo & Co. was not terribly shaken after lawmakers roasted the bank's chief executive on Tuesday, but significant risks to the bank and its top officers remain following the \$185 million penalty it paid for generating more than 2 million phony accounts.

POLICY & REGULATION

House Bills Would Rate Elections As Critical Infrastructure

U.S. Rep. Hank Johnson, D-Ga., on Wednesday rolled out a pair of bills meant to combat rising concerns over the security of the federal election process by designating voting systems as critical infrastructure and requiring that these systems be taken offline within the next two years.

LAW FIRMS

Baker Botts
Black Helterline
Covington & Burling
Cuneo Gilbert
DLA Piper
Danna McKittrick
Debevoise & Plimpton
Dentons
Dorsey & Whitney
Finkelstein Blankinship
Foley Hoag
Gibson Dunn
Goldenberg Heller
Greenberg Traurig
Hart McLaughlin
Hogan Lovells
K&L Gates
Kaye Scholer
Latham & Watkins
Law Office of Richard S. Cornfeld
Lawyers' Committee for Civil Rights
Lewis Brisbois
Lockridge Grindal
McDermott Will
Morgan Lewis
Morrison & Foerster
Newport Trial Group
Norton Rose Fulbright
Orrick Herrington
P.K. Schrieffer
Pepper Hamilton
Perkins Coie
Phillips Erlewine
Polsinelli
Schwabe Williamson
Scott D. Owens Law Firm
Shartsis Frieze
Shepherd Finkelman
Sheppard Mullin
Skadden
Stoel Rives

FCC's O'Rielly Has 'Grave Concerns' On Internet Transition

Republican Federal Communications Commissioner Michael O'Rielly denounced the planned transition of the internet's domain name system away from U.S. oversight, saying that he has "grave concerns" that a new global multistakeholder community will allow despotic regimes to influence control and censor online content.

Cornyn Urges FCC To Delay TV App Access Rule

Texas Republican Sen. John Cornyn asked the FCC on Tuesday to hold off on adopting new regulations requiring cable television providers to create apps to deliver their content on third-party platforms, saying the Senate Judiciary Committee needs time to consider the effect on privacy protections and copyright law.

Internet Group Fights Bid For Uniform FCC Privacy Rules

The Internet Commerce Coalition on Tuesday shot back at privacy groups' call for the Federal Communications Commission to subject de-identified data to the same stringent privacy standards as sensitive data, arguing that this approach would fly in the face of other well-established privacy regimes.

AG Lynch Implores Biz Group To Help Fight Terrorism

Attorney General Loretta Lynch used a stump speech before the International Bar Association on Wednesday to praise cooperation spanning borders and call for even more involvement by businesses to combat terrorism, cyber threats, corruption and human trafficking.

Tax Groups Stump For Overseas Data Access Reform Efforts

A coalition of tax groups on Tuesday pushed Congress to enact bipartisan legislation that would help clear up the debate over the federal government's ability to access user data stored abroad by service providers, saying the proposal "strikes the right balance" between privacy and the needs of law enforcement.

LITIGATION

Starbucks Wins Discovery Halt In Underfilled Iced Drink Row

An Illinois federal judge on Tuesday granted Starbucks' bid to pause discovery in a proposed class action accusing the coffee giant of underfilling its iced drinks, saying the consumer had ignored an instruction to keep the evidence request to a minimum until a pending motion to dismiss is decided.

Publix Accused Of Using Wood Pulp In Parmesan Cheese

Publix has become the latest retailer to face allegations surrounding the use of a filler derived from wood pulp to supposedly bulk up grated parmesan cheese products, with a Tuesday proposed class action accusing the grocer of false advertising in Florida federal court.

\$12.2M Fund Sale Approved In SEC's Aequitas Ponzi Case

An Oregon federal judge signed off Wednesday on a proposal from the receiver for an insolvent Oregon investment group under fire from the U.S. Securities and Exchange Commission for proposed sale terms for an affiliate fund, with a \$12.2 million stalking horse bid from private equity firm Origami Capital Partners LLC.

Consumers Say Merge Receipt Suits Against The Body Shop

Two proposed classes of consumers suing The Body Shop LLC for printing 10 digits of credit card numbers on customer receipts, leaving shoppers open to widespread identity theft, asked a New York federal judge this week to consolidate their suits, saying it makes judicial sense.

LA Rams Want Conn. Ticket Suit Sent To Mo.

The Los Angeles Rams asked a Connecticut federal judge to send a suit brought by real estate lender RCN Capital LLC to Missouri federal court on Wednesday, where it can be handled alongside a similar, pending class

Stroock & Stroock
Thompson Coburn
Whipple & Duyck PC
White & Case
Wolf Greenfield

COMPANIES

AOL Inc.
AT&T Inc.
Aequitas Capital Management Inc.
Altman Weil Inc.
American Bar Association
American Civil Liberties Union
American Psychological Association
Boston Consulting Group
C. R. Bard, Inc.
Comcast Corporation
Consilio LLC
Corinthian Colleges, Inc.
Electronic Frontier Foundation
Facebook
Federation Internationale de Football Association
Frontier Communications Corporation
Google Inc.
International Bar Association
Internet Corporation for Assigned Names and Numbers
JPMorgan Chase & Co.
KBW, Inc.
Lawyers' Committee for Civil Rights Under Law
LinkedIn Corp.
Lord & Taylor LLC
Microsoft Corporation
Mylan NV
NFL Enterprises LLC
Netflix Inc.
Pfizer Inc.
Publix Super Markets
RCN Corp.
Sheet Metal Workers International Association
Spokeo Inc.
St. Louis Rams
Starbucks Corporation
State Bar of Texas
Target Corporation
Time Warner Cable
Turing Pharmaceuticals AG
Twitter Inc.
Verizon Communications
Wal-Mart Stores Inc.

action over the team's seat licenses.

EXPERT ANALYSIS

FTC's Indirectly Set Standard For Mobile Location Tracking

The Federal Trade Commission recently rebuked the mobile app company InMobi for sneakily tracking the locations of app users who did not consent to revealing their location. This case of indirect geolocation determination and indirect misleading of mobile app users has indirectly set broad new responsibilities for app providers, ad networks and analytic firms, says Mark Sableman of Thompson Coburn LLP.

Avoiding And Defending Automatic-Renewal Claims In Calif.

While enacted to target fly-by-night and illicit business models, California's automatic purchase renewals statute has been exploited in recent years. Businesses should revisit their disclosures to minimize the likelihood they will be targeted in class action litigation involving auto-renewal claims, say James Snell and Marina Gatto of Perkins Coie LLP.

10 Considerations When Advertising On Social Media

For the most part, the same rules that govern traditional advertising also govern commercial speech on social media. But there are some issues that seem to arise more commonly or even exclusively in the context of social media advertising. What are these issues and how do you think through them? Here are 10 questions to get you started, says David Kluff of Foley Hoag LLP.

LEGAL INDUSTRY

5 Firms Named The Savviest At Social Media Marketing

Five BigLaw law firms have been recognized for their social media marketing savvy in a report out Wednesday that compares the Twitter, Facebook, LinkedIn and online thought leadership skills of the largest law firms in the U.S.

The 4 Biggest Challenges GCs Face Today

Managing a legal department today means steering it through the modern pitfalls that are redefining what it means to be a general counsel, from shrinking budgets and headcounts to a rising tide of cyber risk. Here, experts discuss the biggest threats that law departments face and how some have learned to cope.

District Court Vacancies Way Up Under Obama, Report Says

President Barack Obama is currently facing a higher rate of judicial vacancies than his predecessors, according to data from the Congressional Research Service, which puts the number of district court vacancies at almost 40 percent higher than they were at the end of President George W. Bush's tenure.

Stroock Picks New Co-Managing Partner

Stroock & Stroock & Lavan LLP said Tuesday it is undergoing a leadership transition as longtime co-managing partner Stuart H. Coleman steps aside to make way for a successor, Jeffrey R. Keitelman, co-chair of the firm's national real estate practice and co-managing partner of the firm's Washington, D.C., office.

Texas Lawmaker Says ABA Ethics Rule Unconstitutional

A Texas lawmaker argued in a letter to the state attorney general that a recent American Bar Association policy change barring attorneys from discriminatory or harassing behavior in their law practices is unconstitutional and targets religious lawyers.

Pro Bono Firm Of 2016: Debevoise & Plimpton

Victories scored by Debevoise & Plimpton LLP's pro bono program included

Warner Bros.
Wells Fargo & Co.
eBay Inc.

GOVERNMENT AGENCIES

Congressional Research Service
Consumer Financial Protection Bureau
Defense Advanced Research Projects Agency
Department of Commerce
Election Assistance Commission
Federal Bureau of Investigation
Federal Communications Commission
Federal Trade Commission
Food and Drug Administration
National Institute of Standards and Technology
National Science Foundation
Office of the Comptroller of the Currency
Port Authority of New York & New Jersey
Securities and Exchange Commission
U.S. Copyright Office
U.S. Department of Homeland Security
U.S. Department of Justice
U.S. House of Representatives
U.S. Patent and Trademark Office
U.S. Supreme Court

a settlement and ongoing work on a workplace discrimination suit that affects hundreds of class members, and a pair of clemency petitions for nonviolent drug offenders that will have lasting individual effects, landing the firm a spot among Law360's Pro Bono Firms of 2016.

Rainmaker Q&A: Orrick Herrington's Hilary Winter

Aspiring rainmakers should first concentrate on being an excellent lawyer. Once you gain some skills, recognize that this is less than half of what it takes to be successful, says Hilary Winter, leader of the corporate group at Orrick Herrington & Sutcliffe LLP in London.

Rainmaker Q&A: Wolf Greenfield's Jason Honeyman

Be efficient with your time, and always be looking for ways to fit in rainmaking activities. It's critical to your career, so you really have to make time for it, says Jason Honeyman, shareholder at Wolf Greenfield & Sacks PC.

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Meade, James \(CFPB\)](#); [Martikan, Owen \(CFPB\)](#); [Peltz, Maxwell \(CFPB\)](#); [Carbis, Alanna \(CFPB\)](#); [Polzien, Darcie \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Senate Banking Committee Hearing - Wells Fargo - tomorrow at 7am Pacific/10am Eastern
Date: Tuesday, September 20, 2016 1:00:04 PM

FYI – the Director is giving his prepared statement now, Q&A to follow.

<http://www.banking.senate.gov/public/index.cfm/hearings?ID=B80F9B81-4331-4F95-91BC-718288EC9DA0>

From: Meade, James (CFPB)
Sent: Monday, September 19, 2016 1:03 PM
To: Hartmann, Leanne (CFPB); Martikan, Owen (CFPB); Peltz, Maxwell (CFPB); Carbis, Alanna (CFPB); Polzien, Darcie (CFPB)
Cc: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Senate Banking Committee Hearing - Wells Fargo - tomorrow at 7am Pacific/10am Eastern

In all seriousness, I think some members will try to sell the story that regulation is unnecessary because Wells Fargo self-reported.

From: Hartmann, Leanne (CFPB)
Sent: Monday, September 19, 2016 12:59 PM
To: Martikan, Owen (CFPB); Peltz, Maxwell (CFPB); Meade, James (CFPB); Carbis, Alanna (CFPB); Polzien, Darcie (CFPB)
Cc: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Senate Banking Committee Hearing - Wells Fargo - tomorrow at 7am Pacific/10am Eastern

I think that's probably about right.

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From: Martikan, Owen (CFPB)
Sent: Monday, September 19, 2016 12:54 PM
To: Hartmann, Leanne (CFPB); Peltz, Maxwell (CFPB); Meade, James (CFPB); Carbis, Alanna (CFPB); Polzien, Darcie (CFPB)
Cc: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Senate Banking Committee Hearing - Wells Fargo - tomorrow at 7am Pacific/10am Eastern

I assume the point is to lambaste the Director for over-reach and usurping the LA city attorney's authority?

From: Hartmann, Leanne (CFPB)
Sent: Monday, September 19, 2016 11:55 AM
To: Martikan, Owen (CFPB); Peltz, Maxwell (CFPB); Meade, James (CFPB); Carbis, Alanna (CFPB); Polzien, Darcie (CFPB)
Cc: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: Senate Banking Committee Hearing - Wells Fargo - tomorrow at 7am Pacific/10am Eastern

The best information I could find is that the Congressional hearing on the Wells Fargo case will be live streamed tomorrow at 10 AM Eastern by the Senate Banking Committee. John Stumpf, Wells Fargo Chairman and CEO, will testify first, followed by a panel that includes Director Cordray; the Comptroller of Currency, Tom Curry; and James Clark, the Chief Deputy for the LA City Attorney's Office.

I'm hopeful the streaming will be available through the Senate Banking Committee's website, but I can't tell for sure from the information there now:

<http://www.banking.senate.gov/public/index.cfm/2016/9/an-examination-of-wells-fargo-s-unauthorized-accounts-and-the-regulatory-response>

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

www.consumerfinance.gov

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Guidorizzi, Melissa \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Spicer, Veronica \(CFPB\)](#)
Cc: [Pitts, John \(CFPB\)](#); [Donoghue, Kristen \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: State AG Participants in Wells Fargo Call on Friday
Date: Friday, September 16, 2016 11:18:12 AM

Call me back. I got dropped.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Guidorizzi, Melissa (CFPB)
Sent: Friday, September 16, 2016 10:59 AM
To: Hartmann, Leanne (CFPB); Spicer, Veronica (CFPB); Ehrlich, Jeffrey (CFPB)
Cc: Pitts, John (CFPB); Donoghue, Kristen (CFPB); Brown, Lawrence (CFPB); Wells, John (CFPB); Reiferson, Barry (CFPB)
Subject: RE: State AG Participants in Wells Fargo Call on Friday

John does this plan cover you? I'm going to start dialing now to make sure I can get everyone on.

Melissa Baal Guidorizzi
Senior Counsel for Enforcement Policy and Strategy
Office of Enforcement
Consumer Financial Protection Bureau
202 435 9712 (o)
melissa.guidorizzi@cfpb.gov
consumerfinance.gov

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From: Hartmann, Leanne (CFPB)
Sent: Friday, September 16, 2016 10:57 AM
To: Spicer, Veronica (CFPB); Ehrlich, Jeffrey (CFPB)
Cc: Pitts, John (CFPB); Donoghue, Kristen (CFPB); Guidorizzi, Melissa (CFPB); Brown, Lawrence (CFPB); Wells, John (CFPB); Reiferson, Barry (CFPB)
Subject: RE: State AG Participants in Wells Fargo Call on Friday

Melissa – I can be reached at 4-9787.

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: Spicer, Veronica (CFPB)
Sent: Friday, September 16, 2016 7:55 AM
To: Ehrlich, Jeffrey (CFPB)
Cc: Pitts, John (CFPB); Donoghue, Kristen (CFPB); Guidorizzi, Melissa (CFPB); Brown, Lawrence (CFPB); Wells, John (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: State AG Participants in Wells Fargo Call on Friday

Okay. To ensure that the line isn't disconnected when Jeff drops off, Melissa is going to conference the following CFPB folks in first, then dial in with the leader code:

Jeff (what number should Melissa use?)

Barry (b) (6)

Leanne (what number should Melissa use?)

Who on the case team wants to take over after Jeff drops off?

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From: Ehrlich, Jeffrey (CFPB)
Sent: Friday, September 16, 2016 10:46 AM
To: Spicer, Veronica (CFPB)
Cc: Pitts, John (CFPB); Donoghue, Kristen (CFPB); Guidorizzi, Melissa (CFPB); Brown, Lawrence (CFPB); Wells, John (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: State AG Participants in Wells Fargo Call on Friday

I can only do this for 30 minutes. I'll take the lead until I have to drop off. I'll begin as Veronica suggests, and then take questions.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Spicer, Veronica (CFPB)
Sent: Friday, September 16, 2016 9:54 AM
To: Ehrlich, Jeffrey (CFPB)
Cc: Pitts, John (CFPB); Donoghue, Kristen (CFPB); Guidorizzi, Melissa (CFPB); Brown, Lawrence (CFPB); Wells, John (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: State AG Participants in Wells Fargo Call on Friday

(b) (5)

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and any attachments. An inadvertent disclosure is not intended to waive any privileges

From: Spicer, Veronica (CFPB)

Sent: Wednesday, September 14, 2016 7:12 PM

To: Ehrlich, Jeffrey (CFPB)

Cc: Pitts, John (CFPB); Donoghue, Kristen (CFPB); Guidorizzi, Melissa (CFPB); Brown, Lawrence (CFPB); Wells, John (CFPB)

Subject: State AG Participants in Wells Fargo Call on Friday

Below is a list of participants for the call on Friday to discuss the Wells Fargo settlement. Due to the scheduling conflict, Jeff, I moved the call up to 11 a.m.

In light of the large number of participants, I plan to ask people to send any specific questions that they would like to ask to us by 5 p.m. on Thursday. I have noted the one specific question that we received below. I'm also arranging for a moderated call line, so we don't have to worry about people failing to mute their phones or talking over each other.

(b) (5)



(b) (5)



Veronica Spicer
Senior Counsel for Enforcement Policy and Strategy, Midwest Region
Consumer Financial Protection Bureau
(202) 435-7545 (office)
(b) (6) (cell)
(202) 435-7722 (fax)
veronica.spicer@cfpb.gov

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From: Wells, John (CFPB)
To: Reg. n. la. race (CFPB)
Subject: Fw: TRACKER: Deposit accounts enforcement action
Date: Thursday, September 08, 2016 12:07:55 PM

From: CFPB_digital
Sent: Thursday, September 08, 2016 12:05 PM
To: Mayorga, David (CFPB); CFPB_digital; Ehrlich, Jeffrey (CFPB); Holland, Megan (CFPB); Dohn, Kristin (CFPB); Wells, John (CFPB); Van Dyke, Laura (CFPB); Suskind, Walter (CFPB); Morgan, Jameelah (Contractor)(CFPB); Krittr, Erica (CFPB); Eskola, David (CFPB)
Subject: RE: TRACKER: Deposit accounts enforcement action

Presser and Enforcement action page are staged for review below

#	Item	Title / Content	Format	Deadline for posting	Embargo timing	Release timing	Responsible for content (Division/ Office + POC)	URL	Status
1	Enforcement Action webpage	Wells Fargo	Document Detail webpage on http://www.consumerfinance.gov/policy-compliance/enforcement/actions/	9/8			Jeff Ehrlich, John Wells	http://content.consumerfinance.gov/policy-compliance/enforcement/actions/wells-fargo-bank-2016/	STAGED
2	Consent order		Word-based PDF	9/8			Jeff Ehrlich, John Wells	http://files.consumerfinance.gov/f/documents/092016_cfpb_WFBconsentorder.pdf	LIVE
3	Stipulation		Word-based PDF	9/8			Jeff Ehrlich, John Wells	http://files.consumerfinance.gov/f/documents/092016_cfpb_WFBstipulation.pdf	LIVE
4	Press release		Newsroom post	9/8 12 00pm			Comms – Megan Holland/David Mayorga/Walter Suskind	http://content.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-fines-wells-fargo-100-million-widespread-illegal-practice-secretly-opening-unauthorized-accounts/	STAGED
5	RC Remarks		Newsroom post	9/8 1 00pm			Comms – Megan Holland/David Mayorga/Walter Suskind		WAITING
6	Blog	"Title of blog"	Blog post	9/8			Kristin Dohn/Erica Krittr		WAITING

From: Mayorga, David (CFPB)
Sent: Thursday, September 08, 2016 12:02 PM
To: CFPB_digital; Ehrlich, Jeffrey (CFPB); Holland, Megan (CFPB); Dohn, Kristin (CFPB); Wells, John (CFPB); Van Dyke, Laura (CFPB); Suskind, Walter (CFPB); Morgan, Jameelah (Contractor)(CFPB); Krittr, Erica (CFPB); Eskola, David (CFPB)
Subject: RE: TRACKER: Deposit accounts enforcement action

Is the presser staged? I like to have it live asap.

David Mayorga
Office of Communications | External Affairs
Consumer Financial Protection Bureau
E: david.mayorga@cfpb.gov
O: 202.435.7159 | G: 

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From: CFPB_digital
Sent: Thursday, September 08, 2016 11:10 AM
To: CFPB_digital; Ehrlich, Jeffrey (CFPB); Mayorga, David (CFPB); Holland, Megan (CFPB); Dohn, Kristin (CFPB); Wells, John (CFPB); Van Dyke, Laura (CFPB); Suskind, Walter (CFPB); Morgan, Jameelah (Contractor)(CFPB); Krittr, Erica (CFPB); Eskola, David (CFPB)
Subject: RE: TRACKER: Deposit accounts enforcement action

+ Dave Eskola

From: CFPB_digital
Sent: Thursday, September 08, 2016 10:13 AM
To: Ehrlich, Jeffrey (CFPB); CFPB_digital; Mayorga, David (CFPB); Holland, Megan (CFPB); Dohn, Kristin (CFPB); Wells, John (CFPB); Van Dyke, Laura (CFPB); Suskind, Walter (CFPB); Morgan, Jameelah (Contractor)(CFPB); Krittr, Erica (CFPB)
Subject: RE: TRACKER: Deposit accounts enforcement action

Good morning

Here is the updated tracker for today's enforcement action.

Comms – consent order and stipulation urls listed below

Jeff/John/Jameelah – staged action page below for review. Please keep in mind that the link to the press release goes to a blank page until the press release is staged.

#	Item	Title / Content	Format	Deadline for posting	Embargo timing	Release timing	Responsible for content (Division/ Office + POC)	URL	Status
1	Enforcement Action webpage	Wells Fargo	Document Detail webpage on http://www.consumerfinance.gov/policy-compliance/enforcement/actions/	9/8			Jeff Ehrlich, John Wells	http://content.consumerfinance.gov/policy-compliance/enforcement/actions/wells-fargo-bank-2016/	STAGED
2	Consent order		Word-based PDF	9/8			Jeff Ehrlich, John Wells	http://files.consumerfinance.gov/f/documents/092016_cfpb_WFBconsentorder.pdf	LIVE
3	Stipulation		Word-based PDF	9/8			Jeff Ehrlich, John Wells	http://files.consumerfinance.gov/f/documents/092016_cfpb_WFBstipulation.pdf	LIVE
4	Press release	CONSUMER FINANCIAL PROTECTION BUREAU FINES WELLS FARGO \$100 MILLION FOR WIDESPREAD ILLEGAL PRACTICE OF SECRETLY OPENING UNAUTHORIZED ACCOUNTS	Newsroom post	9/8 12 00pm			Comms – Megan Holland/David Mayorga/Walter Suskind		WAITING
5	RC Remarks		Newsroom post	9/8 1 00pm			Comms – Megan Holland/David Mayorga/Walter Suskind		WAITING

6	Blog	"Title of blog"	Blog post	9/8			Kristin Dohn/Enica Kritt		WAITING
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From: Ehrlich, Jeffrey (CFPB)
Sent: Wednesday, September 07, 2016 10:01 PM
To: CFPB_digital; Mayorga, David (CFPB); Holland, Megan (CFPB); Dohn, Kristin (CFPB); Wells, John (CFPB); Van Dyke, Laura (CFPB); Suskind, Walter (CFPB)
Subject: RE: TRACKER: Deposit accounts enforcement action

Here is our doc. Thanks!

From: CFPB_digital
Sent: Wednesday, September 07, 2016 12:25 PM
To: Mayorga, David (CFPB); CFPB_digital; Holland, Megan (CFPB); Dohn, Kristin (CFPB); Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Van Dyke, Laura (CFPB); Suskind, Walter (CFPB)
Subject: RE: TRACKER: Deposit accounts enforcement action

Great thanks David!

Jeff and John for the enforcement action tomorrow I ll need to have the attached template filled out so that I can stage the page. Let me know if you have any questions on it; it would be great if I could get it back from you at least one hour before publication so by 11am tomorrow at the latest (by COB tonight would be ideal).

From: Mayorga, David (CFPB)
Sent: Wednesday, September 07, 2016 12:05 PM
To: CFPB_digital; Holland, Megan (CFPB); Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Van Dyke, Laura (CFPB); Suskind, Walter (CFPB)
Subject: RE: TRACKER: Deposit accounts enforcement action

+ Jeff and John in ENF, and LVD and Walt in Comms.

David Mayorga
Office of Communications | External Affairs
Consumer Financial Protection Bureau
E: david.mayorga@cfpb.gov
O: 202.435.7159 | 

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From: CFPB_digital
Sent: Wednesday, September 07, 2016 12:00 PM
To: Mayorga, David (CFPB); Holland, Megan (CFPB); Dohn, Kristin (CFPB)
Subject: TRACKER: Deposit accounts enforcement action

Good afternoon

Below is the tracker for tomorrow s enforcement action. Can one of you tell me who the appropriate PoC is from Enforcement? Thanks!

#	Item	Title / Content	Format	Deadline for posting	Embargo timing	Release timing	Responsible for content (Division/ Office + POC)	URL	Status
1	Enforcement Action webpage	Name of institution	Document Detail webpage on http://www.consumerfinance.gov/policy-compliance/enforcement/actions/	9/8					WAITING
2	Consent order		Word-based PDF	9/8					WAITING
3	Stipulation		Word-based PDF	9/8					WAITING
4	Press release		Newsroom post	9/8 12 00pm			Comms – Megan Holland/David Mayorga		WAITING
5	RC Remarks		Newsroom post	9/8 1 00pm			Comms – Megan Holland/David Mayorga		WAITING
6	Blog	"Title of blog"	Blog post	9/8			Kristin Dohn		WAITING

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Want to suggest we start without him?
Date: Tuesday, August 02, 2016 5:35:18 PM

If you want to call us at Meghan's number to discuss, feel free. 202-435-9165. No problem if not, though – we'll fill in Jeff & John.

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

www.consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, August 02, 2016 2:21 PM
To: Hartmann, Leanne (CFPB)
Subject: Re: Want to suggest we start without him?

Jeff is only one who can answer

This message was sent from my Blackberry. Please excuse my typos.

From: Hartmann, Leanne (CFPB)
Sent: Tuesday, August 02, 2016 05:20 PM
To: Brown, Lawrence (CFPB)
Subject: RE: Want to suggest we start without him?

How do you know? (Safe guess, of course...)

From: Brown, Lawrence (CFPB)
Sent: Tuesday, August 02, 2016 2:19 PM
To: Hartmann, Leanne (CFPB)
Subject: Re: Want to suggest we start without him?

They want to know if over at 100

This message was sent from my Blackberry. Please excuse my typos.

From: Hartmann, Leanne (CFPB)
Sent: Tuesday, August 02, 2016 05:18 PM
To: Brown, Lawrence (CFPB)
Subject: RE: Want to suggest we start without him?

No worries. Just wondering why they're so insistent Jeff join...

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, August 02, 2016 2:18 PM
To: Hartmann, Leanne (CFPB)
Subject: Re: Want to suggest we start without him?

Was separated from bb

This message was sent from my Blackberry. Please excuse my typos.

From: Hartmann, Leanne (CFPB)
Sent: Tuesday, August 02, 2016 05:11 PM
To: Brown, Lawrence (CFPB)
Subject: Want to suggest we start without him?

Seems like we can pass on whatever short message they have...

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

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From: [Munoz, Charles "Chas" \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: FW: Weekly Message
Date: Monday, September 19, 2016 10:01:56 AM
Attachments: [image001.png](#)
[image005.png](#)
[image006.wmz](#)
[image007.png](#)

Congratulations on the mention in the Director's Weekly Message!

From: Cordray, Richard (CFPB)
Sent: Monday, September 12, 2016 10:08 AM
To: _DL_CFPB_AllHands
Subject: Weekly Message

1700 G Street NW, Washington, DC 20552

September 12, 2016

Dear Colleague,

Last week we entered an order against Wells Fargo Bank that addressed its illegal sales practices. It seems to me that this single action may have generated more intense and immediate attention than any other we have taken, including our prior enforcement actions and rulemakings. Perhaps that is because the conduct at issue was so antithetical to the core conception of what a bank is supposed to do: keep our money safe, handle it carefully, keep us closely apprised, and show its consistent trustworthiness. Instead, what our investigation found was that thousands of Wells employees opened unauthorized deposit and credit card accounts to satisfy sales goals and earn financial rewards under the bank's incentive-compensation program. Wells has acknowledged that it has terminated over 5,300 employees for what they did. We found that Wells tried to generate more business by setting sales goals and offering financial incentives to its employees to cross-sell financial products and services to existing customers. Such practices are common in most economic markets, and if cross-selling results from taking the right approach – offering superior customer service so that satisfied customers want to do repeat business with you and recommend you to others – they can be positive and consumer-friendly. But what this situation shows quite clearly is that if such incentive programs are not monitored carefully, they can be gamed by employees who cut corners to serve themselves. Specifically, we found that Wells employees engaged in “simulated funding,” opening hundreds of thousands of deposit accounts without consumers’ knowledge or consent and transferring funds from consumers’ authorized accounts to fund the new accounts, which is outrageous in itself and caused some consumers to incur at least \$2 million in fees. We also found that some Wells employees opened debit cards and created PINs to activate them without consumers’ knowledge or consent, and enrolled others in online banking services using false email addresses. We determined that these practices are unfair and abusive and hence illegal under the Consumer Financial Protection Act. Our consent order requires Wells to pay full restitution to victims and a \$100 million civil penalty (along with \$85 million in penalties to our partners at the City of Los Angeles and the OCC). This is the largest penalty we have imposed in an enforcement action to date and reflects the severity of the practices we addressed. Kudos to [Lawrence Brown](#), Leanne Hartmann, Barry Reiferson, John Zelinsky, Roshonda Gonsalves, Antoninette Wilkerson, Doug Lohr, John

Wells, Jeff Ehrlich, Susie Clark, Rosanne Sinclair, Ben Franklin, Jonathan Naylor, Edwin Chow, Kristin Bateman, Stephen Hayes, and David Mayorga.

Last week, we engaged in several events to mark our “Back to School” month and to recognize new work we are doing in the area of financial education to promote financial capability. First we attended a “Reality Fair” at the Lake Highland Junior High School in Dallas. I had first seen and liked this program in Ohio a decade ago, and it is now being promoted nationwide by many credit unions. It involves the students playing the role of adults and dealing with the financial challenges of being on their own, which means navigating a budget and dealing with the essential (and some not-so-essential) ways and means of their lives. Our interaction with the students underscored just how hard it can be to make sustainable financial choices, particularly given a lack of experience, and reinforced the value of having helpful financial education resources readily available. We also hosted a community roundtable focused on financial education with Walter Betts from the Texas Library Association and the Vice Chair of our Consumer Advisory Board, Ann Baddour of Texas Appleseed. During the roundtable, which was our first ever to focus squarely on financial education, we discussed how to engage young people effectively in different mediums and at different stages of their development. We also watched a demo of a smart phone app to support a digital approach to reality fairs, which was produced by the credit union run by the former Chair of our Credit Union Advisory Council, Kevin Foster-Keddie. Following the roundtable, Texas Appleseed hosted a town hall to discuss financial education and financial capability with colleagues and participations from the Texas region. It gave us the chance to new resources we have just published, “[Building Blocks to Help Youth Achieve Financial Capability](#)” and the “[Personal Finance Pedagogy](#).” The next day, we were back in Washington to amplify these messages about our work, along with much else, in an all-day meeting of our CFPB FinEx (“Financial Exchange”) national conference, which includes financial education practitioners of various kinds. Thanks to the cross-Bureau team that helped produce this new research and the new resources and to coordinate these events: Sunaena Lehil, Cassandra Tatum-McConnell, Janneke Ratcliffe, Keo Chea, Shaba Nassar, Carlos Rodriguez Morales, Leslie Jones, Jennifer Stockett, Shelley Thompson, Matt Cameron, Walter Suskind, Michael Kwan, Julian Alcazar, Timothy Gioconda, Meina Banh, Abigail Bigham, Catherine Galicia, Elizabeth Bond, and John Chu.

(b) (6)



Sincerely,

Richard Cordray
Director

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Wells, John \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: Re: Wells - OCC
Date: Wednesday, July 13, 2016 5:16:34 PM

Great, thanks. I'll call you in 5.

From: Wells, John (CFPB)
Sent: Wednesday, July 13, 2016 02:12 PM
To: Hartmann, Leanne (CFPB); Ehrlich, Jeffrey (CFPB)
Cc: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells - OCC

I'm available.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: Hartmann, Leanne (CFPB)
Sent: Wednesday, July 13, 2016 5:03 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: Wells - OCC

Steve had some follow up questions about the OCC that we weren't able to answer – any chance (Jeff and/or John) are around to chat with me briefly so that I can get back to him? Thanks!

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Wells, John \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells - OCC
Date: Wednesday, July 13, 2016 5:15:41 PM

(b) (5), (b) (8)

When do you want to call?

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Wells, John (CFPB)
Sent: Wednesday, July 13, 2016 5:12 PM
To: Hartmann, Leanne (CFPB); Ehrlich, Jeffrey (CFPB)
Cc: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells - OCC

I'm available.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: Hartmann, Leanne (CFPB)
Sent: Wednesday, July 13, 2016 5:03 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: Wells - OCC

Steve had some follow up questions (b) (5), (b) (8) any chance (Jeff and/or John) are around to chat with me briefly so that I can get back to him? Thanks!

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787

www.consumerfinance.gov

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells - update
Date: Monday, June 27, 2016 1:53:39 PM

On with Barry now. I now have another call at 2:15pm Eastern, so can talk a little later, or let you guys do your thing and talk another time.

From: Brown, Lawrence (CFPB)
Sent: Monday, June 27, 2016 10:42 AM
To: Hartmann, Leanne (CFPB)
Subject: RE: Wells - update

I spoke with Barry earlier. Let me know if 2:30 EST works for you.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Hartmann, Leanne (CFPB)
Sent: Monday, June 27, 2016 12:06 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells - update

Woohoo! Welcome back!

I'm available today after 2pm Eastern if that works to have a call (though Barry may be traveling to DC at that time?). It would be great to catch up, even if just two of us can talk.

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Monday, June 27, 2016 5:32 AM
To: Reiferson, Barry (CFPB)
Cc: Hartmann, Leanne (CFPB)
Subject: RE: Wells - update

I'm back! Let me know when you all want to have a call.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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1625 Eye Street, NW
Washington, DC 20006

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From: Reiferson, Barry (CFPB)
Sent: Friday, June 17, 2016 5:53 PM
To: Brown, Lawrence (CFPB)
Cc: Hartmann, Leanne (CFPB)
Subject: RE: Wells - update

Lawrence,

When you're able to come up for air Monday, it makes sense for the three of us to get on a call to get you up to speed and back to your rockstar status.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

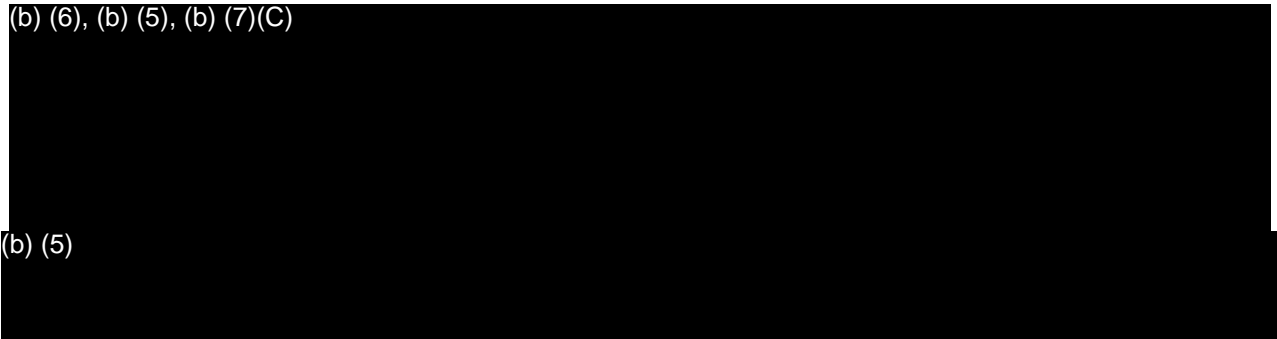
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waive any privileges.

From: Hartmann, Leanne (CFPB)
Sent: Friday, June 17, 2016 5:50 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: Wells - update

Barry and I spoke with Anand and Darren (from Munger Tolles) this afternoon. The corporate representatives will be as follows (Barry, feel free to correct any of this that I may have missed in my notes):

(b) (6), (b) (5), (b) (7)(C)



(b) (5)

Have a good weekend, all!

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: [Brown, Lawrence \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Wells complaints to follow up on 3-18-2016.doc
Date: Friday, April 01, 2016 12:48:42 PM
Attachments: [Wells complaints to follow up on 3-18-2016.doc](#)

From: [Brown, Lawrence \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Wells complaints to follow up on 3-21-2016.doc
Date: Friday, April 01, 2016 11:31:57 AM
Attachments: [Wells complaints to follow up on 3-21-2016.doc](#)

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells Fargo -- call to discuss redline
Date: Thursday, August 25, 2016 5:38:26 PM

I'd prefer a little later in the day, but can certainly let the East Coasters handle the call in my absence otherwise.

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

www.consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Thursday, August 25, 2016 2:38 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Fw: Wells Fargo -- call to discuss redline

Thoughts?

This message was sent from my Blackberry. Please excuse my typos.

From: Welch, Darren M [<mailto:Darren.Welch@skadden.com>]
Sent: Thursday, August 25, 2016 04:01 PM
To: Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Raman, Anand S <Anand.Raman@skadden.com>
Subject: Wells Fargo -- call to discuss redline

Lawrence – Thanks for sending us your redline. Would 10 a.m. tomorrow work for a call to discuss?

Thanks,

Darren

Darren M. Welch
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7804 | F: 202.661.8267
darren.welch@skadden.com

Skadden

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: Wells Fargo - CID 2
Date: Monday, May 02, 2016 11:55:22 AM
Attachments: [CID 2 to Wells Fargo+leh.doc](#)

Attached with edits, comments, and questions. Lawrence, are you in a position to review next?
Barry, let's chat when you get to LA this evening. Thanks!

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

www.consumerfinance.gov

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From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Subject: FW: RE: Wells Fargo - Consent Order.
Date: Friday, July 15, 2016 11:41:41 AM

This message was sent securely using ZixCorp.

Jeff's real good, too - that was a solid response to Mike's question.

--- Originally sent by steven.son@lacity.org on Jul 15, 2016 8:40 AM ---

Haha, thanks. Mike Feuer's good, for sure. Very savvy.

--- Originally sent by lawrence.brown@cfpb.gov on Jul 15, 2016 8:39 AM ---

This message was sent securely using ZixCorp.

You work with some good folks!

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: steven.son@lacity.org [mailto:steven.son@lacity.org]
Sent: Thursday, July 14, 2016 7:56 PM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells Fargo - Consent Order.

This message was sent securely using ZixCorp.

Lawrence,

As discussed earlier today, I've attached a red-line version of the Bureau's draft Consent Order (dated 7/11/16), which identifies our proposed changes thereto. If you have any questions about them, please don't hesitate to call.

Thanks,

Steve

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To reach ZixCorp, go to: <http://www.zixcorp.com/info/zixmail>

This message was secured by [ZixCorp](#)^(R).

This message was secured by [ZixCorp](#)^(R).

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells Fargo - operational controls.
Date: Thursday, July 07, 2016 2:06:36 PM

Inquiring with others now---stay tuned. Thanks.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Thursday, July 07, 2016 2:02 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: FW: Wells Fargo - operational controls.

Jeff and John,

(b) (5) Steve wanted make sure
that we would not have objections to the phrasing

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: steven.son@lacity.org [<mailto:steven.son@lacity.org>]
Sent: Thursday, July 07, 2016 12:54 PM
To: Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)

Subject: RE: Wells Fargo - operational controls.

This message was sent securely using [ZixCorp](#).

Hi Lawrence,

(b) (5)



If you'd like to discuss over the phone, I'm generally available today.

Thanks,

Steve

This message was secured by [ZixCorp](#)^(R).

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Ledbetter, Roshonda](#); [Brown, Lawrence \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells Fargo - question re: interrogatory responses
Date: Tuesday, July 05, 2016 2:46:47 PM

Great, thanks Roshonda.

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: Ledbetter, Roshonda
Sent: Tuesday, July 05, 2016 11:43 AM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: RE: Wells Fargo - question re: interrogatory responses

I created the DLR in SharePoint so it is being loaded today should be available in a day or two.

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, July 05, 2016 2:29 PM
To: Hartmann, Leanne (CFPB); Ledbetter, Roshonda
Cc: Reiferson, Barry (CFPB)
Subject: RE: Wells Fargo - question re: interrogatory responses

I think John received that disk with correspondence dated 6-21-2016. He put it on my desk and I gave the disk to Andrew Lubash today.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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From: Hartmann, Leanne (CFPB)
Sent: Tuesday, July 05, 2016 2:10 PM
To: Ledbetter, Roshonda
Cc: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: Wells Fargo - question re: interrogatory responses

Roshonda –

Do you know whether we received in DC or NY responses to Interrogatories from Skadden dated June 21, 2016? It was a 13-page letter plus a disc, sent to Lawrence's attention via FedEx.

A copy was sent to the SF office and I'm trying to determine whether I got the original (and thus need to send it on to DC) or a copy.

Thanks,
Leanne

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

www.consumerfinance.gov

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From: [Ledbetter, Roshonda](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: RE: Wells Fargo FW: Add'l Materials for Corporate Rep. Testimony on June 28, 2016
Date: Monday, June 27, 2016 3:32:37 PM

This production has been saved in the folder below:

(b) (7)(E)

It will also be available on relatively shortly.

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Hartmann, Leanne (CFPB)
Sent: Monday, June 27, 2016 2:45 PM
To: Ledbetter, Roshonda; Reiferson, Barry (CFPB); Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: RE: Wells Fargo FW: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

Roshonda –

If he still needs one, he can use mine. Have him call me at my desk for the password. Thanks.

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: Ledbetter, Roshonda
Sent: Monday, June 27, 2016 10:14 AM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: Wells Fargo FW: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

Hi,

Doug asked who's email should he put in so that he can download the documents?

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Lohr, Douglas (CFPB)
Sent: Monday, June 27, 2016 1:10 PM
To: Ledbetter, Roshonda
Subject: RE: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

For the FTP download collection that you want to have loaded to the 'Z' drive, we need to know the email address that we are supposed to use for downloading the files.

Thanks

Doug

From: Ledbetter, Roshonda
Sent: Monday, June 27, 2016 12:36 PM
To: Lohr, Douglas (CFPB)
Subject: RE: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

Great.

Thank you!

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Lohr, Douglas (CFPB)
Sent: Monday, June 27, 2016 12:34 PM
To: Ledbetter, Roshonda
Subject: RE: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

Sure, go ahead and create the Sharepoint entry and get the data in the safe and I will work with CACI to get it copied to the location you all specify on 'Z'. they will also load it into Relativity, but we will get it copied out to 'Z' immediately.

Doug

From: Ledbetter, Roshonda
Sent: Monday, June 27, 2016 12:32 PM
To: Lohr, Douglas (CFPB)
Subject: FW: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

Hi Doug,

We have a scheduled IH tomorrow in DC. Opposing counsel forwarded a production on Saturday. Can you please upload this as an emergency to the Z drive?

Thank you,

Roshonda Ledbetter

Paralegal Specialist | Enforcement
Office: (212) 328-7002 [(b) (6)] Mobile
Consumer Financial Protection Bureau

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From: Hartmann, Leanne (CFPB)
Sent: Monday, June 27, 2016 12:14 PM
To: Reiferson, Barry (CFPB); Ledbetter, Roshonda
Cc: Brown, Lawrence (CFPB)
Subject: FW: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

Have we downloaded these additional documents that they sent on Saturday to the Z drive?

Also – I haven't contacted them about getting a disc with all of these materials, but can do so today so long as everyone is okay with that approach.

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: SHANNON.BALES@MTO.COM [<mailto:shannon.bales@mto.com>]
Sent: Saturday, June 25, 2016 9:05 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB)
Cc: Anand.Raman@skadden.com; Bwilliams@proskauer.com; David.fry@mto.com; David.j.rice@wellsfargo.com; Craig.lavoie@mto.com; Darren.Welch@skadden.com
Subject: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

You have received 3 secure files from shannon.bales@mto.com.
Use the secure links below to download.

Dear Barry, Leanne, and John:

(b) (4)

Please let us know if you experience any issues downloading these materials.

Best,
Shannon

Secure File Downloads:
Available until: **09 July 2016**

Click links to download:

(b) (4)

(b) (4)

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Thank you.

--

<https://transfer.mto.com/>

MTO Secure File Transfer Service

Secured by [Accellion](#)

From: [Ledbetter, Roshonda](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo FW: Add'l Materials for Corporate Rep. Testimony on June 28, 2016
Date: Monday, June 27, 2016 2:18:32 PM

Welcome back! Do you happen to know the password. Doug just sent me an email asking for it.

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Brown, Lawrence (CFPB)
Sent: Monday, June 27, 2016 1:30 PM
To: Ledbetter, Roshonda
Subject: RE: Wells Fargo FW: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

I think Barry's, Leanne's, or John's email would work.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Ledbetter, Roshonda
Sent: Monday, June 27, 2016 1:14 PM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: Wells Fargo FW: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

Hi,

Doug asked who's email should he put in so that he can download the documents?

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement

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From: Lohr, Douglas (CFPB)
Sent: Monday, June 27, 2016 1:10 PM
To: Ledbetter, Roshonda
Subject: RE: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

For the FTP download collection that you want to have loaded to the 'Z' drive, we need to know the email address that we are supposed to use for downloading the files.

Thanks

Doug

From: Ledbetter, Roshonda
Sent: Monday, June 27, 2016 12:36 PM
To: Lohr, Douglas (CFPB)
Subject: RE: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

Great.

Thank you!

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Lohr, Douglas (CFPB)
Sent: Monday, June 27, 2016 12:34 PM
To: Ledbetter, Roshonda
Subject: RE: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

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Doug

From: Ledbetter, Roshonda
Sent: Monday, June 27, 2016 12:32 PM
To: Lohr, Douglas (CFPB)
Subject: FW: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

Hi Doug,

We have a scheduled IH tomorrow in DC. Opposing counsel forwarded a production on Saturday. Can you please upload this as an emergency to the Z drive?

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Hartmann, Leanne (CFPB)
Sent: Monday, June 27, 2016 12:14 PM
To: Reiferson, Barry (CFPB); Ledbetter, Roshonda
Cc: Brown, Lawrence (CFPB)
Subject: FW: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

Have we downloaded these additional documents that they sent on Saturday to the Z drive?

Also – I haven't contacted them about getting a disc with all of these materials, but can do so today so long as everyone is okay with that approach.

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: SHANNON.BALES@MTO.COM [mailto:shannon.bales@mto.com]
Sent: Saturday, June 25, 2016 9:05 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB)
Cc: Anand.Raman@skadden.com; Bwilliams@proskauer.com; David.fry@mto.com; David.j.rice@wellsfargo.com; Craig.lavoie@mto.com; Darren.Welch@skadden.com
Subject: Add'l Materials for Corporate Rep. Testimony on June 28, 2016

You have received 3 secure files from shannon.bales@mto.com.
Use the secure links below to download.

Dear Barry, Leanne, and John:

(b) (8), (b) (4)

Please let us know if you experience any issues downloading these materials.

Best,
Shannon

Secure File Downloads:
Available until: 09 July 2016

Click links to download:

(b) (8), (b) (4)

(b) (8), (b) (4)

6.07 MB

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Thank you.

--

<https://transfer.mto.com/>

MTO Secure File Transfer Service

Secured by [Accellion](#)

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: Re: Wells Fargo Media Stories
Date: Tuesday, July 12, 2016 5:51:03 PM

(b) (5)

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Brown, Lawrence (CFPB)
Sent: Tuesday, July 12, 2016 12:53 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: FW: Wells Fargo Media Stories

fyi

Lawrence D. Brown
Enforcement Attorney

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From: Clark, Mary (Susie)(CFPB)
Sent: Tuesday, July 12, 2016 12:52 PM
To: Brown, Lawrence (CFPB)
Subject: Wells Fargo Media Stories

Hi Lawrence,
I thought you would find this article interesting. I don't doubt that banker fraud perpetrated against customers at Wells Fargo was widespread.

Mexican singer Ana Bárbara sues 'corrupt' Wells Fargo: Did bank workers loot her accounts?

POSTED BY [DEBBIE L. SKLAR](#) ON JUNE 30, 2016 IN [CRIME](#) |

[Mexican singer Ana Bárbara](#) sued Wells Fargo Thursday, alleging two employees looted more than \$400,000 from her accounts and forced her to lose another \$884,000 after she had to cancel a concert tour. Bárbara, 45, filed the lawsuit in Los Angeles Superior Court, also naming as defendants Wells Fargo employees Arturo Arias and Jorge Valdez. The allegations include negligence and deceit. She seeks more than \$1.5 million in damages. The bank is "well-known for creating a corrupt business culture which pressures its employees to lure customers into

setting up multiple undesired accounts ... thereby maximizing Wells Fargo's profits while at the same time exposing its customers to needless costs and injuries," according to the lawsuit. Wells Fargo also has "adopted the practice of enrolling its customers in online banking and online bill paying without their consent," the suit alleges.

A Wells Fargo representative did not immediately reply to an email seeking comment.

The suit states that Arias, a fan of Bárbara's who had attended some of her performances, approached Bárbara, in April 2012 and "then proceeded to insinuate himself into (her) circle of friends and associates."

Arias convinced Bárbara, to open up a personal checking account at a Wells Fargo branch in January 2013 by going to her home and having her sign the agreement there, the suit states. Two months later, Arias talked Bárbara, into establishing a business checking account linked to a savings account in the name of her corporation, Lo Bosque Productions Inc., the suit states.

In about May 2013, Arias began using Bárbara's personal identification information to steal money from her two checking accounts, the suit alleges. He created passwords known to him that prevented the entertainer from having access to her own accounts, the suit states.

In January 2014, Arias and Valdez opened a line of credit in Bárbara's name, the suit states. The two conspired to forge Bárbara's signature, according to the complaint.

Together with other Wells Fargo employees, Arias also opened credit and debit card accounts in Bárbara's name, the suit states.

"Arias and Valdez caused over \$416,000 of Barbara's funds fraudulently to be transferred away from Ana Barbara and into Arias' hands ... for his benefit," the suit alleges.

Bárbara's credit was damaged "to the point where she is unable to obtain ordinary financing for her purchase of a new home," according to the complaint.

Arias and Valdez confessed to their alleged wrongdoing last August, the suit states. A month later, Wells Fargo created a new checking account in Bárbara's name without telling her and deposited nearly \$127,5000, apparently to reimburse her for a portion of the money allegedly stolen by Arias, the suit states.

Bárbara's whose real name is Altagracia Ugalde Motta, is considered a major figure in the modern Gruperó genre and she has an international following.

Susie Clark

Examiner

Supervision/West Region

Consumer Financial Protection Bureau

Consumerfinance.gov

Cell: (b) (6)
mary.clark@cfpb.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Mayorga, David \(CFPB\)](#)
To: [Vahey, Moira \(CFPB\)](#); [Fulton, Kate \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Eskola, David \(CFPB\)](#)
Subject: RE: Wells Fargo on Thursday?
Date: Tuesday, September 06, 2016 10:00:46 AM

+ Dave E who's handling consolidating edits that came in over the weekend. The presser is going into clearance today.

David Mayorga

Office of Communications | External Affairs
Consumer Financial Protection Bureau
E: david.mayorga@cfpb.gov
O: 202.435.7159 | C: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Vahey, Moira (CFPB)
Sent: Tuesday, September 06, 2016 9:27 AM
To: Fulton, Kate (CFPB); Wells, John (CFPB); Brown, Lawrence (CFPB)
Cc: Mayorga, David (CFPB)
Subject: RE: Wells Fargo on Thursday?

+ David who is handling the rollout. I believe it is on track for Thursday.

From: Fulton, Kate (CFPB)
Sent: Tuesday, September 06, 2016 7:51 AM
To: Wells, John (CFPB); Brown, Lawrence (CFPB)
Cc: Vahey, Moira (CFPB)
Subject: Wells Fargo on Thursday?

Good Morning All,

Is this matter stills scheduled for Thursday? If so, is there a draft presser? I'll need to send the CSBS notification by noon.

Thanks!

Kate M. Fulton
Senior Counsel
Office: (202) 435-9688 | Mobile: (b) (6)

Consumer Financial Protection Bureau
consumerfinance.gov

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Hartmann, Leanne \(CFPB\)](#)
Subject: FW: Wells Fargo production
Date: Tuesday, June 21, 2016 6:56:44 PM

Lawrence, FYI

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Ehrlich, Jeffrey (CFPB)
Sent: Tuesday, June 21, 2016 6:49 PM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Wells, John (CFPB)
Subject: Re: Wells Fargo production

Sounds exciting, at least. Let's agree!

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Hartmann, Leanne (CFPB)
Sent: Tuesday, June 21, 2016 06:41 PM
To: Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Wells, John (CFPB)
Subject: RE: Wells Fargo production

I think that's the right pique.

(b) (5)



Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ehrlich, Jeffrey (CFPB)
Sent: Tuesday, June 21, 2016 3:40 PM
To: Reiferson, Barry (CFPB); Wells, John (CFPB)
Cc: Hartmann, Leanne (CFPB)
Subject: Re: Wells Fargo production

Wow. (b) (5) Won't that pique their interest? (Also, did I spell "pique" correctly?)

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Reiferson, Barry (CFPB)
Sent: Tuesday, June 21, 2016 06:36 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Hartmann, Leanne (CFPB)
Subject: Wells Fargo production

Jeff,

(b) (5)

Thoughts?

Thanks,
Barry

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Williams, Natalie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells Fargo Sale Practices - CID 2 Draft
Date: Thursday, May 12, 2016 11:38:12 AM

Will send them as soon as I get to the sf office. Shd be there in 30 minutes assuming I have no more calls to take here at the hotel.

From: Brown, Lawrence (CFPB)
Sent: Thursday, May 12, 2016 08:36 AM
To: Williams, Natalie (CFPB)
Subject: FW: Wells Fargo Sale Practices - CID 2 Draft

Natalie,

Did you have any edits for this one? We were aiming to get this one out this week. (b) (5)

[REDACTED]

Thanks,

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Reiferson, Barry (CFPB)
Sent: Friday, May 06, 2016 3:38 PM
To: Williams, Natalie (CFPB)
Cc: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells Fargo Sale Practices - CID 2 Draft

Natalie,

I attach a draft of the second CID we intend to serve on Wells Fargo, for your review.

Thank you,
Barry

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: RE: Wells Fargo Sales Practice – Authorization to Settle or Sue ** Response Requested by 7/8 @ 5:00PM**
Date: Friday, July 08, 2016 4:29:18 PM

Yes. I'm editing the order later today. Will send to you and Legal then.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Friday, July 08, 2016 4:21 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: FW: Wells Fargo Sales Practice – Authorization to Settle or Sue ** Response Requested by 7/8 @ 5:00PM**

Gents,

(b) (5), (b) (8)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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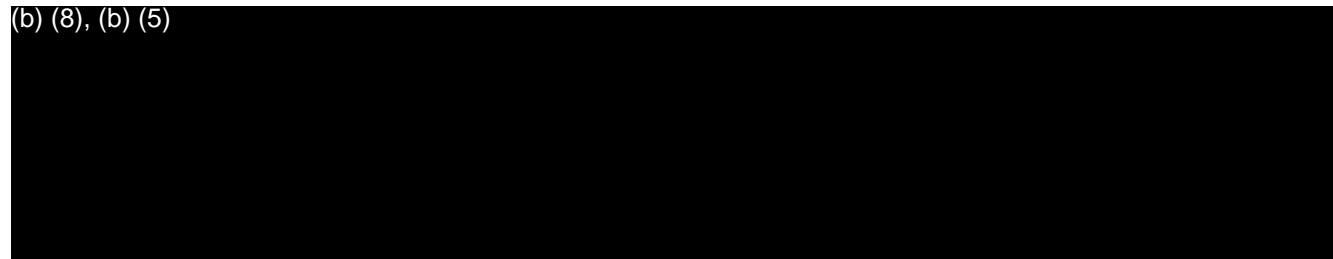
From: Morgan, Karen (CFPB)
Sent: Friday, July 08, 2016 4:07 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)

Cc: Hrды, Alice (CFPB); Recer, Jennifer (CFPB); Foley, Deirdre (CFPB)

Subject: FW: Wells Fargo Sales Practice – Authorization to Settle or Sue ** Response Requested by 7/8 @ 5:00PM**

All,

(b) (8), (b) (5)



I'm happy to discuss if you have any questions.

Best,

Karen

--

Karen M. Morgan

Attorney | Office of Supervision Policy

Office: (202) 435-9512 | Mobile: (b) (6)

Consumer Financial Protection Bureau

consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete this email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Turner, Austin (Detailee)

Sent: Friday, July 01, 2016 2:26 PM

To: Alexis, Anthony (CFPB); Bigham, Abigael (CFPB); Bleicken, David (CFPB); Boison, Elizabeth (CFPB); Borzekowski, Ron (CFPB); Breslaw, April (CFPB); Brown, Allison (CFPB); Bundy Scanlan, Agnes (CFPB); Carley, James (CFPB); Chandler, Jocelyn (CFPB); Chieco, Gena (CFPB); Chow, Edwin (CFPB); Coates, Laura (CFPB); Cochran, Kelly (CFPB); Coleman, John (CFPB); Coon, Clayton (CFPB); Corbett, Elizabeth (CFPB); D'Angelo, Chris (CFPB); Deutsch, Rebecca (CFPB); Diamantis, Jennifer (CFPB); Donoghue, Kristen (CFPB); Dorsey, Darian (CFPB); Ficklin, Patrice (CFPB); Fulton, Kate (CFPB); Gelfond, Rebecca (CFPB); Gillespie, Katherine (CFPB); Guidorizzi, Melissa (CFPB); Hagins, Calvin (CFPB); Harper, Morgan (CFPB); Hillebrand, Gail (CFPB); Howard, Jennifer (CFPB); Hrды, Alice (CFPB); Joshi, Nandan (CFPB); Kaplan, Steve (CFPB); Ladd, Christine (CFPB); Lipsett, Christopher (CFPB); Markus, Kent (CFPB); Marshall, Mira (CFPB); Martinez, Zixta (CFPB); McLeod, Mary (CFPB); Melcher, Glenn (CFPB); Meyers, Karen (CFPB); Nodler, Gregory (CFPB); Oscherwitz, Thomas (CFPB); Pearl, Joanna (CFPB); Pitts, John (CFPB); Sanford, Paul (CFPB); Savage, James (CFPB); Schroeder, John (CFPB); Silberman, David (CFPB); Sokolov, Dan (CFPB); Spicer, Veronica (CFPB); Stocks, Susan (CFPB); Torzilli, Susan (CFPB); Twohig, Peggy (CFPB); Vanlaere, Todd (CFPB); VanMeter, Stephen (CFPB); Walthall, Janet (Cecelia) (CFPB); White, Evan (CFPB); Young, Christopher (CFPB); Zorc, Anne (CFPB); Ellis, Elizabeth (CFPB); Rainey, Zol (CFPB)

Cc: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)

Subject: EAP: Wells Fargo Sales Practice – Authorization to Settle or Sue ** Response Requested by 7/8 @ 5:00PM**

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo Sales Practices - Call with Anand Raman
Date: Monday, May 09, 2016 12:19:28 PM

Totally. Since I spoke to him on Friday (and am not sure when I'm going to free up from this mediation), if you don't mind calling him back, that would be great. I had said I wanted to run my conversation with him on Friday by you anyway, so you calling him back today would help close the loop on that as well.

But if you want me to call him – I'm happy to do that too, whenever I get a break from here.

From: Brown, Lawrence (CFPB)
Sent: Monday, May 09, 2016 9:12 AM
To: Hartmann, Leanne (CFPB)
Subject: Re: Wells Fargo Sales Practices - Call with Anand Raman

No worries if you can't. Just let me know and I will call him. I want him to start getting used to communicating with all of us.

This message was sent from my Blackberry. Please excuse my typos.

From: Hartmann, Leanne (CFPB)
Sent: Monday, May 09, 2016 11:40 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells Fargo Sales Practices - Call with Anand Raman

(b) (7)(A) [REDACTED] should have a break in within the next few hours to call Anand.

From: Brown, Lawrence (CFPB)
Sent: Monday, May 09, 2016 8:37 AM
To: Hartmann, Leanne (CFPB)
Subject: Fw: Wells Fargo Sales Practices - Call with Anand Raman

If you have time, then please call him.

This message was sent from my Blackberry. Please excuse my typos.

From: Williams, Natalie (CFPB)
Sent: Monday, May 09, 2016 10:41 AM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells Fargo Sales Practices - Call with Anand Raman

All –

(b) (5) [REDACTED]

From: Brown, Lawrence (CFPB)
Sent: Monday, May 09, 2016 9:18 AM
To: Williams, Natalie (CFPB)

Subject: FW: Wells Fargo Sales Practices - Call with Anand Raman

Fyi

Lawrence D. Brown
Enforcement Attorney

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From: Hartmann, Leanne (CFPB)
Sent: Friday, May 06, 2016 9:52 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: Wells Fargo Sales Practices - Call with Anand Raman


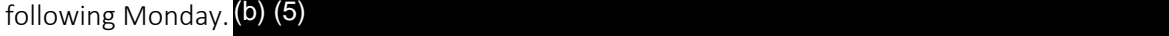
Team:

I spoke with Anand for a while this afternoon. (Barry, by way of update, Lawrence asked me to return a message Anand had left for Lawrence toward the end of the day East Coast time.)

(b) (5)



Let's speak Monday or Tuesday if possible, as I am out on vacation next Wednesday through the following Monday. (b) (5)



Have a good weekend!

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787


www.consumerfinance.gov

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo Sales Practices - disciplined employees
Date: Wednesday, June 22, 2016 10:56:28 PM

Documents saved to Z drive [here](#).

(b) (7)(E)



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From: Hartmann, Leanne (CFPB)
Sent: Wednesday, June 22, 2016 7:54 PM
To: Reiferson, Barry (CFPB); Wells, John (CFPB); Ehrlich, Jeffrey (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: Wells Fargo Sales Practices - disciplined employees

(b) (5)



Sounds systemic to me, no?

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Litigation_Review_Inbox](#)
Cc: [Alexis, Anthony \(CFPB\)](#); [Pearl, Joanna \(CFPB\)](#); [Case, Whitney \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells Fargo Sales Practices --- Draft Consent Order
Date: Friday, July 08, 2016 6:02:53 PM
Attachments: [WFSP Draft Consent Order---to LRB \(REVISED\).doc](#)

Dear Box,

Here is a revised draft of our consent order. It incorporates feedback we received from Legal pertaining to our memo and complaint. Please review this version instead of the one I sent yesterday if it is not too late. As Joanna suggested, I will send this now for Legal to review. Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, July 07, 2016 1:39 PM
To: Litigation_Review_Inbox
Cc: Alexis, Anthony (CFPB); Pearl, Joanna (CFPB); Case, Whitney (CFPB); Wells, John (CFPB); Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells Fargo Sales Practices --- Draft Consent Order

Dear Box,

Here's our draft consent order in the WFSP matter. We've incorporated suggestions from Edwin's team. Once you approve (and after Legal okays our settle/sue memo), we'll send this to Legal for its review. We're hoping to be able to share it with opposing counsel shortly after we have RC's authority. Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: FW: Wells Fargo Sales Practices --- Press
Date: Tuesday, August 23, 2016 1:45:52 PM

FYI

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Mayorga, David (CFPB)
Sent: Tuesday, August 23, 2016 1:45 PM
To: Ehrlich, Jeffrey (CFPB)
Cc: Pearl, Joanna (CFPB); Wells, John (CFPB); Holland, Megan (CFPB)
Subject: RE: Wells Fargo Sales Practices --- Press

Update:

If the schedule stays as is, a press call is scheduled for Sept 6 at 12:00pm EDT (9AM PDT) with OCC, RC, and LA City Attorney. Following the call, at 1:00pm EDT (10AM PDT) the LA City Attorney will hold a live press conference in LA. The CFPB and OCC will not participate.

Let me know if you have any questions.

David Mayorga
Office of Communications | External Affairs
Consumer Financial Protection Bureau
E: david.mayorga@cfpb.gov
O: 202.435.7159 | C: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ehrlich, Jeffrey (CFPB)
Sent: Friday, August 19, 2016 1:35 PM
To: Mayorga, David (CFPB)
Cc: Pearl, Joanna (CFPB); Wells, John (CFPB); Holland, Megan (CFPB)
Subject: Re: Wells Fargo Sales Practices --- Press

That's the goal. We'll know more early next week.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau

202-435-7598

From: Mayorga, David (CFPB)
Sent: Friday, August 19, 2016 1:27 PM
To: Ehrlich, Jeffrey (CFPB)
Cc: Pearl, Joanna (CFPB); Wells, John (CFPB); Holland, Megan (CFPB)
Subject: RE: Wells Fargo Sales Practices --- Press

Heard from LA City Attorney's press person that we're now looking at the day after Labor Day for announcement. Is that correct?

David Mayorga

Office of Communications | External Affairs

Consumer Financial Protection Bureau

E: david.mayorga@cfpb.gov

O: 202.435.7159 | C: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, August 11, 2016 11:25 AM
To: Mayorga, David (CFPB)
Cc: Pearl, Joanna (CFPB); Wells, John (CFPB)
Subject: Re: Wells Fargo Sales Practices --- Press

Great. Lots of moving parts here, so let's stay in touch re plans and timing. Thanks!

Jeff Ehrlich

Deputy Enforcement Director

Consumer Financial Protection Bureau

202-435-7598

From: Mayorga, David (CFPB)
Sent: Thursday, August 11, 2016 11:20 AM
To: Ehrlich, Jeffrey (CFPB)
Cc: Pearl, Joanna (CFPB); Wells, John (CFPB)
Subject: Re: Wells Fargo Sales Practices --- Press

I think press call with RC, maybe press conference w Tony in LA. I need to run it by Jen when she's back next week.

Sent from my BlackBerry 10 smartphone on the Verizon Wireless 4G LTE network.

From: Ehrlich, Jeffrey (CFPB)
Sent: Thursday, August 11, 2016 11:16 AM
To: Mayorga, David (CFPB)
Cc: Pearl, Joanna (CFPB); Wells, John (CFPB)
Subject: Wells Fargo Sales Practices --- Press

Mayo,

Not sure where things stand with LA, but if you want to offer a presser but not ask RC to do

it, Tony would be willing, depending on the timing. He's out from 8/17 - 8/23, but if we announce on the 8/24 or later, he could do a presser, preferably in DC, but in LA if you think it makes sense. We still don't know about the timing. We hope to know more by early next week.

Thanks!

Jeff Ehrlich

Deputy Enforcement Director

Office: (202) 435-7598 | Mobile: (b) (6)

Consumer Financial Protection Bureau

consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo Sales Practices Hearing update
Date: Monday, June 13, 2016 6:49:53 PM

Just left you a voicemail. I've emailed Megan Sweeney about it. There is also now a conflict for the room on Friday as well, from 9:30-10:30am (b) (5), (b) (8), (b) (7)(A)

[REDACTED]

I'll let you know if we need you to flex your muscle. Thanks.

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ehrlich, Jeffrey (CFPB)
Sent: Monday, June 13, 2016 3:48 PM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Wells, John (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: Re: Wells Fargo Sales Practices Hearing update

Let me know if there's a problem. Thanks.

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Hartmann, Leanne (CFPB)
Sent: Monday, June 13, 2016 06:38 PM
To: Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Wells, John (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: RE: Wells Fargo Sales Practices Hearing update

On Thursday, there is a standing meeting from 9-10. I will email Edwin's assistant to see whether they can move that meeting.

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ehrlich, Jeffrey (CFPB)
Sent: Monday, June 13, 2016 3:38 PM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Wells, John (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: Re: Wells Fargo Sales Practices Hearing update

I think we should start at 9---I'd hate to run out of time. Any chance we could get the room then?

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Hartmann, Leanne (CFPB)
Sent: Monday, June 13, 2016 02:10 PM
To: Reiferson, Barry (CFPB); Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: RE: Wells Fargo Sales Practices Hearing update

I am good for the SF hearings next Thursday and Friday. If we start at 10am or later, we can use the large conference room here in our office.

I may have to break from 11am-12pm on Thursday, as I am scheduled to be meeting with the IG at that time.

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: Reiferson, Barry (CFPB)
Sent: Monday, June 13, 2016 10:35 AM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Hartmann, Leanne (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: Wells Fargo Sales Practices Hearing update

I spoke with Anand and have the following update. (b) (5)

(b) (5)



(b) (5)

Anand will take that back to his group and we'll speak again.

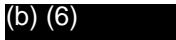
(b) (5)



Barry Reiferson

Enforcement Attorney

Office: 212-328-7020 | Mobile: (b) (6)



Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Williams, Natalie \(CFPB\)](#)
Subject: Re: Wells Fargo Sales Practices
Date: Saturday, May 28, 2016 1:16:54 PM

(b) (5)

And have a nice Memorial Day, too!

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Hartmann, Leanne (CFPB)
Sent: Friday, May 27, 2016 04:43 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Reiferson, Barry (CFPB); Brown, Lawrence (CFPB); Williams, Natalie (CFPB)
Subject: Wells Fargo Sales Practices

Team:

Attached is a scanned copy of the presentation from Wednesday's meeting. It is also saved on the Z drive under "Settlement." (b) (5)

(b) (5)



Thanks, and have a great weekend!

Leanne

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

www.consumerfinance.gov

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells Fargo- (b) (7)(A)
Date: Monday, September 26, 2016 11:02:46 AM

Any of you can take it. Remember that we don't discuss anything other than what's in the order. All else is CSI/CII.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Monday, September 26, 2016 10:50 AM
To: Ehrlich, Jeffrey (CFPB)
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: FW: Wells Fargo- (b) (7)(A)

Jeff,

Do you want to handle the initial outreach? Let us know how to respond to Veronica's email.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

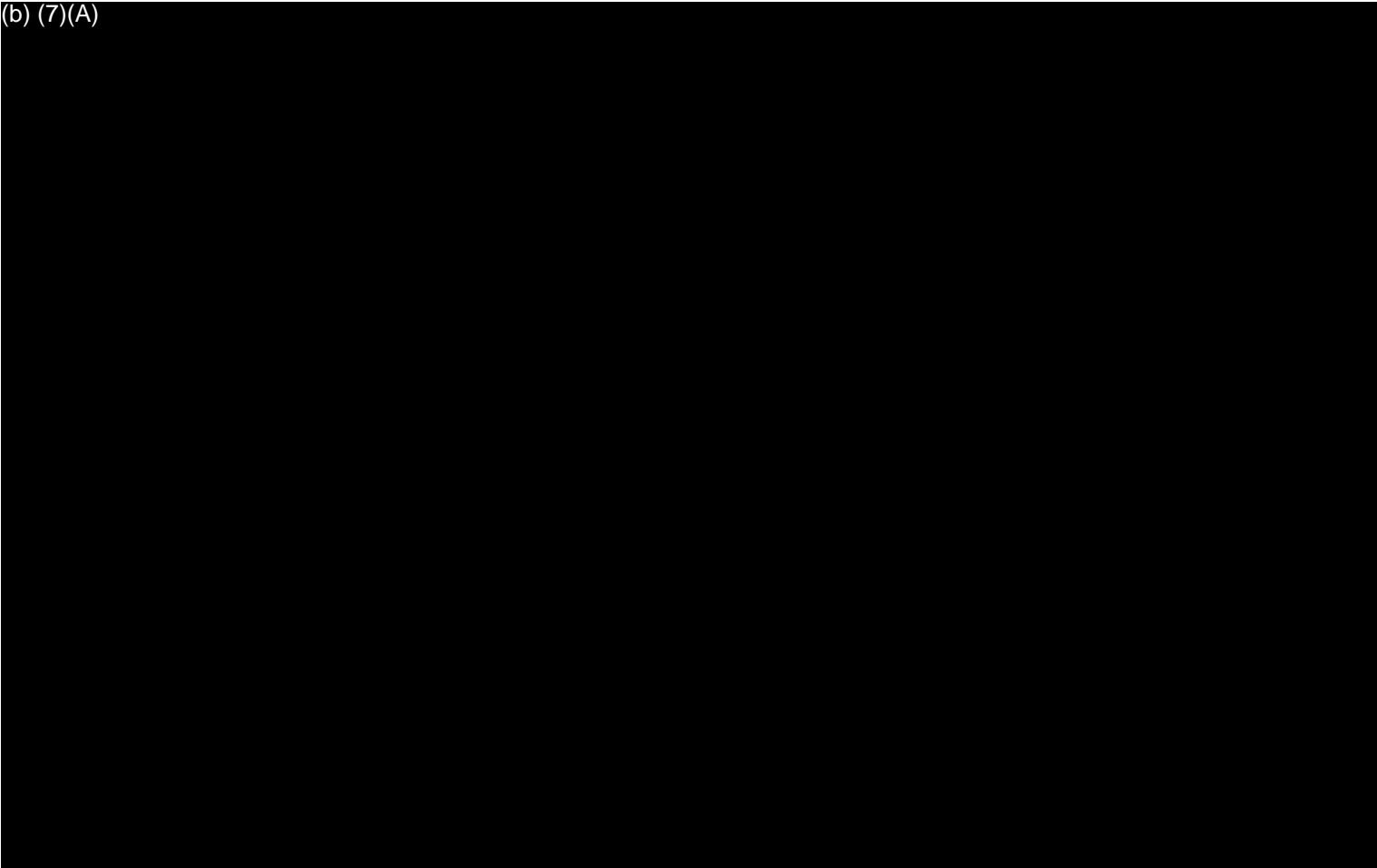
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From: Spicer, Veronica (CFPB)
Sent: Monday, September 26, 2016 9:01 AM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)

Subject: Fw: Wells Fargo- (b) (7)(A)

Mind if I connect her with you guys?

(b) (7)(A)



From: [Ledbetter, Roshonda](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: Wells Fargo
Date: Friday, May 20, 2016 3:48:02 PM
Attachments: [S1625i-rm4016052010000.pdf](#)

Hi,

Andrew said that he got a production from WF. Did counsel happen to forward you the password for the production and the cover letter?

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Steven Son; Hartmann, Leanne \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo.
Date: Wednesday, June 01, 2016 6:16:44 PM

Steve,

I'm free now or tomorrow. The depositions are in CA.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Steven Son [mailto:steven.son@lacity.org]
Sent: Wednesday, June 01, 2016 6:13 PM
To: Hartmann, Leanne (CFPB)
Cc: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: Re: Wells Fargo.

Hi Leanne,

Do either you or Barry have some time later today or sometime early tomorrow for a 15-minute call? Also, are your depositions here in CA, or back East? (Just so we know for scheduling purposes.)

Thanks,
Steve

On Tue, May 31, 2016 at 12:39 PM, Hartmann, Leanne (CFPB)
<Leanne.Hartmann@cfpb.gov> wrote:
Hi Steve -

We will call you at 1pm. Thanks!

From: Steven Son [mailto:steven.son@lacity.org]
Sent: Tuesday, May 31, 2016 11:05 AM
To: Hartmann, Leanne (CFPB)
Cc: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: Re: Wells Fargo.

That works. What number should I call you at? Or do you want to call me directly? Thanks.

Steve

Sent from my iPhone

On May 31, 2016, at 10:53 AM, Hartmann, Leanne (CFPB) <Leanne.Hartmann@cfpb.gov> wrote:

Hi Steve –

Any chance we could talk at 1pm PST? I have a noon meeting that is likely to go almost a full hour. Thanks!

Leanne

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

www.consumerfinance.gov

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From: Steven Son [<mailto:steven.son@lacity.org>]

Sent: Tuesday, May 31, 2016 10:45 AM

To: Hartmann, Leanne (CFPB)

Cc: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)

Subject: RE: Wells Fargo.

Hi Leanne,

Hope you had a nice and fun holiday weekend. Do you have some time today after 12:30 p.m. (PST) for a chat? I wanted to follow up with you on some of the things we discussed last Friday.

Thanks,
Steve

--

Steven S. Son, Deputy City Attorney
Office of the Los Angeles City Attorney
200 N. Main St., 5th Floor CHE
Los Angeles, CA 90012
Telephone: (213) 978-8036
E-mail: steven.son@lacity.org

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--

Steven S. Son, Deputy City Attorney
Office of the Los Angeles City Attorney
200 N. Main St., 5th Floor CHE
Los Angeles, CA 90012
Telephone: (213) 978-8036
E-mail: steven.son@lacity.org

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Lohr, Douglas \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells Fargo: Producing materials to City Attorney Office
Date: Friday, May 27, 2016 1:54:25 PM

And sorry – native format (as we received it) should work well. Thanks.

From: Brown, Lawrence (CFPB)
Sent: Monday, May 23, 2016 7:09 AM
To: Hartmann, Leanne (CFPB); Lohr, Douglas (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: RE: Wells Fargo: Producing materials to City Attorney Office

yep

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Hartmann, Leanne (CFPB)
Sent: Monday, May 23, 2016 9:28 AM
To: Lohr, Douglas (CFPB); Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: RE: Wells Fargo: Producing materials to City Attorney Office

(b) (5)



From: Lohr, Douglas (CFPB)
Sent: Monday, May 23, 2016 6:22 AM
To: Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: RE: Wells Fargo: Producing materials to City Attorney Office

(b) (5)

From: Hartmann, Leanne (CFPB)
Sent: Monday, May 23, 2016 9:21 AM
To: Lohr, Douglas (CFPB); Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: RE: Wells Fargo: Producing materials to City Attorney Office

Hi Doug –

Yes, we can help. We should check with the LA City Attorney's Office on format, but everything else (bates numbers, endorsement) looks perfect. Thanks so much. We'll reach out to our contact over there in the next day or two and get back to you on the format question. (Barry and I are both in training all day today.)

Thanks!

Leanne

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: Lohr, Douglas (CFPB)
Sent: Monday, May 23, 2016 5:42 AM
To: Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells Fargo: Producing materials to City Attorney Office

(b) (6)

(b) (5)

Doug

From: Brown, Lawrence (CFPB)
Sent: Friday, May 20, 2016 2:00 PM
To: Lohr, Douglas (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells Fargo: Producing materials to City Attorney Office

Doug,

Can you help us produce materials we received from Wells Fargo over to the LA City Attorney's Office? I'm attaching the documents related to their information request and the executed common interest agreement. (b) (6)

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: steven.son@lacity.org [<mailto:steven.son@lacity.org>]

Sent: Thursday, May 19, 2016 2:41 PM

To: Brown, Lawrence (CFPB)

Subject: RE: Documents

This message was sent securely using ZixCorp.

Hi Lawrence,

A DVD or CD should work. My full physical address is:

Office of the Los Angeles City Attorney
Attn: Steven S. Son, Deputy City Attorney
200 North Main Street, 500 City Hall East
Los Angeles, California 90012

Thanks,
Steve

--- Originally sent by lawrence.brown@cfpb.gov on May 18, 2016 11:52 AM ---

This message was sent securely using ZixCorp.

Steve,

My IT Folks need to bates label anything that I send over to your office. What format would you all prefer? Would a DVD work?

Thanks,

Lawrence D. Brown
Enforcement Attorney

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This message was secured by **ZixCorp^(R)**.

From: [Lohr, Douglas \(CFPB\)](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells Fargo: Producing materials to City Attorney Office
Date: Tuesday, May 31, 2016 8:56:55 AM

(b) (5)



Doug

From: Hartmann, Leanne (CFPB)
Sent: Friday, May 27, 2016 1:54 PM
To: Brown, Lawrence (CFPB); Lohr, Douglas (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: RE: Wells Fargo: Producing materials to City Attorney Office

Doug –

Let's go ahead and prep this stuff now. (Sorry for the delay.) Everything in the database, with the bates labeling and confidentiality statement as you set out in your earlier email.

I'm also about to email you about producing the most recently-produced documents to another partner in this case, the OCC. I'll send that by separate email.

Thanks so much!

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Monday, May 23, 2016 7:09 AM
To: Hartmann, Leanne (CFPB); Lohr, Douglas (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: RE: Wells Fargo: Producing materials to City Attorney Office

yep

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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From: Hartmann, Leanne (CFPB)
Sent: Monday, May 23, 2016 9:28 AM
To: Lohr, Douglas (CFPB); Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: RE: Wells Fargo: Producing materials to City Attorney Office

(b) (5)



From: Lohr, Douglas (CFPB)
Sent: Monday, May 23, 2016 6:22 AM
To: Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: RE: Wells Fargo: Producing materials to City Attorney Office

(b) (5)



From: Hartmann, Leanne (CFPB)
Sent: Monday, May 23, 2016 9:21 AM
To: Lohr, Douglas (CFPB); Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: RE: Wells Fargo: Producing materials to City Attorney Office

Hi Doug –

Yes, we can help. We should check with the LA City Attorney's Office on format, but everything else (bates numbers, endorsement) looks perfect. Thanks so much. We'll reach out to our contact over there in the next day or two and get back to you on the format question. (Barry and I are both in training all day today.)

Thanks!

Leanne

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: Lohr, Douglas (CFPB)
Sent: Monday, May 23, 2016 5:42 AM
To: Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells Fargo: Producing materials to City Attorney Office

(b) (6)

(b) (5), (b) (8), (b) (7)(E)

Doug

From: Brown, Lawrence (CFPB)
Sent: Friday, May 20, 2016 2:00 PM
To: Lohr, Douglas (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells Fargo: Producing materials to City Attorney Office

Doug,

Can you help us produce materials we received from Wells Fargo over to the LA City Attorney's Office? I'm attaching the documents related to their information request and the executed common interest agreement. (b) (6)

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: steven.son@lacity.org [<mailto:steven.son@lacity.org>]
Sent: Thursday, May 19, 2016 2:41 PM
To: Brown, Lawrence (CFPB)
Subject: RE: Documents

This message was sent securely using ZixCorp.

Hi Lawrence,

A DVD or CD should work. My full physical address is:

Office of the Los Angeles City Attorney
Attn: Steven S. Son, Deputy City Attorney
200 North Main Street, 500 City Hall East
Los Angeles, California 90012

Thanks,
Steve

--- Originally sent by lawrence.brown@cfpb.gov on May 18, 2016 11:52 AM ---

This message was sent securely using ZixCorp.

Steve,

My IT Folks need to bates label anything that I send over to your office. What format would you all prefer? Would a DVD work?

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells meeting (optional)
Date: Wednesday, August 31, 2016 12:08:03 PM

Let me know when to sprint to the clerk's office at NDCA...

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

www.consumerfinance.gov

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From: Reiferson, Barry (CFPB)
Sent: Wednesday, August 31, 2016 9:07 AM
To: Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Wells meeting (optional)

(b) (5)



Barry Reiferson

Enforcement Attorney

Office: 212-328-7020 | Mobile: (b) (6)

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From: Hartmann, Leanne (CFPB)
Sent: Wednesday, August 31, 2016 12:06 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells meeting (optional)

Sorry to have missed the morning excitement. What's the takeaway?

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

www.consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, August 31, 2016 5:55 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells meeting (optional)

Barry and Leanne,

If you all are not able to make the meeting on such short notice and also as early as it is, then don't worry. I just wanted to give a chance to listen in on what Jeff and John are thinking we should do next. (b) (5)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: RE: Wells Sales Practices -- revised order
Date: Tuesday, August 30, 2016 4:00:38 PM

Let me review and then let's discuss next steps. Not sure whether John or I should be on the next call.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, August 30, 2016 3:57 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: FW: Wells Sales Practices -- revised order

Do you guys want me to send this stuff out now?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Alexis, Anthony (CFPB)
Sent: Tuesday, August 30, 2016 3:55 PM
To: Wells, John (CFPB)
Cc: Brown, Lawrence (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: RE: Wells Sales Practices -- revised order

This is fine. Good luck and let me know how it goes.

Tony

Anthony M. Alexis

Office of Enforcement
Consumer Financial Protection Bureau
Telephone: 202 435 7999
Mobile: (b) (6)
Anthony.Alexis@cfpb.gov

consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Wells, John (CFPB)
Sent: Tuesday, August 30, 2016 3:05 PM
To: Alexis, Anthony (CFPB)
Cc: Brown, Lawrence (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: RE: Wells Sales Practices -- revised order

Tony –

(b) (5)



Thanks,

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the

mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Alexis, Anthony (CFPB)
Sent: Tuesday, August 30, 2016 2:11 PM
To: Wells, John (CFPB)
Cc: Brown, Lawrence (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: RE: Wells Sales Practices -- revised order

(b) (5) [REDACTED] It should accompany a call with Anand explaining where we got the language.

Tony

Anthony M. Alexis
Office of Enforcement
Consumer Financial Protection Bureau
Telephone: 202 435 7999
Mobile: (b) (6) [REDACTED]
Anthony.Alexis@cfpb.gov

consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Wells, John (CFPB)
Sent: Tuesday, August 30, 2016 1:42 PM
To: Alexis, Anthony (CFPB)
Cc: Brown, Lawrence (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: Wells Sales Practices -- revised order

Tony –

(b) (5)



(b) (5)

(b) (5)

Please let us know if you'd like to discuss.

Thanks,

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ledbetter, Roshonda \(Contractor\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Sales: Additional consumer complaints
Date: Wednesday, April 20, 2016 11:54:09 AM

I am going to wait for Darcie to get in. (b) (5)

I will keep you posted.

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 20, 2016 11:48 AM
To: Ledbetter, Roshonda (Contractor)
Subject: RE: Wells Sales: Additional consumer complaints

(b) (5) And that brings us full circle!

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Ledbetter, Roshonda (Contractor)
Sent: Wednesday, April 20, 2016 11:47 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells Sales: Additional consumer complaints

So I tried that. It's not working. (b) (5)

[REDACTED]

[REDACTED]

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 20, 2016 9:39 AM
To: Ledbetter, Roshonda (Contractor)
Subject: RE: Wells Sales: Additional consumer complaints

(b) (5)

[REDACTED]

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ledbetter, Roshonda (Contractor)
Sent: Wednesday, April 20, 2016 9:35 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells Sales: Additional consumer complaints

(b) (5)

Do you know the best way to do so?

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 20, 2016 9:31 AM
To: Ledbetter, Roshonda (Contractor)
Subject: RE: Wells Sales: Additional consumer complaints

Sorry about that. Don't hesitate to let me know if you run into road blocks. Just call me up and we'll figure out the way forward.

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ledbetter, Roshonda (Contractor)
Sent: Wednesday, April 20, 2016 9:25 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells Sales: Additional consumer complaints

Hi Lawrence,

(b) (5)

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

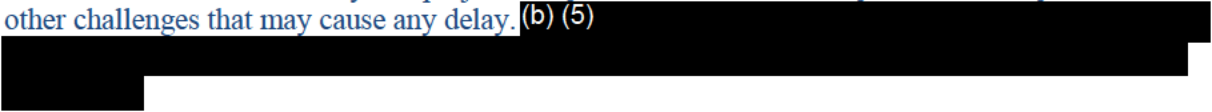
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mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 20, 2016 9:17 AM
To: Ledbetter, Roshonda (Contractor)
Subject: FW: Wells Sales: Additional consumer complaints

Hey Roshonda,

Please let me know if I send you a project that you are unable to do on your own or if you run into other challenges that may cause any delay. (b) (5)



Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: Zelinsky, John (CFPB)
Sent: Tuesday, April 19, 2016 7:02 PM
To: Ledbetter, Roshonda (Contractor)
Cc: Brown, Lawrence (CFPB)
Subject: RE: Wells Sales: Additional consumer complaints

(b) (5)



If you want to explore other options don't hesitate to contact me.

John

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From: Ledbetter, Roshonda (Contractor)
Sent: Tuesday, April 19, 2016 11:22 AM
To: Zelinsky, John (CFPB)
Subject: RE: Wells Sales: Additional consumer complaints

John,

I apologize for giving you the same thing. I attached the wrong one.

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Zelinsky, John (CFPB)
Sent: Tuesday, April 19, 2016 1:03 PM
To: Ledbetter, Roshonda (Contractor)
Subject: RE: Wells Sales: Additional consumer complaints

Roshonda,

These seem to be the same complaints that I looked up a couple weeks ago and sent back with the contact info. Please see attached. Let me know if there are any questions.

Thanks!

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ledbetter, Roshonda (Contractor)
Sent: Tuesday, April 19, 2016 9:00 AM
To: Zelinsky, John (CFPB)
Subject: FW: Wells Sales: Additional consumer complaints

Hi John,

I hope all is well. Can you help me get the contact information for the attached complaints?

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ledbetter, Roshonda (CFPB)
Sent: Monday, April 04, 2016 11:16 AM
To: Zelinsky, John (CFPB)
Subject: FW: Wells Sales: Additional consumer complaints

Hi John,

Can you help me get the contact information. I also emailed CR but no one has gotten back to me.

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Brown, Lawrence (CFPB)
Sent: Friday, April 01, 2016 12:51 PM
To: Ledbetter, Roshonda (CFPB)
Subject: Wells Sales: Additional consumer complaints

Hi Roshonda,

(b) (5)



Thanks,

Lawrence

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Access request from CFPB to OCC
Date: Monday, May 09, 2016 10:25:03 AM
Attachments: [20160509 DRAFT Access Letter to OCC re Wells Sales Practices---jpe.pdf](#)

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (202) 570-9652
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Monday, May 09, 2016 10:08 AM
To: Ehrlich, Jeffrey (CFPB)
Subject: Wells: Access request from CFPB to OCC

Jeff,

Attached for your review and signature please find an access request from the Bureau to the OCC. Let me know if you have any questions.

Thanks,

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells: Any feedback on the LA City Attorney's draft order language
Date: Friday, July 08, 2016 4:24:05 PM
Attachments: [CA affirmative undertakings proposed edits---jpe.doc](#)

(b) (5)



Here is our suggested edit to their order.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Friday, July 08, 2016 4:14 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: Any feedback on the LA City Attorney's draft order language

(b) (5)



Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ehrlich, Jeffrey (CFPB)
Sent: Friday, July 08, 2016 4:07 PM
To: Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: RE: Wells: Any feedback on the LA City Attorney's draft order language

(b) (5)

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Friday, July 08, 2016 3:59 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: Wells: Any feedback on the LA City Attorney's draft order language

Gents,

I'm about to speak with Steve Son. Let me know if I can update him on that draft language he sent us the other day.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Wilkerson, Antoninette \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Cc: [Ehrlich, Jeffrey \(CFPB\)](#)
Subject: RE: Wells: Assistance making 5 briefing binders
Date: Monday, May 23, 2016 5:25:10 PM

Thanks, Toni! I was in training all day but picked it up from your desk. (I hope you don't mind.)

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: Wilkerson, Antoninette (CFPB)
Sent: Monday, May 23, 2016 10:38 AM
To: Brown, Lawrence (CFPB)
Cc: Hartmann, Leanne (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: RE: Wells: Assistance making 5 briefing binders


I put a binder on your chair as well as on Jeff's. I also made a binder for Leanne as Darcie told me she is here in DC. As soon as she tells me where she is sitting, I will deliver it to her.

From: Brown, Lawrence (CFPB)
Sent: Monday, May 23, 2016 9:56 AM
To: Wilkerson, Antoninette (CFPB); Ledbetter, Roshonda
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Assistance making 5 briefing binders


Hi Toni and Roshonda,

Can you both assist with creating binders today? I will need 5 binders containing the documents at the path below. Each of the documents should be separated by tab. I named each document by tab numbers so you know which order to print and place the documents in each binder.

(b) (7)(E)



Please deliver a finished binder to Leanne (may have to rope in Darcie), Barry (Roshonda can deliver), Natalie (Roshonda can deliver), Jeff Ehrlich (Toni can deliver) and myself (Toni please just put in my chair) by COB today. Please contact Barry and Leanne with any questions. (b) (6)



Lawrence D. Brown
Enforcement Attorney

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Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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From: [Spicer, Veronica \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: CFPB Access Request to OCC
Date: Wednesday, May 04, 2016 9:24:14 AM

No. They cede it to us. As long as we think we are okay with the restrictions and there is a general out that covers when we would have to turn something over, we're good.

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, May 04, 2016 8:50 AM
To: Spicer, Veronica (CFPB)
Subject: RE: Wells: CFPB Access Request to OCC

Veronica,

Natalie wanted me to have the Legal Division take a look at this. I came to you first knowing they often refer me back to you. Is this something they would need to weigh in on?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Spicer, Veronica (CFPB)
Sent: Tuesday, May 03, 2016 7:19 PM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells: CFPB Access Request to OCC

(b) (5)



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From: Brown, Lawrence (CFPB)
Sent: Tuesday, May 03, 2016 8:48 AM
To: Spicer, Veronica (CFPB)
Subject: FW: Wells: CFPB Access Request to OCC

Veronica,

Let me know if you or the Legal Division weighs in on access requests that our agency submits to others. (b) (6), (b) (7)(C) provided me with the attached template.

Thanks,

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, May 03, 2016 8:12 AM
To: Williams, Natalie (CFPB)
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: Wells: CFPB Access Request to OCC

Natalie,

(b) (6), (b) (7) provided us with an access request template. I filled it out for Jeff's signature. Let me know if this looks ok to you and I will get it submitted to the OCC today.

Thanks,

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells: CID 2.0
Date: Wednesday, May 04, 2016 5:52:33 PM
Attachments: [CID 2 to Wells Fargo 05042016.doc](#)

(b) (5)




Barry – I think this is now yours to review, finalize, and prep for sending out. I will be in the office tomorrow (though in meetings all morning my time), if you want to discuss further.

~Leanne

From: Brown, Lawrence (CFPB)
Sent: Monday, May 02, 2016 12:55 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: CID 2.0

Barry and Leanne,

Attached please find my suggestions for CID 2.0 (b) (5)

 Thanks for putting this together so quickly!

Lawrence

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells: CID issued to Wells Fargo on March 21
Date: Monday, April 11, 2016 12:57:43 PM

Great. If it does happen that date (or even if it gets pushed) and you want me to attend, just let me know. (I'll be just back from vacation and hopefully totally refreshed!)

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

www.consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Monday, April 11, 2016 9:50 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: FW: Wells: CID issued to Wells Fargo on March 21

Fyi, the hearing for the PI is tentatively set for May 18.

Lawrence D. Brown
Enforcement Attorney

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From: steven.son@lacity.org [<mailto:steven.son@lacity.org>]
Sent: Monday, April 11, 2016 11:52 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells: CID issued to Wells Fargo on March 21

This message was sent securely using ZixCorp.

Lawrence,

Thanks for providing us the CID. Our motion for preliminary injunction is set for hearing on 5/18, at 9:00 a.m.

(b) (5)

A large black rectangular redaction box covers several lines of text in the email body.

Steve

--- Originally sent by lawrence.brown@cfpb.gov on Apr 11, 2016 4:56 AM ---

This message was sent securely using ZixCorp.

Steve,

Thanks for sending us the materials on Friday. Attached please find the CID that the Bureau issued to Wells on March 21. When is the motion for preliminary injunction set for a hearing?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722
consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells: CID Responses.doc
Date: Tuesday, July 05, 2016 2:05:15 PM
Attachments: [CID Responses +ber +leh.doc](#)

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, July 05, 2016 10:53 AM
To: Reiferson, Barry (CFPB)
Subject: Wells: CID Responses.doc

From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells: (b) (6), (b) (7)(C)
Date: Friday, July 01, 2016 11:55:38 AM

ok

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Friday, July 01, 2016 11:55 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: (b) (6), (b) (7)(C)

Feel free to fill us all in at the huddle later today.

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Reiferson, Barry (CFPB)
Sent: Friday, July 01, 2016 11:54 AM
To: Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Wells: (b) (6), (b) (7)(C)

I just spoke with Steve on an unplanned call and am happy to fill you in. We can call him back for this but I expect we'll all speak next week. If you want me to relay the discussion, I can circ a call in.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Hartmann, Leanne (CFPB)

Sent: Friday, July 01, 2016 11:52 AM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells: (b) (6), (b) (7)(C)

That is fascinating. Can we share that info with Steve from LA? I'm sure he'd be interested.

Sorry to have missed the calls this morning and much of the heavy lifting the last few days. I'm at my desk - (415) 844-9787 - if there is anything I need to be looped back in on!

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Friday, July 01, 2016 8:41 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: (b) (6), (b) (7)(C)

(b) (5), (b) (8)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Alexis, Anthony \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: RE: Wells: Conference call re Consent Order
Date: Wednesday, August 31, 2016 9:10:01 AM

We'll talk to the bank this morning, and also send our edits.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Alexis, Anthony (CFPB)
Sent: Wednesday, August 31, 2016 9:04 AM
To: Ehrlich, Jeffrey (CFPB); Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: FW: Wells: Conference call re Consent Order

Status?

Anthony M. Alexis
Office of Enforcement
Consumer Financial Protection Bureau
Telephone: 202 435 7999
Mobile: (b) (6)
Anthony.Alexis@cfpb.gov
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

(b) (4)



(b) (4)

From: Brown, Lawrence (CFPB) [<mailto:Lawrence.Brown@cfpb.gov>]
Sent: Tuesday, August 30, 2016 6:07 PM
To: Welch, Darren M (WAS)
Cc: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Raman, Anand S (WAS)
Subject: Re: Wells: Conference call re Consent Order

Let's plan on tomorrow, but we will need the information before any call.
This message was sent from my Blackberry. Please excuse my typos.

From: Welch, Darren M [<mailto:Darren.Welch@skadden.com>]
Sent: Tuesday, August 30, 2016 05:43 PM
To: Brown, Lawrence (CFPB)
Cc: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Raman, Anand S <Anand.Raman@skadden.com>
Subject: RE: Wells: Conference call re Consent Order

Hello Lawrence – Anand forwarded your email below to me. Would your team be available for the call referenced in your email below tonight at 7:30 p.m., at which time we would also discuss the employment issues you asked about? If not, we'll look for some time tomorrow.

Thanks,
Darren

Darren M. Welch
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7804 | F: 202.661.8267
darren.welch@skadden.com

Skadden

Begin forwarded message:

From: "Brown, Lawrence (CFPB)" <Lawrence.Brown@cfpb.gov>
Date: August 30, 2016 at 4:09:03 PM EDT
To: "Raman, Anand S (Anand.Raman@skadden.com)" <Anand.Raman@skadden.com>
Cc: "Ehrlich, Jeffrey (CFPB)" <Jeffrey.Ehrlich@cfpb.gov>, "Wells, John (CFPB)" <John.Wells@cfpb.gov>
Subject: Wells: Conference call re Consent Order

Anand,

After you give us answers to the questions we emailed you earlier today, Jeff and John would like to set up a call with you to discuss the consent order. Please let me know when you would be available for that call.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW
Washington, DC 20006

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=====

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

=====

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

=====

From: [Ledbetter, Roshonda \(Contractor\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: contact information for consumers who submitted the attached complaints
Date: Tuesday, April 19, 2016 11:52:36 AM
Attachments: [Wells complaints to follow up on 3-18-2016 jz contact info added.doc](#)

Hi Lawrence,

I was able to locate some of the people.

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, March 30, 2016 5:46 PM
To: Ledbetter, Roshonda (Contractor)
Subject: Wells: contact information for consumers who submitted the attached complaints

Hi Roshonda,

Would you mind getting contact information for the consumers who submitted the attached complaints. I'd like to start interviewing folks who were harmed by the practices that we are investigating.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
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Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Draft Mod Letter
Date: Monday, July 11, 2016 9:16:25 PM

I started on this and will attempt to make some more progress in the morning. Brain is starting to shut off. (b) (7)(A) But hoping to emerge tomorrow morning renewed and ready to fight. Will send proposed edits by 10am Pacific/1pm Eastern.

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From: Reiferson, Barry (CFPB)
Sent: Monday, July 11, 2016 4:51 PM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: Draft Mod Letter

My thoughts attached.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Monday, July 11, 2016 3:02 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Draft Mod Letter

Team,

Please review the attached draft mod letter. Let me know if you all have any edits or comments by 1:00 pm EST on Tuesday.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Following up with Raman this afternoon
Date: Friday, May 06, 2016 5:40:40 PM

Happy to. Will try him now (though I may now have missed him...).

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Friday, May 06, 2016 1:33 PM
To: Hartmann, Leanne (CFPB)
Subject: Wells: Following up with Raman this afternoon

Leanne,

If you have time, would you mind calling Anand? He left a voicemail for me about a half hour ago?
(b) (5)

[REDACTED]
[REDACTED] If you cannot do it, then I'm happy to follow up
with him on Monday. (b) (5)
[REDACTED]

Have a good one,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells: I might not be able to participate in the call this afternoon
Date: Wednesday, April 13, 2016 7:55:33 PM

Lawrence – I read this email as asking *me* to offer up the agreed-upon dates, but on reading it again I'm not sure you actually wanted me to do that...I hope it was okay for me to send Anand the email earlier!

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 13, 2016 12:48 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: I might not be able to participate in the call this afternoon

I will be there whether it's Wednesday or Thursday. So offer May 25th or May 26, right?

Lawrence D. Brown
Enforcement Attorney

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From: Reiferson, Barry (CFPB)
Sent: Wednesday, April 13, 2016 2:49 PM
To: Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Wells: I might not be able to participate in the call this afternoon

I have a preference for W-Th, but can make any day work that week.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Hartmann, Leanne (CFPB)
Sent: Wednesday, April 13, 2016 2:48 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells: I might not be able to participate in the call this afternoon

Barry, does that week work for you? Preferences of a specific date? (I'd say T-Th is likely best, since we both have to travel, but can really do any day that works well for the group.)

From: Brown, Lawrence (CFPB)

Sent: Wednesday, April 13, 2016 11:37 AM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: Re: Wells: I might not be able to participate in the call this afternoon

I am good with the week of May 23. (b) (5), (b) (7)(A)

This message was sent from my Blackberry. Please excuse my typos.

From: Hartmann, Leanne (CFPB)
Sent: Wednesday, April 13, 2016 01:19 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells: I might not be able to participate in the call this afternoon

(b) (6)

(b) (5), (b) (6), (b) (7)(A)

I would prefer we move the meeting with Wells to the week of May 23 in DC; but could also make the week of April 25 work (maybe late in the week?) if we want to do it sooner. It all depends on how quickly we want to review documents...

Any further thoughts on a meeting with the LA City Attorney's Office, (b) (7)(A)

Trying to get my travel calendar in shape.

Thanks!

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 13, 2016 6:18 AM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells: I might not be able to participate in the call this afternoon

You all did great! Thanks very much for handling the call! For the upcoming meeting with Wells, let's offer them dates that are most convenient for Leanne since she has to travel across the country.

(b) (5)

(b) (6)

Lawrence D. Brown
Enforcement Attorney

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From: Hartmann, Leanne (CFPB)
Sent: Tuesday, April 12, 2016 3:35 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells: I might not be able to participate in the call this afternoon

Lawrence –

We just finished up with Anand, David and Matthew. (b) (5)

[REDACTED]

(b) (5)

[REDACTED]

So, in short, we owe them a list of available dates for a meeting in DC, (b) (5)

[REDACTED]

Barry, chime in if I missed anything!

Hope everything is going well at the hospital.

Best,
Leanne

Leanne E. Hartmann
Enforcement Attorney

Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, April 12, 2016 8:36 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: I might not be able to participate in the call this afternoon

Barry and Leanne,

(b) (6) These guys asked for a call after we sent them the letter about the upcoming meeting and upcoming hearings.

(b) (5)



Would you all mind handling the call if I cannot make it?

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: If you have time, one last look for any typos
Date: Thursday, August 25, 2016 2:09:57 PM

I'm reviewing now – I shouldn't have anything major but a few nits here and there. Should be able to send it in the next 15-20 mins.

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From: Reiferson, Barry (CFPB)
Sent: Thursday, August 25, 2016 9:59 AM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: If you have time, one last look for any typos

Thanks LB. Here you go. (b) (6)

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Thursday, August 25, 2016 12:19 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: If you have time, one last look for any typos

Barry and Leanne,

I'm giving this one more look before sending out (aiming to circulate at 2:30 eastern). If you have time to review, then let me know if you spot any typos.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: last call for edits on 1st draft of consent order/stip
Date: Friday, July 01, 2016 1:59:19 PM

Sorry, I've been on calls all morning. Go ahead without comments from me. I'll review later today but imagine that you guys are covering all the bases very well.

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From: Reiferson, Barry (CFPB)
Sent: Friday, July 01, 2016 10:58 AM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: last call for edits on 1st draft of consent order/stip

A few marginal comments

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Friday, July 01, 2016 1:52 PM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: Wells: last call for edits on 1st draft of consent order/stip

Anyone still working on edits? If you are still editing, just let me know. If you all don't have any edits at this time, then I'll make a few last edits and send it out to Jeff and John.

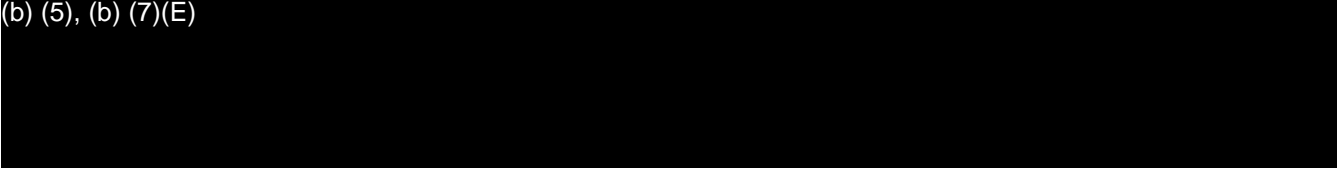
Lawrence D. Brown
Enforcement Attorney

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells: Path for draft working complaint against Wells Fargo and Emails
Date: Monday, April 11, 2016 5:03:44 PM

Thanks, Lawrence. Great to keep our eye on the ball on this!

(b) (5), (b) (7)(E)

A large black rectangular redaction box covering the body of the email.

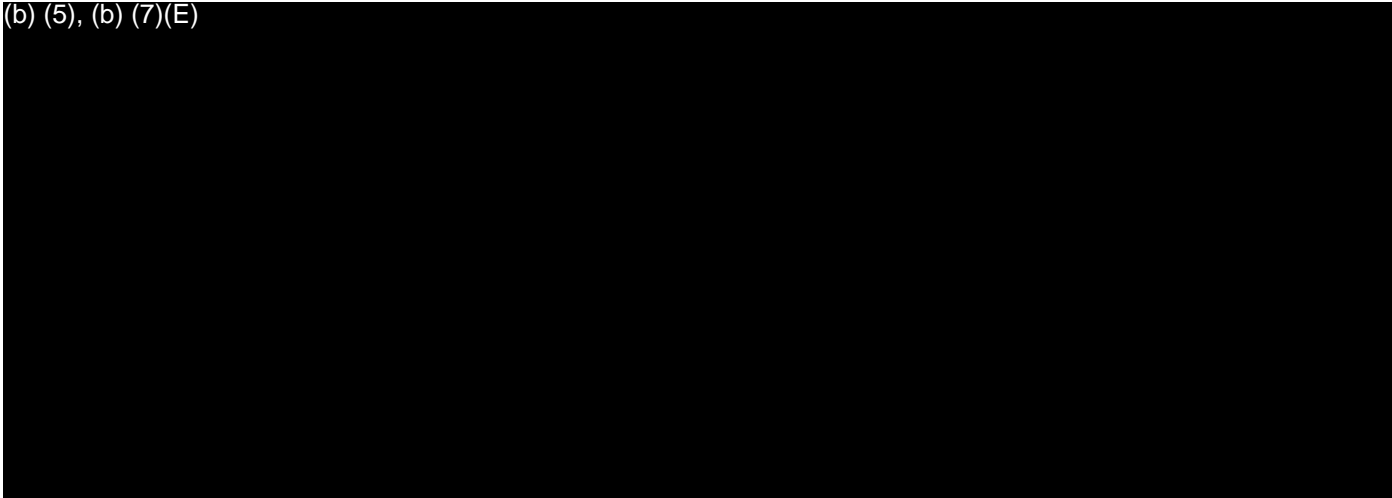
Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Monday, April 11, 2016 12:36 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Path for draft working complaint against Wells Fargo and Emails

Barry and Leanne,

(b) (5), (b) (7)(E)

A large black rectangular redaction box covering the body of the email.

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells: Question from Steve re notice to consumers
Date: Monday, July 11, 2016 12:44:00 PM

(b) (5)



John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: Brown, Lawrence (CFPB)
Sent: Monday, July 11, 2016 12:35 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: Question from Steve re notice to consumers

Will do.

Lawrence D. Brown
Enforcement Attorney

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From: Ehrlich, Jeffrey (CFPB)
Sent: Monday, July 11, 2016 12:26 PM
To: Brown, Lawrence (CFPB); Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: Question from Steve re notice to consumers

I'm not sure about Steve's specific question, but you can share with him our draft order--- Tony has approved it (although we're still waiting for Legal).

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau

consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Monday, July 11, 2016 12:15 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Question from Steve re notice to consumers

Gents,

(b) (5)

ee below.

Lawrence D. Brown
Enforcement Attorney

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From: steven.son@lacity.org [<mailto:steven.son@lacity.org>]
Sent: Monday, July 11, 2016 11:44 AM
To: Brown, Lawrence (CFPB)
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells: Suggested edits for your order

This message was sent securely using ZixCorp.

Lawrence,

I'll review the suggested edits with our team, and get back to you. (b) (5)

Thanks,
Steve

--- Originally sent by lawrence.brown@cfpb.gov on Jul 11, 2016 4:55 AM ---

This message was sent securely using ZixCorp.

Steve,

Attached please find the Bureau's suggested edits for your draft order. Let us know if you have any questions or concerns.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells: Update
Date: Tuesday, August 16, 2016 5:02:21 PM

Great, thanks for the update! Barry is in SF this week and we are planning to participate in tomorrow's call.

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, August 16, 2016 12:28 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Update

Barry and Leanne,

(b) (5) [REDACTED] Today, the City Attorney is meeting with the bank and its outside counsel to hash out issues. (b) (5) [REDACTED]
[REDACTED]
Tomorrow at 1:00 pm eastern, the bank will participate on a call with the City Attorney and the Bureau. I will not be able to meaningfully participate in the call. (b) (6) [REDACTED]
(b) (5) [REDACTED]

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6) [REDACTED]
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: updated mod letter
Date: Tuesday, July 12, 2016 4:28:51 PM

I'm free at/after 9:00 a.m. Pacific time/12:30 p.m. Eastern.

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Reiferson, Barry (CFPB)
Sent: Tuesday, July 12, 2016 1:28 PM
To: Brown, Lawrence (CFPB)
Cc: Hartmann, Leanne (CFPB)
Subject: RE: Wells: updated mod letter

What's everyone's availability tomorrow if we set a call with Skadden per Jeff's earlier email?

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, July 12, 2016 2:25 PM
To: Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: updated mod letter

John,

I missed an edit from Barry in the last version of the mod letter that I sent to you. Please edit the attached version instead.

Barry,

Let John know if you had any other edits.

Thanks,

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Updated talking points
Date: Wednesday, July 13, 2016 3:28:40 PM

Depends on blood pressure.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Hartmann, Leanne (CFPB)
Sent: Wednesday, July 13, 2016 3:28 PM
To: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Wells: Updated talking points

Yes, of course. Take all the artistic liberty you want in making those points.

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Reiferson, Barry (CFPB)
Sent: Wednesday, July 13, 2016 12:27 PM
To: Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Wells: Updated talking points

Thanks. Not verbatim.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Hartmann, Leanne (CFPB)
Sent: Wednesday, July 13, 2016 3:26 PM
To: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Wells: Updated talking points

I think it looks good. (b) (5):

(b) (5)



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From: Reiferson, Barry (CFPB)
Sent: Wednesday, July 13, 2016 12:23 PM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: Updated talking points

Not sure exactly how it will come out, but I added the gist of my section.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, July 13, 2016 2:42 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Updated talking points

Team,

Attached please find my updated talking points.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

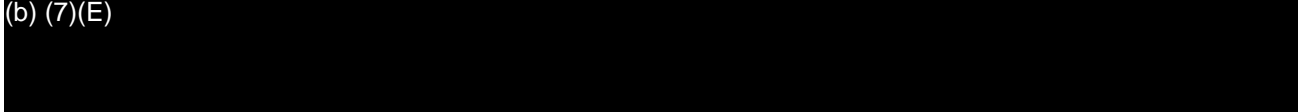
Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ledbetter, Roshonda \(Contractor\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells: what's the motive?
Date: Monday, April 11, 2016 11:58:05 AM

Hi Lawrence,

I saved the documents in the folders below:

(b) (7)(E)



Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Monday, April 11, 2016 11:38 AM
To: Ledbetter, Roshonda (Contractor)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: FW: Wells: what's the motive?

Hi Roshonda,

Would you please save the attached documents on the Z drive (b) (5)

Thanks,

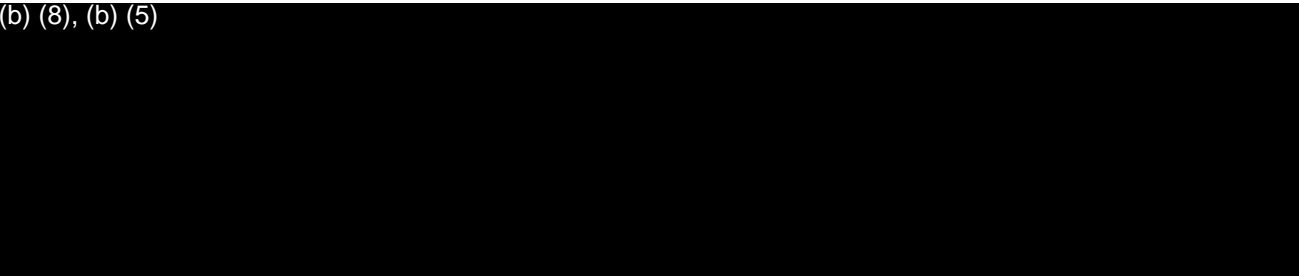
Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Clark, Mary (Susie)(CFPB)
Sent: Monday, April 11, 2016 11:30 AM
To: Brown, Lawrence (CFPB)
Cc: Naylor, Jonathan (CFPB)
Subject: RE: Wells: what's the motive?

Good Morning, Lawrence

(b) (8), (b) (5)



Susie Clark
Examiner
Supervision/West Region
Consumer Financial Protection Bureau
Consumerfinance.gov

Cell: (b) (6)
mary.clark@cfpb.gov

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 06, 2016 10:08 AM
To: Naylor, Jonathan (CFPB)
Cc: Clark, Mary (Susie)(CFPB)
Subject: RE: Wells: what's the motive?

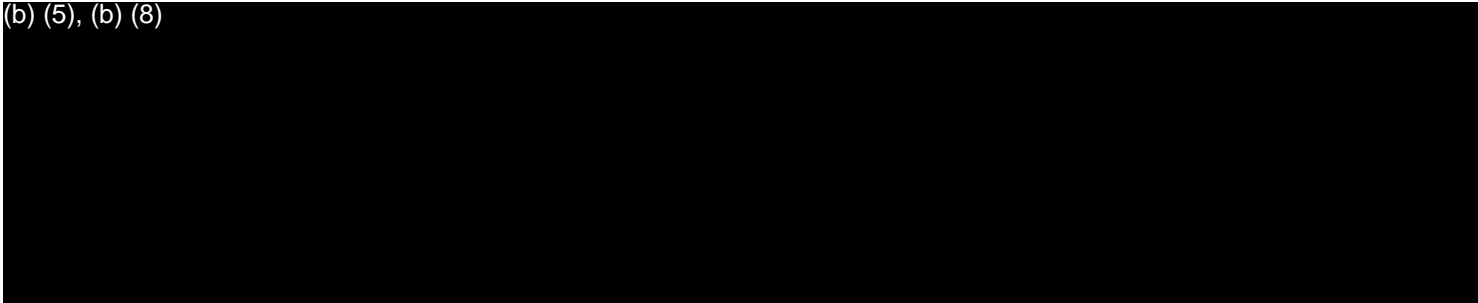
Very interesting!

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Naylor, Jonathan (CFPB)
Sent: Wednesday, April 06, 2016 12:23 PM
To: Brown, Lawrence (CFPB)
Cc: Clark, Mary (Susie)(CFPB)
Subject: RE: Wells: what's the motive?

(b) (5), (b) (8)



From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 06, 2016 5:53 AM
To: Naylor, Jonathan (CFPB)
Subject: Wells: what's the motive?

Jonathan,

I've been trying to figure out why the Company would allow these illegal practices to persist. It looks like the fees generated by these schemes might have been negligible; (b) (5) What do you think?

Lawrence D. Brown
Enforcement Attorney

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#)
Subject: WF - call with Anand
Date: Tuesday, July 12, 2016 4:57:38 PM

Team:

Anand and Bart Williams just hopped on a call with Barry and me to let us know that Carrie Tolsted (the head of community banking) is retiring from the bank. The announcement will be made public today, she will be in her position until the end of July, and she will be an employee of the bank until the end of 2016. (b) (5), (b) (6), (b) (7)(C)

[REDACTED]

[REDACTED]

(b) (5), (b) (6), (b) (7)(C)

[REDACTED]

Barry will be in touch re: tomorrow's call.

Leanne

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: [Snyder, David \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Fwd: WF - CFPB letter.
Date: Monday, September 19, 2016 6:12:57 PM

THANK YOU!

From: Brown, Lawrence (CFPB)
Sent: Monday, September 19, 2016 6:09 PM
To: Snyder, David (CFPB)
Subject: Fw: Fwd: WF - CFPB letter.

This message was sent from my Blackberry. Please excuse my typos.

From: Steven Son [<mailto:steven.son@lacity.org>]
Sent: Monday, September 19, 2016 05:09 PM
To: Brown, Lawrence (CFPB)
Subject: Fwd: WF - CFPB letter.

Lawrence - please see attached.

Begin forwarded message:

From: Shane Etchison <shane.etchison@lacity.org>
Date: September 20, 2016 at 4:54:24 AM GMT+9
To: Steven Son <steven.son@lacity.org>
Subject: Re: WF - CFPB letter.

See attached.

Sincerely,

Shane Patrick Etchison, Law Clerk
Los Angeles City Attorney's Office
200 N. Main St.
500 City Hall East
Los Angeles, CA 90012
shane.etchison@lacity.org

On Mon, Sep 19, 2016 at 12:46 PM, Steven Son <steven.son@lacity.org> wrote:
Please send me the CFPB's letter granting our access letter request.
It's in the correspondence folder. You'll need to read all of the
early letters to understand which one I'm referring to. Thanks.

--

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*****Confidentiality Notice *****

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*****Confidentiality Notice *****

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From: [Ledbetter, Roshonda](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: RE: WF Exhibits
Date: Monday, June 27, 2016 5:23:18 PM

Let me know.

Thanks,

Roshonda Ledbetter
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Hartmann, Leanne (CFPB)
Sent: Monday, June 27, 2016 5:21 PM
To: Ledbetter, Roshonda; Reiferson, Barry (CFPB); Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: RE: WF Exhibits

Oh, I don't think they should have been. Let me look for those... (my guess is that they are in there, hiding behind other documents)

I have the hard copies here – will scan and send in a minute.

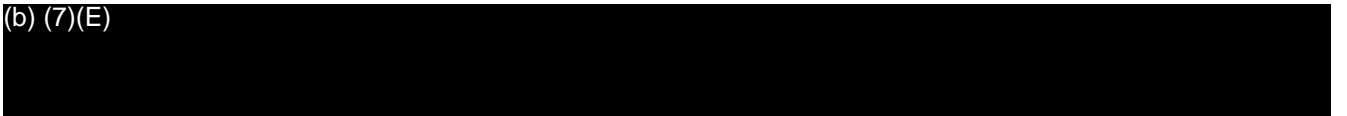
Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ledbetter, Roshonda
Sent: Monday, June 27, 2016 2:12 PM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: WF Exhibits

I placed the exhibits in the folder below:

(b) (7)(E)



PS some numbers were skipped ex 13, 18 & 19

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: Re: WFSP - a little more press
Date: Saturday, September 10, 2016 10:55:09 AM

Thanks for sharing this, Leanne. So pithy!

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Hartmann, Leanne (CFPB)
Sent: Friday, September 9, 2016 4:01 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Subject: WFSP - a little more press

I subscribe to a daily email newsletter that generally dumbs-down the headlines so that (mostly female) millennials will know what is going on in the world. I'm *not* a millennial, for the record, but I do enjoy their punny headlines, so I read it. Try not to judge me too much, I'm trying to praise you here.

Anyway, this newsletter, such as it is, had a particularly nice spin to the story that I thought was worth sharing. Here's the summary, which was their top story today – from “the Skimm” – let me know if you need me to translate any of the slang in here for you:

FEW AND FARGO BETWEEN

THE STORY

Yesterday, [Wells Fargo was fined \\$185 million](#) for being shady AF.

WHAT HAPPENED?

[Back in 2013](#), the LA Times started snooping into Wells Fargo's aggressive sales tactics. That investigation perked up the ears of the CFPB. That's the Consumer Financial Protection Bureau. It was created after the '08 financial crisis to protect consumers from sketchy bank practices. After looking under the hood at Wells Fargo, the CFPB found that thousands of the bank's employees have been scamming customers for years.

HOW?

By opening hundreds of thousands of unauthorized credit cards. By creating fake emails to open bogus accounts. By moving funds without getting the OK first. Since

the scandal was uncovered, [Wells Fargo has fired more than 5,000 employees](#). Now, the bank has been slapped with this massive fine.

I DON'T USE WELLS FARGO. WHAT DOES THIS MEAN?

That banks are still on the struggle bus, years after the financial crisis. They've been trying to boost sales in the middle of a meh economy. That's not easy, which is why a lot of companies have been pushing more products on existing customers. The CFPB said Wells Fargo's sales goals for employees, and the incentives that came with hitting them, caused employees to scam customers just to get a bonus.

theSKIMM

This is the largest fine the CFPB has ever issued. The good news is that the CFPB is doing its job. The bad news is the financial industry has just barely started to recover its reputation. Yesterday's announcement is not going to help.

Congratulations again! It was such a pleasure working with all of you on this.

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

www.consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Wells, John \(CFPB\)](#)
To: [Rainson, Matthew \(CFPB\)](#); [Mayorga, David \(CFPB\)](#); [Dieringer, Ambrose \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#); [Williams, Monique \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#); [Fulton, Kate \(CFPB\)](#); [Bateman, Kristin \(CFPB\)](#); [Broom, Jonathan "Slade" \(CFPB\)](#)
Subject: RE: WFSP QA
Date: Thursday, September 08, 2016 10:00:24 AM
Attachments: [2016.09.08 FAQs.WFSP QA Cleared.docx](#)

The cleared Q&A is attached.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Rainson, Matthew (CFPB)
Sent: Thursday, September 08, 2016 9:24 AM
To: Mayorga, David (CFPB); Dieringer, Ambrose (CFPB); Wells, John (CFPB)
Cc: Brown, Lawrence (CFPB); Williams, Monique (CFPB); Ehrlich, Jeffrey (CFPB); Fulton, Kate (CFPB); Bateman, Kristin (CFPB); Broom, Jonathan "Slade" (CFPB)
Subject: RE: WFSP QA

Hello everyone,

Just checking to see if we have cleared content yet that I can share with our contact center.

Thanks,
Matt

From: Mayorga, David (CFPB)
Sent: Tuesday, September 06, 2016 12:02 PM
To: Rainson, Matthew (CFPB); Dieringer, Ambrose (CFPB); Wells, John (CFPB)
Cc: Brown, Lawrence (CFPB); Williams, Monique (CFPB); Ehrlich, Jeffrey (CFPB); Fulton, Kate (CFPB); Bateman, Kristin (CFPB); Broom, Jonathan "Slade" (CFPB)
Subject: RE: WFSP QA

Not cleared yet

David Mayorga
Office of Communications | External Affairs
Consumer Financial Protection Bureau
E: david.mayorga@cfpb.gov
O: 202.435.7159 | C: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Rainson, Matthew (CFPB)
Sent: Tuesday, September 06, 2016 11:57 AM
To: Dieringer, Ambrose (CFPB); Wells, John (CFPB)
Cc: Brown, Lawrence (CFPB); Williams, Monique (CFPB); Mayorga, David (CFPB); Ehrlich, Jeffrey (CFPB); Fulton, Kate (CFPB); Bateman, Kristin (CFPB); Broom, Jonathan "Slade" (CFPB)
Subject: RE: WFSP QA

Thank you, no comments to add. Please let me know when this content has been cleared so I can send to our contact center.

Matt Rainson

From: Dieringer, Ambrose (CFPB)
Sent: Tuesday, September 06, 2016 11:38 AM
To: Wells, John (CFPB)
Cc: Brown, Lawrence (CFPB); Williams, Monique (CFPB); Mayorga, David (CFPB); Ehrlich, Jeffrey (CFPB); Fulton, Kate (CFPB); Bateman, Kristin (CFPB); Broom, Jonathan "Slade" (CFPB); Rainson, Matthew (CFPB)
Subject: RE: WFSP QA

John,

Matthew Rainson, cc'd, is the new Consumer Response contact for Enf. Action QAs. Thanks for including Consumer Response.

Ambrose Dieringer
Examiner | Office of Supervision Examinations – West Region
Tel: (202) 440-2808

Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Mayorga, David (CFPB)
Sent: Tuesday, September 06, 2016 8:27 AM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Fulton, Kate (CFPB); Dieringer, Ambrose (CFPB); Bateman, Kristin (CFPB)
Cc: Brown, Lawrence (CFPB); Williams, Monique (CFPB)
Subject: RE: WFSP QA

With the attachment

David Mayorga

Office of Communications | External Affairs

Consumer Financial Protection Bureau

E: david.mayorga@cfpb.gov

O: 202.435.7159 | C: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ehrlich, Jeffrey (CFPB)

Sent: Tuesday, September 06, 2016 11:27 AM

To: Wells, John (CFPB); Mayorga, David (CFPB); Fulton, Kate (CFPB); Dieringer, Ambrose (CFPB); Bateman, Kristin (CFPB)

Cc: Brown, Lawrence (CFPB); Williams, Monique (CFPB)

Subject: RE: WFSP QA

+ Monique

Jeff Ehrlich

Deputy Enforcement Director

Office: (202) 435-7598 | Mobile: (b) (6)

Consumer Financial Protection Bureau

consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Wells, John (CFPB)

Sent: Tuesday, September 06, 2016 11:25 AM

To: Mayorga, David (CFPB); Fulton, Kate (CFPB); Dieringer, Ambrose (CFPB); Bateman, Kristin (CFPB)

Cc: Ehrlich, Jeffrey (CFPB); Brown, Lawrence (CFPB)

Subject: WFSP QA

Hi All –

Attached is a QA document for the Wells Fargo Sales Practices matter. (b) (5)

[REDACTED] Please let us know if you have comments on this document. If possible, we'll incorporate before this goes to clearance; if not, we'll incorporate before Thursday. Thanks in advance!

John Wells

Office of Enforcement

Consumer Financial Protection Bureau

202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: WFSP Talking Points.doc
Date: Wednesday, July 13, 2016 1:46:00 PM
Attachments: [WFSP Talking Points - LEH comments.doc](#)

This looks great. I have a couple small comments, attached, that you should feel free to take or leave.

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, July 13, 2016 10:35 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: WFSP Talking Points.doc

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#)
Subject: RE: WFSP
Date: Tuesday, August 02, 2016 8:48:35 AM

Sure! Can we just come to your office for it?

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, August 02, 2016 5:35 AM
To: Hartmann, Leanne (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: RE: WFSP

I don't have any plans for calls with Wells yet. The call with Anand lasted 5 minutes. I imagine we will hear back from him soon though. I do have an update call with OCC and City Attorney at 1:30 pm if you all would like to join in for that one.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Hartmann, Leanne (CFPB)
Sent: Tuesday, August 02, 2016 8:33 AM
To: Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: RE: WFSP

LB – I'm in DC through the end of the day on Friday, so to the extent you are setting up a call with Wells, I'm happy to join – and in the same time zone, to boot!

Wednesday and Thursday I have SEFL stuff much of the day.

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

www.consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)

Sent: Monday, August 01, 2016 5:35 AM

To: Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)

Cc: Wells, John (CFPB)

Subject: RE: WFSP

I conveyed the counter and the message to Anand this morning. We should know very soon whether we will be able to reach an agreement on the penalty. I am also working on setting up a joint call with the OCC and City Attorney.

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ehrlich, Jeffrey (CFPB)

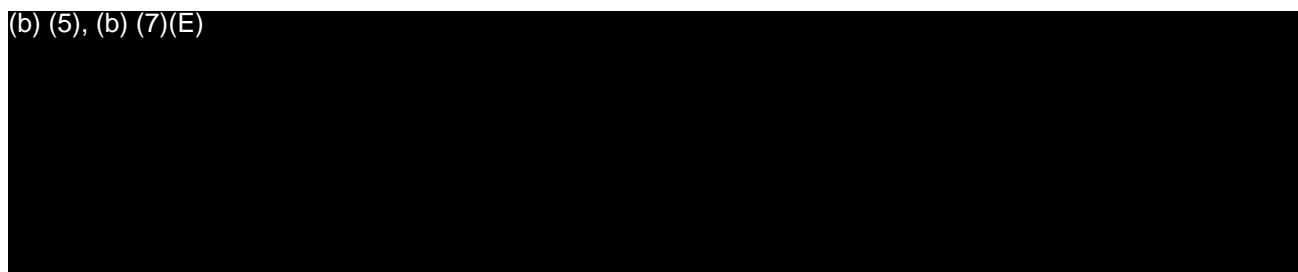
Sent: Friday, July 29, 2016 5:13 PM

To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)

Cc: Wells, John (CFPB)

Subject: WFSP

(b) (5), (b) (7)(E)



(b) (5), (b) (7)(E)

Have fun!

Jeff Ehrlich

Deputy Enforcement Director

Office: (202) 435-7598 | Mobile: (b) (6)

Consumer Financial Protection Bureau

consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: You guys watching?
Date: Tuesday, September 20, 2016 12:27:47 PM

That's right – it will be interesting to see what he submits on that point...

From: Brown, Lawrence (CFPB)
Sent: Tuesday, September 20, 2016 9:27 AM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: You guys watching?

(b) (5) I couldn't believe it then.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Hartmann, Leanne (CFPB)
Sent: Tuesday, September 20, 2016 11:32 AM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: You guys watching?

Yep. Though that is only if he survives Warren's lashing...

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, September 20, 2016 8:31 AM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: You guys watching?

Here comes the SEC

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Hartmann, Leanne (CFPB)
Sent: Tuesday, September 20, 2016 10:51 AM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: You guys watching?

Yep, that is what it sounds like.

(b) (5)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, September 20, 2016 7:49 AM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: RE: You guys watching?

Sounds like she resigned after being told she was getting canned.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Hartmann, Leanne (CFPB)
Sent: Tuesday, September 20, 2016 10:47 AM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: You guys watching?

(b) (5) I don't remember ever
getting a good answer to that.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, September 20, 2016 7:12 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: You guys watching?

Yep. I am also stapling exhibits.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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consumerfinance.gov

Lawrence Brown
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Washington, DC 20006

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From: Reiferson, Barry (CFPB)
Sent: Tuesday, September 20, 2016 10:09 AM
To: Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: Re: You guys watching?

Yes. Thanks.

From: Hartmann, Leanne (CFPB)
Sent: Tuesday, September 20, 2016 10:08 AM
To: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: You guys watching?

<http://www.banking.senate.gov/public/index.cfm/hearings?ID=B80F9B81-4331-4F95-91BC-718288EC9DA0>

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
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www.consumerfinance.gov

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From: [Wells, John \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: [PRESS]: CFPB News Summary for Friday, September 9, 2016
Date: Friday, September 09, 2016 10:09:33 AM

It's pretty extraordinary. The basic story really resonates.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: Ehrlich, Jeffrey (CFPB)
Sent: Friday, September 09, 2016 10:06 AM
To: Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: FW: [PRESS]: CFPB News Summary for Friday, September 9, 2016

I've never seen the clips so dominated by one story.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Van Dyke, Laura (CFPB)
Sent: Friday, September 09, 2016 9:49 AM
To: _DL_CFPB_AllHands
Subject: [PRESS]: CFPB News Summary for Friday, September 9, 2016

Mobile version and searchable archives available at cfpb.bulletinintelligence.com.

Consumer Financial Protection Bureau News Summary



An asterisk at the end of a headline signifies a CFPB mention.

TO: THE DIRECTOR AND SENIOR STAFF

DATE: FRIDAY, SEPTEMBER 9, 2016

TODAY'S TABLE OF CONTENTS

Banking

- [New York Times: Wells Fargo Fined For Years Of Harm To Customers*](#)
- [Washington Post: Wells Fargo Boots 5,300 Employees For Creating Accounts Its Customers Didn't Ask For*](#)
- [Wall Street Journal: Wells Fargo To Pay \\$185 Million Fine Over Account Openings](#)
- [Wall Street Journal: CFPB Levies Its Largest Fine Ever: \\$100 Million Against Wells Fargo*](#)
- [Los Angeles Times: Wells Fargo To Pay \\$185 Million To Settle Allegations Its Workers Opened Fake Accounts*](#)
- [Associated Press: Wells Fargo Fined \\$185M Over Creation Of Fake Accounts For Bonuses*](#)
- [Associated Press: Business Highlights*](#)
- [AFP: Wells Fargo To Pay \\$185mn Over Unauthorized Accounts*](#)
- [Reuters: Wells Fargo Settles Fraud Case With State, Federal Officials](#)

- [Reuters: UPDATE 1-Wells Fargo Will Pay \\$190 Mln To Settle Customer Fraud Case](#)
- [McClatchy: Wells Fargo Is Fined \\$185M For 'Widespread Illegal Practices' In Account Openings*](#)
- [UPI: Wells Fargo Fined \\$185M For Bonus Scam: 5,300 Employees Fired*](#)
- [USA Today: Wells Fargo Fined \\$185M Over Unauthorized Accounts*](#)
- [TIME: Wells Fargo Fined \\$185 Million For Creating Fake Accounts*](#)
- [CNN Money: 5,300 Wells Fargo Employees Fired Over 2 Million Phony Accounts*](#)
- [American Banker: Wells Fargo To Pay \\$187.5M For Wrongfully Opening Customer Accounts](#)
- [Fortune: Wells Fargo Has Been Fined \\$185M For Opening Unauthorized Accounts*](#)
- [ABC News: Wells Fargo Fires About 5,300 Workers In Unauthorized Account Scandal, Officials Say*](#)
- [NBC News: Wells Fargo Created Millions Of Unauthorized Accounts, Regulators Say](#)
- [NBC News: Wells Fargo Fined \\$185 Million On Phony Accounts, Fires 5,300 Staff*](#)
- [ABC: Wells Fargo Bank Account Fraud-Transcript.](#)
- [CBS: Wells Fargo Bank Account Fraud-Transcript.](#)
- [NBC: Wells Fargo Bank Account Fraud-Transcript.*](#)
- [CBS News: Wells Fargo Fined For Opening Millions Of Fake Accounts*](#)
- [NPR: Wells Fargo Ordered To Pay \\$185 Million Fine Over Unauthorized Accounts*](#)
- [PBS NewsHour: Wells Fargo Fined For Creating Fake Accounts, Other Illegal Practices*](#)
- [Bloomberg News: Wells Fargo Is Fined \\$185 Million Over Unapproved Accounts*](#)
- [Boston Globe: Well Fargo To Pay \\$185m Fine For Sham Accounts*](#)
- [NPR: Wells Fargo Fined \\$185 Million Over Creation Of Fake Accounts For Bonuses*](#)
- [Financial Times: Wells Fargo: Magic Tricks](#)
- [Financial Times: Wells Fargo Fined \\$185m Over Account Openings*](#)
- [Financial Times: Wells Fargo Hit With Record Fine Over Secret Accounts](#)
- [Mic: Wells Fargo Gets A Record-setting Fine For Roping Customers Into Fake Accounts*](#)
- [The Hill: Overnight Finance: Wells Fargo Fined \\$185M For Fake Accounts*](#)
- [The Hill: Wells Fargo Slapped With \\$185M Fine For Opening Unauthorized Accounts*](#)
- [BuzzFeed: Wells Fargo Pays Record Fine For "Widespread Illegal Practice" By Sales Staff*](#)
- [Consumerist: Wells Fargo On The Hook For \\$185 Million For Opening Unauthorized Accounts*](#)
- [Yahoo! Finance: Wells Fargo Fined \\$185 Million For Creating Fake Accounts*](#)
- [Money Talks News: Wells Fargo To Pay \\$190 Million For Illegally Opened Accounts*](#)
- [Consumer Reports: Wells Fargo On The Hook For \\$185 Million For Opening Unauthorized Accounts*](#)
- [Yahoo! News: Wells Fargo To Pay \\$190M After Creating Sham Accounts For Customers*](#)
- [Vanity Fair: Wells Fargo Fires 5,300 Employees For Opening Millions Of Phony Account*](#)
- [Inc. Magazine: Why Wells Fargo Fired 5,300 Employees \(Hint: Always Check Your Bank Statement\)*](#)
- [Slate: Wells Fargo To Pay \\$185 Million For Account-opening Scandal. That's Not Enough.*](#)
- [Los Angeles Business Journal: Wells Fargo Slapped With \\$50 Million Fines In L.A. Settlement*](#)
- [Birmingham \(AL\) Business Journal: No Word On Whether Wells Fargo Scandal Affected Birmingham Customers*](#)
- [St. Louis Business Journal: Regulators Hit Wells Fargo With \\$185 Million Fine, The Largest In Consumer Financial Protection Bureau History*](#)
- [BBC News \(UK\): US Bank Wells Fargo Fined \\$185m For Opening Illegal Accounts*](#)
- [New York Post: Feds Slap Wells Fargo With Record Fine Over Fake Accounts*](#)
- [ConsumerAffairs: Feds Fine Wells Fargo \\$100 Million For Secretly Opening Customer Accounts*](#)
- [Daily Caller: Wells Fargo Just Got Hit With The Biggest Fine In CFPB History*](#)
- [VIBE: Wells Fargo Fined \\$185 Million For Fake Accounts*](#)
- [Inquisitr: Wells Fargo Fires 5,300 Employees For Creating Millions Of Fake Accounts Using Customer's Names Without Consent](#)
- [Fusion: Wells Fargo Fined \\$185 Million For Sales Abuse*](#)
- [Bankrate: Wells Fargo To Pay \\$185 Million To Settle Allegations Against Employee Practices*](#)
- [Fiscal Times: Wells Fargo Hit With \\$185 Million Fine For Creating Sham Accounts*](#)
- [Complex Magazine \(UK\): Wells Fargo Fined \\$185M After Employees Open Millions Of Fake Accounts*](#)
- [Law360: CFPB Wells Fargo Fine A Red Flag On Pay, Sales Plans*](#)
- [WRC-TV Washington: Wells Fargo Fined \\$185M For Opening Millions Of Unauthorized Accounts*](#)
- [WUSA-TV Washington: Wells Fargo Fined \\$185M Over Unauthorized Accounts*](#)
- [KCAL-TV Los Angeles: Settlement Reached With Wells Fargo Over Unauthorized Accounts*](#)
- [Nerd Wallet: What Wells Fargo's \\$185 Million Settlement May Mean For You*](#)
- [Allentown \(PA\) Morning Call: Wells Fargo Fined For Employees 'Enriching' Themselves At Customers' Expense*](#)
- [Harrisburg \(PA\) Patriot-News: 'A Violation Of Trust': Thousands Of Wells Fargo Employees Created Fake Accounts At Customers' Expense*](#)
- [Pay Before: CFPB Levees Record \\$100 Million Fine On Wells Fargo*](#)
- [Clark County \(WA\) Columbian: Wells Fargo Fined For Unauthorized Accounts*](#)
- [Investopedia: Wells Fargo Draws \\$185M Fine For Fake Accounts \(WFC\)*](#)
- [Finance Magnates: U.S. Regulators Levies \\$185 Million Fine On Wells Fargo Over Fake Credit Cards*](#)
- [Telegraph \(UK\): Wells Fargo Fires 5,300 Employees Over 'Phony Account' Schemes That Led To \\$185 Million Fine*](#)
- [Brisbane \(AUS\) Times: Wells Fargo To Pay \\$240m For Unauthorised Accounts*](#)
- [Daily Intelligencer \(NY\): Wells Fargo Fined \\$185 Million For Screwing Customers*](#)
- [Sioux Falls \(SD\) Argus Leader: 5,300 Wells Fargo Workers Fired For Conduct; Local Impact Not Released*](#)
- [New Jersey Local News: Wells Fargo Fined \\$185M Over Fake Bank Accounts*](#)
- [Credit Union Times: CFPB Fines Wells Fargo \\$100 Million For Unauthorized Account Openings*](#)
- [Alabama Live: Wells Fargo Fires 5,300 For Illegally Opening Accounts, Credit Cards*](#)
- [Inland Valley \(CA\) Daily Bulletin: Wells Fargo To Pay \\$185 Million In Fines Over Unauthorized Accounts*](#)
- [Benzinga: Wells Fargo & Company \(NYSE:WFC\)*](#)
- [SC Magazine: Wells Fargo Bank Fined \\$185M, Fires 5,300 Staffers Over Fake Account Scam*](#)

- [CBC \(CAN\): Wells Fargo Fined \\$185M For Creating Unauthorized Accounts*](#)
- [Talking New Media: Wells Fargo Dinged \\$185 Million For Creating Fake Accounts. LA Times Investigation Began Case*](#)
- [Washington Examiner: Wells Fargo Fined \\$100 Million For Illegally Creating Accounts To Soak Customers*](#)
- [Atlanta Business Chronicle: Regulators Hit Wells Fargo With Record \\$185M Fine*](#)
- [Corporate Crime Reporter: CFPB Fines Wells Fargo \\$100 Million*](#)
- [Seeking Alpha: Wells Fargo To Pay \\$185M Over Shady Account Openings*](#)
- [SNL Financial: SNL: UPDATE: Regulators Fine Wells Fargo \\$185M For Secretly Opening Accounts*](#)
- [Palm Beach \(FL\) Post: Feds Order Wells Fargo To Pay \\$100 Million Fine For Shady Sales Practices \\$WFC*](#)
- [Huffington Post \(CAN\): Wells Fargo Fined For Opening MILLIONS Of Unauthorized Accounts*](#)
- [Atlanta Journal-Constitution: Wells Fargo Fined \\$185M: Things To Know*](#)
- [Charlotte \(NC\) Observer: Wells Fargo Fined \\$185M For 'widespread Illegal Practices' That Hurt Customers*](#)
- [International Business Times \(UK\): Wells Fargo Fined \\$185m For Creating Millions Of Fake Accounts*](#)
- [Daily Mail: Wells Fargo Is Fined Record-Breaking \\$190million And Fires 5,300 Staff After 'Widespread' Customer Fraud Scheme Is Uncovered](#)
- [Ars Technica: 5,300 Wells Fargo Employees Fired After 2 Million Fake Accounts Discovered*](#)
- [Finextra: Wells Fargo Fined \\$185m For Opening Millions Of Accounts Without Customers' Knowledge*](#)
- [The Guardian \(UK\): Wells Fargo To Pay \\$185m For Aggressive, Illegal Sales Tactics*](#)
- [Credit: Wells Fargo Fined \\$185 Million Over Fake Credit Card & Deposit Accounts*](#)
- [WLNE-TV Providence \(RI\): Wells Fargo Accused Of Fraudulent Practices*](#)
- [Bloomberg Business: Wells Fargo Opened A Couple Million Fake Accounts*](#)
- [Digital Look: Wells Fargo Fined \\$185m For Opening Fake Accounts*](#)
- [The Verge: Wells Fargo Fined \\$185 Million For Creating 2 Million Fake Bank Accounts*](#)
- [International Business Times: Wells Fargo Fined \\$185 Million For Creating Over 1 Million Fake Accounts*](#)
- [Housing Wire: CFPB Levies \\$100 Million Fine Against Wells Fargo*](#)
- [KESQ-TV Palm Springs \(CA\): Wells Fargo Hit With \\$185 Million In Fines*](#)
- [Washington Examiner: House Panel Schedules Vote On Dodd-Frank Replacement*](#)
- [Housing Wire: Congress Set To Consider Republican Plan To Abolish Dodd-Frank*](#)
- [American Banker: Banks Learn The Price Of 'Satisfactory' CRA Grades*](#)
- [The Hill: House Panel To Consider Dodd-Frank Replacement](#)
- [CNBC: Bank Of America's Moynihan: I'm Bullish On The US Consumer](#)
- [Bankrate: 7 Tips To Resolve Complaints Against Banks*](#)

Consumer Financial Protection Bureau

- [My Customer \(UK\): CFPB And Beyond: How Big Data Is Improving Customer Service*](#)
- [National Law Review: California Court Weighs In On "True Lender" Issue As CFPB Expands Its UDAAP Enforcement Authority*](#)
- [Huffington Post: A New Consumer Protection Agenda For Working Families*](#)

Consumer Credit

- [CNBC: Many Americans Still Struggle To Understand Card Agreements*](#)
- [ConsumerAffairs: Have You Ever Read Your Credit Card Agreement?*](#)
- [KDKA-TV Pittsburgh: Credit Card Agreements Too Long And Hard To Understand*](#)
- [CBS News: Credit Card Agreements Confusing Customers](#)
- [Wall Street Journal: Rise In July U.S. Consumer Credit Reflects Steady Household Spending](#)
- [Associated Press: Consumer Borrowing Grows By \\$17.7 Billion In July](#)
- [Business Insider: US Consumer Credit, July 2016](#)
- [CBS News: Count 'Em: 2 Simple Rules For Reducing Credit Card Debt](#)
- [Washington Post: How The Careless Errors Of Credit Reporting Agencies Are Ruining People's Lives*](#)
- [NASDAQ: 3 Important Money Lessons For Youths](#)
- [Bankrate: 5 Ways To Get The Most From Your Credit Cards](#)
- [Business Insider: How To Manage Debt](#)
- [Go Banking Rates: 10 Things You Should Never Put On A Credit Card](#)
- [U.S. News & World Report: How Your Age Matters: Questions Every Generation Asks A Financial Advisor](#)

Housing, Mortgages and Foreclosure

- [Mortgage Orb: New Mortgage Loan Defect Report Shows That TRID Is A Major Source Of Defects*](#)
- [South Bend \(IN\) Tribune: TRID Responsible For More Mortgage Defects*](#)
- [Inside Mortgage Finance: Title Agents Bash TRID Clarification Proposal, Real Estate Agents Love Getting Access To Docs](#)
- [Credit: Women Are Better Than Men At Paying Their Mortgages](#)

Older Americans

- [Business Insider: Confidence Gap Between Younger And Older Americans All-Time High](#)

Students

- [Consumer Reports: Student Loan Servicers Put Borrowers At Risk*](#)
- [Bloomberg News: What's Next For ITT Tech's Students And Their Half A Billion In Debt?*](#)
- [Nerd Wallet: How To Live On An Entry-Level Salary When You Have Student Loans](#)
- [Youngstown \(OH\) Vindicator: ITT Victims Deserve Help: Public Is Seeking Answers*](#)

Policy and Regulatory

- [NPR: House Republicans Divided Over Impeachment Of IRS Commissioner](#)
- [New York Times: Private Equity Tries To Chip Away At Dodd-Frank With House Bill](#)
- [New York Times: Regulators Seek Tighter Curbs On Investments By Big Banks](#)

The Big Picture

- [Headlines From Today's Front Pages.](#)

[Washington's Schedule](#)

- [Today's Events In Washington.](#)

Banking

New York Times: Wells Fargo Fined For Years Of Harm To Customers*

By Michael Corkery, New York (NY) Times

Credit cards issued secretly without a customer's consent. Bank employees creating fake email accounts to sign up customers for online banking services. Customers accumulating late fees on accounts they never even knew they had.

Those illegal banking practices were widespread and pervasive at Wells Fargo, which on Thursday was fined \$185 million, including a \$100 million penalty from the Consumer Financial Protection Bureau, the largest such penalty the agency has ever issued.

Federal banking regulators said the practices reflected serious flaws in the internal culture and oversight at Wells Fargo, one of the nation's largest banks.

<http://www.nytimes.com/2016/09/09/business/dealbook/wells-fargo-fined-for-years-of-harm-to-customers.html>

Washington Post: Wells Fargo Boots 5,300 Employees For Creating Accounts Its Customers Didn't Ask For*

By Renae Merle, Washington (DC) Post

Wells Fargo agreed to pay the largest fine ever collected by the federal government's new consumer protection agency after an investigation found its staff opened more than 2 million fake checking, credit card and other accounts for customers in order to meet sales targets and earn bonuses. The bank, one of the largest in the country, said it has fired 5,300 over the last five years for the conduct.

The case exposes a potential vulnerability in the nation's banking system that has gone largely unrecognized. Banks have spent millions in recent years strengthening their security systems to fight cybercriminals seeking customer data and hackers attempting to exploit weaknesses in the financial world's online tapestry. But the Wells Fargo scheme is striking because those accused included thousands of ordinary workers inside one of the country's largest banks.

Chasing "compensation incentives," employees went as far as to create phony email addresses to enroll existing customers in online-banking services and issued them debit cards they didn't request, government regulators alleged. Some even created fake personal identification numbers.

<https://www.washingtonpost.com/news/business/wp/2016/09/08/wells-fargo-fined-185-million-for-creating-accounts-its-customers-didnt-ask-for/>

Wall Street Journal: Wells Fargo To Pay \$185 Million Fine Over Account Openings

By Emily Glazer, Wall Street Journal

The Wall Street Journal reports Wells Fargo has been fined \$185 million for charges listed as widespread illegal practice in the account openings and other related fields.

<http://www.wsj.com/articles/wells-fargo-to-pay-185-million-fine-over-account-openings-1473352548>

Wall Street Journal: CFPB Levies Its Largest Fine Ever: \$100 Million Against Wells Fargo*

By Yuka Hayashi, Wall Street Journal

The Wall Street Journal reports the fine the CFPB has levied against Wells Fargo is the largest in the agency's history.

<http://www.wsj.com/articles/cfpb-levies-its-largest-fine-ever-100-million-against-wells-fargo-1473373739>

Los Angeles Times: Wells Fargo To Pay \$185 Million To Settle Allegations Its Workers Opened Fake Accounts*

By James Rufus Koren, Los Angeles (CA) Times

City and federal officials have reached a \$185-million settlement with Wells Fargo over allegations that the bank's employees, driven by strict sales quotas, regularly opened new accounts for customers without their knowledge.

The settlement, announced Thursday morning, calls for the San Francisco banking giant to pay \$100 million in penalties to the Consumer Financial Protection Bureau — the largest fine the federal agency has ever imposed — and \$35 million to the Office of the Comptroller of the Currency, another federal regulator.

It also will pay \$50 million in penalties to local officials and to compensate account holders for fees related to bogus accounts.

<http://www.latimes.com/la-fi-wells-fargo-settlement-20160907-snap-story.html>

Associated Press: Wells Fargo Fined \$185M Over Creation Of Fake Accounts For Bonuses*

By Ken Sweet, Associated Press

NEW YORK — California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago, \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

<http://www.startribune.com/business/392758801.html>

Associated Press: Business Highlights*

NEW YORK (AP) — California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

<http://www.chron.com/business/article/Business-Highlights-9211238.php>

AFP: Wells Fargo To Pay \$185mn Over Unauthorized Accounts*

By AFP

Retail and commercial banking giant Wells Fargo will pay more than \$185 million in fines after US regulators accused the bank of secretly opening accounts without customers' knowledge, officials said Thursday.

The Consumer Financial Protection Bureau said employees at Wells Fargo, the world's largest bank by market value, had illegally boosted sales figures by opening unauthorized deposit and credit accounts and then covertly funding them with customers' money, sometimes creating phony email addresses to enroll them.

This resulted in fees and other charges for customers and improperly helped bank employees meet sales targets and receive bonuses, according to the CFPB.

<http://www.dailymail.co.uk/wires/afp/article-3780260/Wells-Fargo-pay-185mn-unauthorized-accounts.html>

Reuters: Wells Fargo Settles Fraud Case With State, Federal Officials

By Reuters

Reuters reports Wells Fargo has agreed to pay \$185 million in fines and restitution to customers for "pushing customers into multiple, fee-generating accounts that they never requested."

<http://www.reuters.com/article/wells-fargo-settlement-idUSL1N1BK11F>

Reuters: UPDATE 1-Wells Fargo Will Pay \$190 Mln To Settle Customer Fraud Case

By Patrick Rucker And Dan Freed, Reuters

Reuters reports regulators have ordered Wells Fargo to pay "\$185 million in penalties and \$5 million to customers that regulators say were pushed into fee-generating accounts that they never requested."

<http://www.reuters.com/article/wells-fargo-settlement-idUSL1N1BK18U>

McClatchy: Wells Fargo Is Fined \$185M For 'Widespread Illegal Practices' In Account Openings*

By McClatchy

Wells Fargo will pay \$185 million to settle allegations of "widespread illegal practices" in which employees secretly opened accounts to meet sales targets and receive bonuses, federal regulators announced Thursday.

Employees for the San Francisco-based bank opened more than 2 million deposit and credit card accounts that may not have been authorized by consumers, the bank's own analysis shows, regulators said. The civil settlement is a black eye for a company that has long touted its employee culture and its ability to sell more products to its customer base.

Wells Fargo's violations resulted in the Consumer Financial Protection Bureau imposing a \$100 million fine, the regulator's largest penalty ever. Wells will also pay a \$35 million penalty to the U.S. Office of the Comptroller of the Currency, which regulates national banks, and another \$50 million to the City and County of Los Angeles, which had filed suit over the practices.

<http://www.sacbee.com/news/nation-world/national/article100670802.html#storylink=rss>

UPI: Wells Fargo Fined \$185M For Bonus Scam; 5,300 Employees Fired*

By Doug G. Ware, UPI

WASHINGTON, Sept. 8 (UPI) — Federal regulators on Thursday fined Wells Fargo Bank nearly \$200 million for a widespread scam run by some employees to open millions of bogus accounts to meet quotas and generate sales bonuses, officials said.

The federal Consumer Financial Protection Bureau announced the penalties against the bank after an investigation uncovered rampant illegal activity by thousands of employees.

According to regulators, employees at Wells Fargo opened more than 2 million fake deposit accounts in real customers' names and even transferred money in and out of them, without authorization, from those unsuspecting customers.

http://www.upi.com/Business_News/2016/09/08/Wells-Fargo-fined-185M-for-bonus-scam-5300-employees-fired/7961473355994/

USA Today: Wells Fargo Fined \$185M Over Unauthorized Accounts*

By Kevin McCoy, USA Today

Wells Fargo Bank, N.A., one of the nation's largest banks, has been with \$185 million in civil penalties for secretly opening millions of

unauthorized deposit and credit card accounts in a bid to boost its finances, federal and state officials said Thursday.

Employees of Wells Fargo (WFC) boosted sales figures by covertly opening the accounts and funding them by transferring money from customers' authorized accounts without permission, the Consumer Financial Protection Bureau, Office of the Comptroller of the Currency and Los Angeles officials said.

An analysis by the San Francisco-headquartered bank found that its employees opened more than two million deposit and credit card accounts that may not have been authorized by consumers, the officials said. Many of the transfers ran up fees or other charges for the customers.

<http://www.usatoday.com/story/money/2016/09/08/wells-fargo-fined-185m-over-unauthorized-accounts/90003212/>

TIME: Wells Fargo Fined \$185 Million For Creating Fake Accounts*

By TIME

(NEW YORK) — California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago; \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

<http://time.com/4484479/wells-fargo-fined-unauthorized-accounts/>

CNN Money: 5,300 Wells Fargo Employees Fired Over 2 Million Phony Accounts*

By Matt Egan, CNN Money

That's exactly what happened to Wells Fargo customers nationwide.

On Thursday, federal regulators said Wells Fargo employees secretly created millions of unauthorized bank and credit card accounts — without their customers knowing it — since 2011.

The phony accounts earned the bank unwarranted fees and allowed Wells Fargo employees to boost their sales figures and make more money.

<http://money.cnn.com/2016/09/08/investing/wells-fargo-created-phony-accounts-bank-fees/index.html>

American Banker: Wells Fargo To Pay \$187.5M For Wrongfully Opening Customer Accounts

By American Banker

American Banker reports Wells Fargo agreed to a settlement of \$187.5 million for claims it falsely opened customer bank and credit card accounts.

<http://www.americanbanker.com/news/law-regulation/wells-fargo-to-pay-1875m-for-illegally-opening-customer-accounts-1091175-1.html>

Fortune: Wells Fargo Has Been Fined \$185M For Opening Unauthorized Accounts*

By Fortune

Wells Fargo wfc has been ordered to pay \$185 million to settle charges that employees had fraudulently signed customers up for deposit and credit card accounts to hit sales targets and receive bonuses, according to regulators.

The Office of the Comptroller of the Currency, the Consumer Financial Protection Bureau (CFPB), and the Los Angeles City Attorney each announced settlements with Wells Fargo on Thursday. Los Angeles first filed a lawsuit against the bank in May 2015.

"Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed," bureau director Richard Cordray said in a statement.

<http://fortune.com/2016/09/08/wells-fargo-credit-card/>

ABC News: Wells Fargo Fires About 5,300 Workers In Unauthorized Account Scandal, Officials Say*

By ABC News

Wells Fargo has fired about 5,300 workers after an investigation found that "hundreds of thousands of unauthorized deposit accounts" had been opened on behalf of customers as well as "tens of thousands of credit cards" without consent, according to the Los Angeles City Attorney's office.

The bank was slapped with \$185 million in fines and civil penalties by city, county and federal authorities.

The Consumer Financial Protection Bureau, a federal agency created in the wake of the financial crisis last decade, estimates that more than 1.5 million deposit accounts may not have been authorized.

<http://abcnews.go.com/US/wells-fargo-fires-5300-workers-unauthorized-account-scandal/story?id=41956019>

NBC News: Wells Fargo Created Millions Of Unauthorized Accounts, Regulators Say

By NBC News

Wells Fargo Created Millions Of Unauthorized Accounts, Regulators Say

<http://www.nbcnews.com/nightly-news/video/wells-fargo-created-millions-of-unauthorized-accounts-regulators-say-760819267562>

NBC News: Wells Fargo Fined \$185 Million On Phony Accounts, Fires 5,300 Staff*

By NBC News


California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

A staggering 5,300 employees at Wells Fargo were fired in connection with this behavior, according to the Los Angeles City Attorney's office.


The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago; \$35 million to the Office of the Comptroller of the Currency, and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

<http://www.nbcnews.com/business/business-news/wells-fargo-fined-185-million-improper-account-openings-n645031>


ABC: Wells Fargo Bank Account Fraud-Transcript.

[ABC World News Tonight](#)  reported, "This evening, thousands of employees at the nation's largest bank are accused of using customers' information to open up new bank accounts for millions of Americans without you even knowing. And putting some of the customers' money into new accounts, and then allegedly charging overdraft fees for the initial account. Well, tonight here, a landmark fine, \$185 million, and Rebecca Jarvis is tracking your money." ABC (Jarvis) added, "Tonight, Wells Fargo under fire. Thousands of employees at the bank accused of secretly using customer information and illegally opening more than two million savings and credit card accounts. To meet sales goals, bankers at branches across the country would temporarily siphon money from real bank accounts into those secret accounts, keeping customers in the dark. Even creating phony email addresses and fake PINs to cover their tracks. Customers, who had no idea the money was gone, were then charged overdraft fees. Wells Fargo firing 5,300 employees in connection with the widespread, illegal scheme that spans at least five years. Telling ABC News, 'While we regret every interaction that was not handled properly, the number of instances and team members involved represent a very small portion of our business.'" Muir: "Wow, this is still stunning. Rebecca with us now. And how do customers get their money back if they were overcharged?" Jarvis: "David, Wells Fargo expects to pay back as much as \$5 million to customers, and they say it will automatically go back in your account if you were affected by this scam." Muir: "All right, Rebecca Jarvis on your money tonight. Rebecca, thanks."

CBS: Wells Fargo Bank Account Fraud-Transcript.

The [CBS Evening News](#)  reported, "Well it was clear today that one bank's employees were committing fraud on an astonishing scale. More than 5,000 employees at Wells Fargo have been fired for opening unauthorized accounts that the customers knew nothing about — 1.5 million bogus checking accounts, about half a million credit cards in the names of real customers. It was a scheme to win bonuses for drumming up business. Wells Fargo was fined \$185 million today."

NBC: Wells Fargo Bank Account Fraud-Transcript.*

[NBC Nightly News](#)  reported, "Good evening. Wells Fargo, one of the nation's largest banks, is in serious trouble tonight, admitting that for years it signed up customers for credit cards and online banking services without their knowledge, even creating fake email addresses for enrollment. The company says it has fired thousands of employees who were involved in the scheme, but its admission raises worrisome questions about the bank's culture. Tonight, regulators are hitting Wells Fargo with massive fines. Tom Costello starts us off with what customers should know." NBC (Costello) added, "It was fraud on a scale that matched the size and influence of the world's largest bank. Wells Fargo employees opened roughly one and a half million bank accounts and applied for more than half a million credit cards that in many cases the customers never requested or agreed to. Thousands of employees were in on it, motivated, say regulators, by promises of higher compensation for generating new business." Richard Cordray, Consumer Financial Protection Bureau: "Money might be moved from your accounts into some of these accounts without your knowledge. That might have cost you fees, late fees, rewards fees, overdraft charges and the like." Costello: "Now Wells Fargo has been hit with \$185 million in total fines, including the biggest ever by the Consumer Financial Protection Bureau. It was the city of Los Angeles that originally sued Wells Fargo. Now, Wells is paying LA \$50 million in fines." Mike Feuer, Los Angeles City Attorney: "If I were a consumer in this case, I would be outraged if my bank opened an account for me using my personal data and never told me." Costello: "Today, Wells Fargo told NBC News it has fired 5,300 employees over the past five years. In a statement saying, 'We regret and take responsibility for any instances where customers may have received a product that they did not request.' The takeaway for all bank customers?" Sue Herera, CNBC: "Regardless of where you bank, Wells Fargo or any other bank, you need to really monitor your bank account, watch for unauthorized transfers and unauthorized withdrawals from your account, or payments that you have not authorized." Costello: "Tonight, Wells tells me it will refund an average of \$25 to every affected customer. It says it's already identified those people and will put that money automatically in their account, no action required. We asked Wells Fargo, do they have a problem with ethics or training at their bank? They insist no, but they concede some managers were among the employees fired. Lester?" Holt: "All right, Tom Costello. Tom, thank you."

CBS News: Wells Fargo Fined For Opening Millions Of Fake Accounts*

By Kathy Kristof, CBS News

Wells Fargo (WFC) has long touted its commitment to customers, with CEO John Stumpf noting a few years ago that it wants people to "see us as trusted financial advisers." But that reputation could be in jeopardy given the bank's recent financial penalties for abusive business practices.

On Thursday, Wells was hit with a record fine for covertly opening some 2 million unauthorized customer credit card and deposit accounts, draining real accounts to fund them, and charging fees for services the customers didn't request.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," said Richard Cordray,

Director of the Consumer Financial Protection Bureau. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed."

<http://www.cbsnews.com/news/wells-fargo-pays-record-fine-for-customer-abuse/>

NPR: Wells Fargo Ordered To Pay \$185 Million Fine Over Unauthorized Accounts*

By NPR

Wells Fargo will pay \$185 million in penalties following accusations the bank opened deposit accounts and credit cards for customers without their permission. The Consumer Financial Protection Bureau says bank employees opened more than 2 million accounts that may not have been authorized. The motive, according to regulator, was to hit sales targets and compensation incentives.

<http://www.npr.org/2016/09/08/493157959/wells-fargo-ordered-to-pay-185-million-fine-over-unauthorized-accounts>

PBS NewsHour: Wells Fargo Fined For Creating Fake Accounts, Other Illegal Practices*

By Kristen Doerer, PBS NewsHour

The Consumer Financial Protection Bureau fined Wells Fargo \$100 million for illegal banking practices on Thursday.

Another \$85 million will be paid to California and federal regulators, according to the Charlotte Observer.

Since 2011, Wells Fargo employees have created bank and credit card accounts without customers' consent.

<http://www.pbs.org/newshour/rundown/wells-fargo-fined-creating-fake-accounts-illegal-practices/>

Bloomberg News: Wells Fargo Is Fined \$185 Million Over Unapproved Accounts*

By Jesse Hamilton, Bloomberg News

Wells Fargo & Co. will pay \$185 million to resolve claims that bank employees opened deposit and credit-card accounts without customers' approval to satisfy sales goals and earn financial rewards, U.S. regulators said.

The lender opened more than 2 million accounts that consumers may not have known about, the Consumer Financial Protection Bureau said in a statement Thursday. Wells Fargo, which fired 5,300 employees over the improper sales practices, agreed to pay a \$100 million fine to the CFPB, \$35 million to the Office of the Comptroller of the Currency and \$50 million to the Los Angeles city attorney to settle the matter. The San Francisco-based bank also will compensate customers who incurred fees or charges, the agencies said.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," CFPB Director Richard Cordray said in his agency's statement. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed."

<http://www.bloomberg.com/news/articles/2016-09-08/wells-fargo-fined-185-million-over-unwanted-customer-accounts>

Boston Globe: Well Fargo To Pay \$185m Fine For Sham Accounts*

By Michael Corkery, Boston (MA) Globe

NEW YORK — For years, Wells Fargo employees secretly issued credit cards without a customer's consent. They created fake e-mail accounts to sign up customers for online banking services. They set up sham accounts that customers learned about only after they started accumulating fees.

On Thursday, these illegal banking practices cost Wells Fargo \$185 million in fines, including a \$100 million penalty from the Consumer Financial Protection Bureau, the largest such penalty the agency has issued.

Federal banking regulators said the practices, which date to 2011, reflected serious flaws in the internal culture and oversight at Wells Fargo, one of the nation's largest banks. The bank has fired at least 5,300 employees who were involved.

<http://www.bostonglobe.com/business/2016/09/08/wells-fargo-fined-for-years-harm-customers/7pKVBUtVCN1y6GoLaXSsM/story.html>

NPR: Wells Fargo Fined \$185 Million Over Creation Of Fake Accounts For Bonuses*

By NPR

Wells Fargo Bank has been ordered to pay \$185 million in fines and penalties to settle what the Consumer Financial Protection Bureau calls "the widespread illegal practice of secretly opening unauthorized deposit and credit card accounts."

Thousands of Wells Fargo employees opened the accounts in secret so they would get bonuses for hitting their sales targets, according to investigators. More than 2 million deposit and credit card accounts may have been created without customer authorization.

The bank must pay \$100 million to the CFPB — the largest fine ever levied by the federal consumer watchdog. It also will pay \$50 million to the City and County of Los Angeles, along with a \$35 million penalty to the Office of the Comptroller of the Currency.

<http://www.npr.org/sections/thetwo-way/2016/09/08/493130449/wells-fargo-to-pay-around-190-million-over-fake-accounts-that-sparked-bonuses>

Financial Times: Wells Fargo: Magic Tricks

By Financial Times

The Financial Times reports Wells Fargo has fired 5,300 employees following a fine from government regulators.

<http://www.ft.com/cms/s/047cfb84-75fb-11e6-b60a-de4532d5ea35.html>

Financial Times: Wells Fargo Fined \$185m Over Account Openings*

By Alistair Gray, Financial Times

The Financial Times reports the CFPB has implemented its largest fine yet on Wells Fargo.

<http://www.ft.com/fastft/2016/09/08/wells-fargo-fined-185m-over-account-openings/>

Financial Times: Wells Fargo Hit With Record Fine Over Secret Accounts

By Alistair Gray, Financial Times

The Financial Times reports Wells Fargo has been fined for opening customer accounts without approval.

<http://www.ft.com/cms/s/b665e862-75c7-11e6-b60a-de4532d5ea35.html>

Mic: Wells Fargo Gets A Record-setting Fine For Roping Customers Into Fake Accounts*

By James Dennin, Mic

Wells Fargo, the largest bank in the world in terms of market capitalization, was just handed the largest fine in the history of the Consumer Financial Protection Bureau, a government watchdog set up in the wake of the 2008-09 financial crisis, according to a statement from the CFPB.

According to the CFPB, Wells Fargo employees illegally opened up accounts on behalf of clients without their knowledge in order to meet sales targets.

At \$100 million, it's the agency's largest fine ever, CFPB President Richard Cordray said in a prepared statement, and Wells Fargo has other liabilities as well.

<https://mic.com/articles/153743/the-consumer-financial-protection-bureau-just-handed-wells-fargo-its-biggest-fine-ever>

The Hill: Overnight Finance: Wells Fargo Fined \$185M For Fake Accounts*

By Sylvan Lane, The Hill

Wells Fargo slapped with \$185M fine for opening unauthorized accounts: Thousands of Wells Fargo employees secretly opened deposit and credit card accounts to boost their sales numbers, racking up millions in fees and other charges for consumers, a regulator said Thursday.

The Consumer Financial Protection Bureau (CFPB) fined Wells Fargo \$185 million, including a \$100 million penalty the bank will pay to the CFPB's Civil Penalty Fund – the largest fine ever levied by the regulator.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," said CFPB Director Richard Cordray.

<http://thehill.com/policy/finance/overnights/295108-overnight-finance-wells-fargo-fined-185m-for-fake-accounts-warren>

The Hill: Wells Fargo Slapped With \$185M Fine For Opening Unauthorized Accounts*

By Vicki Needham, The Hill

Thousands of Wells Fargo employees secretly opened deposit and credit card accounts to boost their sales numbers, racking up millions in fees and other charges for consumers, a regulator said Thursday.

The Consumer Financial Protection Bureau (CFPB) fined Wells Fargo \$185 million, including a \$100 million penalty the bank will pay to the CFPB's Civil Penalty Fund – the largest fine ever levied by the regulator.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," said CFPB Director Richard Cordray.

<http://thehill.com/policy/finance/295060-wells-fargo-slapped-with-185-million-fine-for-opening-unauthorized-accounts>

BuzzFeed: Wells Fargo Pays Record Fine For "Widespread Illegal Practice" By Sales Staff*

By Matthew Zeitlin, BuzzFeed

Wells Fargo will pay \$185 million in penalties after admitting its employees set up unauthorized credit and debit accounts for customers, even on occasion transferring money between the accounts without the customer's knowledge and permission.

Of the \$185 million to be paid to regulators and local authorities, \$100 million will go to the Consumer Financial Protection Bureau — the largest such fine ever levied by the CFPB.

Bank employees opened over 1.5 million accounts "that may not have been authorized and that may have been funded through simulated funding or transferring funds from consumers' existing accounts without their knowledge or consent," according to data collected by a consultancy hired by the bank.

<https://www.buzzfeed.com/matthewzeitlin/wells-fargo-pays-record-fine-for-widespread-illegal-practice>

Consumerist: Wells Fargo On The Hook For \$185 Million For Opening Unauthorized Accounts*

By Consumerist

More than a year after the city of Los Angeles sued Wells Fargo for alleged customer account abuses, including pushing employees into opening unauthorized accounts to make sales quotas, the banking giant has been ordered to pay more than \$185 million in refunds and penalties.

The Consumer Financial Protection Bureau, along with the Office of the Comptroller of the Currency and the Los Angeles city attorney, announced the joint enforcement action Thursday, putting an end to the years-long probe into Wells Fargo's practices involving cross-selling products to customers – for example, coaxing a checking account holder to open a credit card.

The consent order [PDF] notes that, since Jan. 2011, Wells Fargo employees regularly misused customers' personal information, opening nearly two million unwanted accounts and failing to close the unauthorized accounts despite complaints from customers.

<https://consumerist.com/2016/09/08/wells-fargo-on-the-hook-for-185-million-for-opening-unauthorized-accounts/>

Yahoo! Finance: Wells Fargo Fined \$185 Million For Creating Fake Accounts*

By Yahoo! Finance

The Consumer Financial Protection Bureau announced on Thursday that it was fining Wells Fargo \$100 million for secretly opening up bank and credit card accounts for customers without their authorization, apparently all because employees were trying to reach aggressive sales goals set by the bank.

"Spurred by sales targets and compensation incentives, employees boosted sales figures by covertly opening accounts and funding them by transferring funds from consumers' authorized accounts without their knowledge or consent, often racking up fees or other charges," a CFPB press release explained.

In addition to the \$100 million fine, Wells Fargo will pay \$50 million to the city and county of Los Angeles, and another \$35 million penalty to the Office of the Comptroller of the Currency.

<http://finance.yahoo.com/news/wells-fargo-fined-185-million-181314711.html>

Money Talks News: Wells Fargo To Pay \$190 Million For Illegally Opened Accounts*

By Money Talks News

Wells Fargo Bank must shell out \$190 million to settle claims over what federal regulators are calling a "widespread illegal practice." Federal authorities say bank employees' secretly opened unauthorized deposit and credit card accounts to meet Wells Fargo sales targets and earn financial incentives.

According to the Consumer Financial Protection Bureau, thousands of Wells Fargo workers opened more than 2 million accounts without customer knowledge or consent, leaving the unsuspecting account holder on the hook for fees and other charges associated with the new accounts.

The Wells Fargo bank workers allegedly opened the new accounts in an effort to meet sales targets and earn bonus money.

<http://finance.yahoo.com/news/wells-fargo-pay-190-million-062947573.html>

Consumer Reports: Wells Fargo On The Hook For \$185 Million For Opening Unauthorized Accounts*

By Consumer Reports

More than a year after the city of Los Angeles sued Wells Fargo for alleged customer account abuses, including pushing employees into opening unauthorized accounts to make sales quotas, the banking giant has been ordered to pay more than \$185 million in refunds and penalties.

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The consent order [PDF] notes that, since Jan. 2011, Wells Fargo employees regularly misused customers' personal information, opening nearly two million unwanted accounts and failing to close the unauthorized accounts despite complaints from customers.

<http://finance.yahoo.com/news/wells-fargo-hook-185-million-212540617.html>

Yahoo! News: Wells Fargo To Pay \$190M After Creating Sham Accounts For Customers*

By Yahoo! News

Wells Fargo will pay \$185 million in penalties and \$5 million to customers after the bank's employees allegedly opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals. The Consumer Financial Protection Bureau will receive \$100 million of the total penalties — the largest fine ever levied by the agency, which was conceived after the 2008 financial crisis.

Today's action should serve notice to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences. CFPB Director Richard Cordray

In a complaint filed in May 2015, California prosecutors alleged that Wells Fargo opened some 2 million bank and credit card accounts that may have not been authorized by customers and later generated fees. In some cases, they even created fake email addresses to sign up customers for online banking services. Wells Fargo's aggressive sales tactics were first disclosed by the Los Angeles Times in an investigation in 2013. Bank employees were told that the average customer tapped six financial tools but that they should push households to use eight products, according to the complaint, which was filed after the story ran. After the deal this week, the bank also took some late action, adding language to qualify its so-called "cross sale ratio," which is the number of products the bank sells to each of its individual customers.

<https://www.yahoo.com/digest/20160908/wells-fargo-pay-190m-creating-sham-accounts-customers-10753027>

Vanity Fair: Wells Fargo Fires 5,300 Employees For Opening Millions Of Phony Account*

By Emily Jane Fox, Vanity Fair

Wells Fargo is paying up and laying off thousands of workers after it reached an agreement to settle allegations that, for years, its employees extracted millions in fees by regularly opening new accounts for customers without their knowledge.

Under the agreement, announced Thursday by the Consumer Financial Protection Bureau, Wells Fargo will pay a total of \$185 million: a \$100 million fine to the C.F.P.B.'s Civil Penalty Fund, \$35 million the Office of the Comptroller of the Currency, and an additional \$50 million to the City and County of Los Angeles. Richard Cordray, the bureau's director, called it the "largest penalty the C.F.P.B. has ever imposed" because of "the severity of these violations."

Federal regulators say that scheme, which allegedly began in 2011, involved Wells Fargo employees secretly creating millions of unauthorized credit-card and bank accounts, without customer consent. Incentivized by rigorous sales quotas and compensation, employees transferred money from existing customer accounts to surreptitiously opened new accounts, the C.F.P.B. explained in its

statement. Unaware that their balances had changed, customers were then charged overdraft fees or penalties for insufficient funds.

<http://www.vanityfair.com/news/2016/09/wells-fargo-fine>

Inc. Magazine: Why Wells Fargo Fired 5,300 Employees (Hint: Always Check Your Bank Statement)*

By Minda Zetlin, Inc. Magazine

It's like a scene out of the latest Wall Street-bashing Hollywood blockbuster. One of the most respected financial institutions in the United States, and the third largest bank in the world, just admitted to fleecing its customers on such a massive scale that at least 5,300 employees were involved in the scam which went on unabated for at least five years.

Wells Fargo has just been fined a record \$185 million by federal and California state regulators for widespread fraud, in which bank employees opened extra accounts for customers without their permission and signed them up for credit cards they didn't want. To keep customers from catching on, bank employees routinely created false email addresses for customers where notices about these unwanted accounts were sent. As a result, customers were hit with late fees on credit cards they didn't know they had, and overdraft fees because money in a legitimate account had been transferred to an unauthorized one. In all, Wells Fargo employees opened more than 2 million unauthorized bank and credit card accounts. The bank says it has fired 5,300 employees over their involvement in this widespread fraud.

It's a shocking story, but there are a few lessons smart leaders can draw from it: 1. Sales incentives can do more harm than good.

<http://www.inc.com/minda-zetlin/why-wells-fargo-fired-5300-employees-hint-always-check-your-bank-statement.html>

Slate: Wells Fargo To Pay \$185 Million For Account-opening Scandal. That's Not Enough.*

By Slate

Federal and California state authorities slammed Wells Fargo with \$185 million in fines on Thursday, after multiple investigations revealed employees of the bank had opened up millions of checking accounts and credit cards without the permission of their customers. As of result of that behavior, the company said it has fired more than 5,000 employees, or 1 percent of its workforce. As far as we know, none of those fired employees come from the C-suite.

Even if bank executives did not personally sign up customers for the fraudulent accounts, they bear as much—if not more—responsibility as the low-level employees who got caught holding the bag.

Wells Fargo's woes originate in a practice called cross-selling. That's when salespeople are urged to encourage existing bank customers to use multiple bank products. The practice has long been around, but many financial services firms got more aggressive about it after 2008, as a combination of regulatory changes and the low-interest rate environment put pressure on their bottom lines.

http://www.slate.com/blogs/moneybox/2016/09/08/wells_fargo_to_pay_185_million_for_account_opening_scandal_that_s_not_enough.html

Los Angeles Business Journal: Wells Fargo Slapped With \$50 Million Fines In L.A. Settlement*

By Hayley Fox, Los Angeles (CA) Business Journal

The L.A. City Attorney announced a record-breaking settlement on Thursday in which Wells Fargo Bank was ordered to pay customer restitution and \$50 million in civil penalties for opening unauthorized customer accounts.

This agreement is the result of a 2015 lawsuit filed against the bank, in which Wells Fargo is accused of not only starting accounts without customer consent, but failing to notify customers that these accounts had been opened, and causing "negative financial consequences" to customers, including unwanted fees.

"We're holding Wells Fargo accountable and assuring the violations we've alleged never happen in the future," said L.A. City Attorney Mike Feuer in a statement. "This extraordinary resolution sends a strong message – to big banks and consumers alike – that we'll be vigilant in protecting consumer rights."

<http://www.labusinessjournal.com/news/2016/sep/08/wells-fargo-slapped-50-million-fines-l-settlement/>

Birmingham (AL) Business Journal: No Word On Whether Wells Fargo Scandal Affected Birmingham Customers*

By Michael Seale, Birmingham (AL) Business Journal

The financial services industry took a huge hit with the announcement from the Consumer Financial Protection Bureau that Wells Fargo employees had secretly created millions of unauthorized bank and credit card accounts – without their customers knowing it – since 2011. The banking giant, which currently holds the third highest market share in Birmingham, was fined \$185 million by regulators, and 5,200 employees were fired. Thus far, the bank has not reported whether or not any of the 1.5 million fraudulent accounts or terminated employees have ties to the Birmingham metro area. "We do not have a geographic breakdown for these announcements," said Crystal Drake, the bank's regional communications manager for the southeast. "With respect to the terminations, it is important to understand the context, the 5 year period involved and the size of our workforce. The actions we have taken with respect to team members and managers reflect our commitment to monitoring and addressing any inappropriate sales conduct." She added, "On an annual basis, more than 100,000 team members worked in our stores, and the number terminated represents about one percent of this workforce over the five year period. While we regret every interaction that was not handled properly, the number of instances and team members involved represent a very small portion of our business." The effect the scandal will have on the bank or its local presence in the Birmingham area is still unknown. However, banking analyst Matt Schultz from Creditcards.com said it sends out a warning signal to consumers. "This is just further proof of how important it is to always, always check your credit report," Schultz said. "That's really the best way to know if someone has created an account in your name without you knowing about it."

<http://www.bizjournals.com/birmingham/news/2016/09/08/no-word-on-whether-wells-fargo-scandal-affected.html>

St. Louis Business Journal: Regulators Hit Wells Fargo With \$185 Million Fine, The Largest In Consumer Financial Protection Bureau History*

By Jeff Blumenthal, St. Louis (MO) Business Journal

The Consumer Financial Protection Bureau handed San Francisco-based Wells Fargo & Co. its largest fine to date after determining that employees of the bank created unauthorized deposit and credit-card accounts across the country in order to collect financial bonuses for themselves. The CFPB itself is levying a fine of \$100 million against Wells Fargo, although the bank will end up paying \$185 million in fines when factoring in the joint action from the Los Angeles City Attorney's office (\$50 million fine) and the Office of the Comptroller of the Currency (\$35 million). The penalty will be paid to the U.S. Treasury. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed," CFPB Director Richard Cordray said in a statement. "Today's action should serve notice to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences."

Regulators said Wells Fargo (NYSE: WFC) opened roughly 1.5 million deposit accounts and 565,000 credit-card accounts that may not have been authorized by consumers. The CFPB also said bank employees requested and issued debit cards without consumers' knowledge or consent, even creating PIN numbers without telling its customers.

Financially harmed customers are eligible for restitution. The OCC order requires Wells Fargo to take corrective action to establish an enterprise-wide sales practices risk management and oversight program to detect and prevent unsafe or unsound sales practices. In a statement, Wells Fargo said: "We regret and take responsibility for any instances where customers may have received a product that they did not request."

<http://www.bizjournals.com/stlouis/news/2016/09/08/wfc-wells-fargo-cfpb.html>

BBC News (UK): US Bank Wells Fargo Fined \$185m For Opening Illegal Accounts*

By BBC News

The US' biggest bank Wells Fargo has been fined \$185m for illegally opening accounts to boost sales targets.

The cash will go to regulators while the bank will also hand back \$5m to customers.

The regulator accused it of "widespread illegal practice" around account openings, sales targets and compensation incentives.

<http://www.bbc.com/news/business-37312720>

New York Post: Feds Slap Wells Fargo With Record Fine Over Fake Accounts*

By New York Post

NEW YORK — California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago; \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

<http://nypost.com/2016/09/08/feds-slap-wells-fargo-with-record-fine-over-fake-accounts/>

ConsumerAffairs: Feds Fine Wells Fargo \$100 Million For Secretly Opening Customer Accounts*

By ConsumerAffairs

Wells Fargo Bank is being fined \$100 million because its employees secretly opened unauthorized accounts for bank customers. The Consumer Financial Protection Bureau said the bank employees, driven by sales incentives, opened more than two million unauthorized deposit and credit card accounts.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," said CFPB Director Richard Cordray. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed. Today's action should serve notice to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences."

Wells Fargo has agreed to pay full restitution to all victims, as well as the \$100 million fine. It will pay another \$35 million to the Office of the Comptroller of the Currency and another \$50 million to the City and County of Los Angeles.

<https://www.consumeraffairs.com/news/feds-fine-wells-fargo-100-million-for-secretly-opening-customer-accounts-090816.html>

Daily Caller: Wells Fargo Just Got Hit With The Biggest Fine In CFPB History*

By Robert Donachie, Daily Caller

The government has fined Wells Fargo \$185 million for issuing hundreds of thousands of credit cards to customers without their knowledge and opening more than a million bank accounts without their consent.

The Consumer Financial Protection Bureau slapped the bank with the fine — the largest it has ever levied — after finding these practices were rampant throughout Wells Fargo since 2011, reports The New York Times.

Wells Fargo employees issued 565,000 lines of credit and opened 1.5 million bank accounts for customers without their consent, and sometimes created false email addresses to sign them up for banking services in order to pad their numbers. Some 14,000 of those credit accounts accrued over \$400,000 in fees, reports CNN Money, and the bank has promised to pay more than \$2 million back in fees customers were fraudulently charged.

VIBE: Wells Fargo Fined \$185 Million For Fake Accounts*

By Desire Thompson, VIBE

Wells Fargo is preparing to roll out a huge apology tour after an investigation uncovered 5,300 employees were the source of over 2 million fake accounts.

CNN Money reports a Los Angeles-based lawsuit from 2013 raised a red flag when a customer claimed they were targeted for unpaid credit cards they didn't sign up for. One by one more customers came forward, sparking an investigation by the Consumer Financial Protection Bureau and the Office of the Comptroller of the Currency. Discovered between 2011 and 2015 were millions of unauthorized bank and credit card accounts. It also showed employees transferred money from customer's accounts into fake ones, issued over 500,000 unauthorized credit card accounts and created fake email addresses to set up online banking. The investigation also showed 14,000 of accounts created were exposed to \$400,000 in annual fees and overdraft charges.

In a statement, Richard Cordray of the CFPB concluded that employees created the accounts in hopes of bonuses and other rewards. "Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," the statement read. "It reflects the severity of these violations, the breadth of the unfair and abusive practices and how seriously we take them. We found this conduct to be quite surprising."

<http://www.vibe.com/2016/09/wells-fargo-fined-185-million-for-fraudulent-accounts/>

Inquisitr: Wells Fargo Fires 5,300 Employees For Creating Millions Of Fake Accounts Using Customer's Names Without Consent

By Patricia Ramirez, Inquisitr

Wells Fargo customers across America have a reason to be concerned today. It was announced on Thursday that, over the course of at least the last few years, Wells Fargo employees had been creating fake bank accounts and credit card accounts using the names and personal information of Wells Fargo customers. The fake bank accounts were created without the knowledge or consent of the Wells Fargo customers in question, reports CNN, and since 2011, over 5,300 Wells Fargo employees have been fired for creating fraudulent bank accounts.

Reportedly, the reason that the Wells Fargo employees created the fake accounts in their customer's names was to ensure that they met their sales goals and received lucrative bonuses. They reportedly funded the phony accounts with money that they transferred from the existing accounts of customers. What's worse, the customers in question would often lose money themselves as they were charged bank fees on accounts that they didn't authorize and didn't even know about.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses."

<http://www.inquisitr.com/3494024/wells-fargo-fires-5300-employees-for-creating-millions-of-fake-accounts-using-customers-names-without-consent-video/>

Fusion: Wells Fargo Fined \$185 Million For Sales Abuse*

By Fusion

If you're a Wells Fargo bank customer, you might have had a bank account or credit card in your name that you never knew existed until the fines began to rack up.

For that and other supremely shady sales practices, Wells Fargo has agreed to pay a \$185 million fine and fired more than 5,300 employees — roughly 1% of its entire workforce.

The Consumer Financial Protection Bureau announced the settlement, saying that Wells Fargo employees had regularly signed customers up for services without their consent or knowledge in order to hit sales numbers and receive bonuses.

<http://fusion.net/story/345423/wells-fargo-fake-accounts-fine/>

Bankrate: Wells Fargo To Pay \$185 Million To Settle Allegations Against Employee Practices*

By Bankrate

Everyone who has visited a bank branch in recent years has probably experienced bank personnel trying to upsell them on other services.

"You want to make a withdrawal from your checking account? That's great. How about a credit card?"

But sometimes bank upselling can go horribly wrong, as it did for Frank Ahn, a small business owner in Venice Beach, California, who eventually ended up with 20 Wells Fargo accounts due to practices of Wells Fargo staff.

http://www.bankrate.com/finance/banking/wells-fargo-to-pay-185-million-to-settle-allegations.aspx?ic_id=Top_Financial%20News%20Center_link_1

Fiscal Times: Wells Fargo Hit With \$185 Million Fine For Creating Sham Accounts*

By Janna Herron, Fiscal Times

Wells Fargo will pay \$185 million in fines for the widespread practice of opening credit card and bank accounts under customers' names without their approval.

The Consumer Financial Protection Bureau said thousands of employees of the bank enrolled consumers in unauthorized accounts, sometimes transferring funds without customer permission, to hit sales targets and receive bonuses for opening new accounts.

Bank employees opened 1.5 million deposit accounts, applied for 565,000 credit cards and issued an undisclosed number of debit cards, all without authorization from customers. Some employees used fake email addresses to enroll customers in online-banking services

without consent.

<http://www.thefiscaltimes.com/2016/09/08/Wells-Fargo-Hit-185-Million-Fine-Creating-Sham-Accounts>

Complex Magazine (UK): Wells Fargo Fined \$185M After Employees Open Millions Of Fake Accounts*

By Debbie Encalada, Complex Magazine (UK)

Wells Fargo is being forced to pay \$185 million in fines after employees created over two million fake accounts, the Consumer Financial Protection Bureau said. The accounts date back as far as 2011.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," director of the Consumer Financial Protection Bureau Richard Cordray said in a press release Thursday. To meet sales numbers, employees opened deposit accounts while transferring money from existing accounts to fund them. They also applied for credit cards, issued debit cards, and enrolled customers in online banking with fake email addresses.

The CFPB reported Wells Fargo employees opened an astounding 1.5 million deposit accounts. "Employees then transferred funds from consumers' authorized accounts to temporarily fund the new, unauthorized accounts," wrote the CFPB. "This widespread practice gave the employees credit for opening the new accounts, allowing them to earn additional compensation and to meet the bank's sales goals." Because money was removed from customers accounts they were charged for overdraft fees or fees for insufficient funds.

<http://www.complex.com/life/2016/09/wells-fargo-workers-fired-creating-over-2-million-fake-accounts>

Law360: CFPB Wells Fargo Fine A Red Flag On Pay, Sales Plans*

By Evan Weinberger, Law360

Law360, New York (September 8, 2016, 8:19 PM ET) – The \$185 million penalty the Consumer Financial Protection Bureau and two other agencies handed to Wells Fargo & Co. on Thursday, following revelations that employees had opened over a million sham accounts to meet sales targets and qualify for additional pay, should serve as a warning to others to carefully monitor their employees and re-evaluate aggressive incentive plans, experts said.

Wells Fargo employees created 1.5 million bank accounts without customers' knowledge and transferred money from existing accounts to fund the new ones, according to the agencies. (Credit:...

To view the full article, register now.

<http://www.law360.com/articles/837931>

WRC-TV Washington: Wells Fargo Fined \$185M For Opening Millions Of Unauthorized Accounts*

By WRC-TV Washington (DC)

California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago; \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

<http://www.nbcwashington.com/news/national-international/Wells-Fargo-to-Pay-50-Million--392774951.html>

WUSA-TV Washington: Wells Fargo Fined \$185M Over Unauthorized Accounts*

By WUSA-TV Washington (DC)

Wells Fargo Bank, N.A., one of the nation's largest banks, has been with \$185 million in civil penalties for secretly opening millions of unauthorized deposit and credit card accounts in a bid to boost its finances, federal and state officials said Thursday.

Employees of Wells Fargo (WFC) boosted sales figures by covertly opening the accounts and funding them by transferring money from customers' authorized accounts without permission, the Consumer Financial Protection Bureau, Office of the Comptroller of the Currency and Los Angeles officials said.

An analysis by the San Francisco-headquartered bank found that its employees opened more than two million deposit and credit card accounts that may not have been authorized by consumers, the officials said. Many of the transfers ran up fees or other charges for the customers.

<http://www.wusa9.com/news/nation-now/wells-fargo-fined-185m-over-unauthorized-accounts/315627270>

KCAL-TV Los Angeles: Settlement Reached With Wells Fargo Over Unauthorized Accounts*

By KCAL-TV Los Angeles (CA)

LOS ANGELES (CBSLA.com) — Wells Fargo will pay \$50 million in penalties to the city of Los Angeles and restitution to customers as part of a settlement resolving litigation alleging the company opened up bank accounts without customers' permission, prosecutors said Thursday.

In addition to the settlement reached with Los Angeles City Attorney Mike Feuer's office, the bank also reached settlements with two federal agencies in which it agreed to pay at least \$135 million in penalties over similar claims, Feuer's office said.

The U.S. Consumer Financial Protection Bureau (CFPB) and the Office of the Comptroller of the Currency (OCC) will also require the bank to enact "broad changes to its sales practices and internal oversight", according to Feuer.

<http://losangeles.cbslocal.com/2016/09/08/settlement-reached-with-wells-fargo-over-unauthorized-accounts/>

Nerd Wallet: What Wells Fargo's \$185 Million Settlement May Mean For You*

By Jeanne Lee, Nerd Wallet

Who would expect a bank, rather than some shadowy hacker, to misuse your personal information?

Wells Fargo reached a \$185 million settlement Thursday for what federal officials called a widespread illegal practice among employees of creating fake customer accounts, PIN numbers and emails in order to meet sales targets and earn bonuses. What Wells Fargo did

Wells Fargo employees opened roughly 1.5 million bank accounts and about 565,000 credit card accounts that may not have been authorized by consumers, according to the Consumer Financial Protection Bureau, which cited figures from the bank's own investigation that reviewed accounts from 2011 to 2015.

<http://www.ajc.com/feed/business/consumer-advice/what-wells-fargos-185-million-settlement-may-mean/fCRgfZ/>

Allentown (PA) Morning Call: Wells Fargo Fined For Employees 'Enriching' Themselves At Customers' Expense*

By Allentown (PA) Morning Call

Banks have been accused of doing a lot of nasty things, but what Wells Fargo was accused of Thursday is particularly offensive.

Federal regulators said Wells Fargo employees trying to hit sales targets and earn bonuses opened bank and credit card accounts in customers' names without their consent, resulting in some customers being charged fees.

Employees opened more than 2 million accounts that may not have been authorized, according to the Consumer Financial Protection Bureau, which fined the bank \$100 million, the largest penalty it ever has levied.

<http://www.mcall.com/mc-wells-fargo-fine-watchdog-20160908-column.html>

Harrisburg (PA) Patriot-News: 'A Violation Of Trust': Thousands Of Wells Fargo Employees Created Fake Accounts At Customers' Expense*

By Harrisburg (PA) Patriot-News

Wells Fargo has been fined \$185 million after federal regulators found that employees created millions of unauthorized bank and credit card accounts without customers knowledge in order to collect financial bonuses for themselves.

The Consumer Financial Protection Bureau said Thursday that thousands of bank employees found ways to game Wells Fargo's incentive-compensation program by secretly signing up existing clients for new services that were never requested.

CNN has reported that Wells Fargo has fired 5,300 employees for creating 2 million fake accounts.

http://www.pennlive.com/news/2016/09/a_violation_of_trust_thousands.html

Pay Before: CFPB Levees Record \$100 Million Fine On Wells Fargo*

By Pay Before

The CFPB on Sept. 8 announced a \$100 million fine against Wells Fargo for what the agency called "widespread unlawful sales practices." The agency said the fine is the largest such penalty it has ever issued.

According to the CFPB, Wells Fargo employees secretly opened new accounts, into which they shifted funds from existing accounts without consumers' knowledge or permission—often racking up fees and other charges. The employees' actions were motivated by Wells Fargo compensation policies that rewarded employees for signing up existing clients for new accounts, according to the consent order. The illegally created new accounts were temporarily funded by transfers from existing accounts, enabling employees to meet new account creation sales targets, the agency said. The agency added that "thousands" of employees were involved in the activity, which dates back at least five years and resulted in the creation of more than 2 million deposit and credit card accounts that may not have been authorized by consumers, in violation of Dodd-Frank regulations barring unfair, deceptive and abusive acts.

"Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed," CFPB Director Richard Cordray said in an announcement. "Today's action should serve notice to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences."

<http://paybefore.com/pay-gov/cfpb-levees-record-100-million-fine-on-wells-fargo/>

Clark County (WA) Columbian: Wells Fargo Fined For Unauthorized Accounts*

By Clark County (WA) Columbian

NEW YORK — California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago; \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

<http://www.columbian.com/news/2016/sep/08/wells-fargo-fined-for-unauthorized-accounts/>

Investopedia: Wells Fargo Draws \$185M Fine For Fake Accounts (WFC)*

By Rebecca Darst, Investopedia

Banking giant Wells Fargo & Co (WFC) shares traded higher late Thursday against news of an \$185 million settlement with the

nation's Consumer Financial Protection Bureau, the Office of the Comptroller of the Currency, and the Los Angeles City Attorney's Office.

In a prepared statement delivered to the media on Thursday, Richard Cordray, Director of the Consumer Financial Protection Bureau, said the enforcement action was levied after an agency investigation found Wells Fargo employees across the United States had created fraudulent deposit and credit card accounts in order to generate sales bonuses for themselves. (For more, see: Wells Fargo Profit Slides Despite Higher Loans.)

"Thousands of bank employees found ways to game the system by secretly signing up existing clients for new services that were never requested," Cordray said.

<http://www.investopedia.com/news/wells-fargo-draws-185m-fine-fake-accounts-wfc/?partner=mediated>

Finance Magnates: U.S. Regulators Levies \$185 Million Fine On Wells Fargo Over Fake Credit Cards*

By Finance Magnates

California and federal regulators today fined Wells Fargo Bank (WFC), one of the U.S. largest banks, \$185 million in civil penalties to resolve claims that bank employees secretly opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

Thousands of employees at Wells Fargo opened roughly two million bank accounts and applied for 565,000 credit cards without customers' knowledge or consent. In some cases, bank employees created fake email addresses to sign up customers for online banking services, accumulating late fees on accounts they never even knew they had.

The Consumer Financial Protection Bureau (CFPB) blamed Wells Fargo's aggressive sales tactics. The federal consumer watchdog said employees at the world's most valuable bank, which serves around 40 million retail customers, had been motivated to open the unauthorized accounts by compensation policies that rewarded them for drumming up new business.

<http://www.financemagnates.com/forex/regulation/u-s-regulators-levies-185-million-fine-on-wells-fargo-over-fake-credit-cards/>

Telegraph (UK): Wells Fargo Fires 5,300 Employees Over 'Phony Account' Schemes That Led To \$185 Million Fine*

By David Lawler, Telegraph (UK)

Wells Fargo has fired 5,300 people after government regulators discovered that employees of the US bank had created millions of phony bank and credit card accounts to boost their sales figures.

The US Consumer Financial Protection Bureau (CFPB) fined the bank \$185 million (£139 million) on Thursday as a result of the illegal practices, the largest fine ever imposed by the agency.

Employees had opened 1.5 million bank accounts and applied for more than 500,000 credit cards over the past five years, doing so at the expense of existing consumers, the CFPB said.

<http://www.telegraph.co.uk/news/2016/09/08/wells-fargo-fires-5300-employees-over-phony-account-schemes-that/>

Brisbane (AUS) Times: Wells Fargo To Pay \$240m For Unauthorised Accounts*

By Jesse Hamilton, Brisbane (AUS) Times

Wells Fargo will pay \$US185 million (\$240 million) to resolve claims that bank employees opened deposit and credit-card accounts without customers' approval to satisfy sales goals and earn financial rewards, US regulators said.

The lender opened more than 2 million accounts that consumers may not have known about, the Consumer Financial Protection Bureau said in a statement on Thursday. Wells Fargo, which fired 5300 employees over the improper sales practices, agreed to pay a \$US100 million fine to the CFPB, \$US35 million to the Office of the Comptroller of the Currency and \$US50 million to the Los Angeles city attorney to settle the matter. The San Francisco-based bank also will compensate customers who incurred fees or charges, the agencies said.

"Wells Fargo employees secretly opened unauthorised accounts to hit sales targets and receive bonuses," CFPB director Richard Cordray said in his agency's statement. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed."

<http://www.brisbanetimes.com.au/business/banking-and-finance/wells-fargo-to-pay-240m-for-unauthorised-accounts-20160908-grcc6f.html>

Daily Intelligencer (NY): Wells Fargo Fined \$185 Million For Screwing Customers*

By Adam K. Raymond, Daily Intelligencer (NY)

Wells Fargo has fired 5,300 employees and incurred \$185 million in fines for a massive pattern of fraud that saw millions of accounts opened on behalf of customers without their knowledge.

Bank employees opened around 1.5 million checking accounts and applied for just over a half-million credit cards using real names and fake email addresses of existing customers. To create some of those accounts, employees essentially stole from customers. They would take money from a customer's real account to satisfy the requirements of the new account, which left customers vulnerable to overdraft fees and with less money in their bank account than there should have been.

Employees say they were motivated to screw customers by both pressure to increase the number of accounts and incentives that rewarded them for doing so.

<http://nymag.com/daily/intelligencer/2016/09/wells-fargo-fined-usd185-million-for-screwing-customers.html>

Sioux Falls (SD) Argus Leader: 5,300 Wells Fargo Workers Fired For Conduct; Local Impact Not Released*

By Sioux Falls (SD) Argus Leader

Wells Fargo Bank has been fined \$185 million for opening millions of unauthorized deposit and credit card accounts, and has fired 5,300 employees and managers over a five-year period for their involvement.

A Wells Fargo spokeswoman in Sioux Falls said the company is not providing a "geographic breakdown" of where the inappropriate sales conduct and firings occurred.

"It is important to understand the context, the five-year period involved and the size of our workforce," said Staci Schiller, a communications consultant and vice president.

<http://www.argusleader.com/story/news/business-journal/2016/09/08/5300-wells-fargo-workers-fired-conduct-local-impact-not-released/90090022/>

New Jersey Local News: Wells Fargo Fined \$185M Over Fake Bank Accounts*

By Paul Milo, New Jersey Local News

WASHINGTON — A federal banking industry regulator has fined Wells Fargo after its employees were found to have secretly opened deposit and credit card accounts in order to meet sales quotas.

The Consumer Financial Protection Bureau announced Thursday that workers at the banking giant, which has 294 branches in New Jersey, opened up to 2 million deposit and credit card accounts without consumers' permission. The Sioux Falls, S.D. -based bank faces fines totaling \$185 million, including \$100 million to the bureau, \$35 million to the U.S. Comptroller of the Currency and \$50 million to the city and county of Los Angeles.

Bamboozled: She got someone else's bank statements

http://www.nj.com/news/index.ssf/2016/09/wells_fargo_bank_fined_185_million_fires_thousands.html

Credit Union Times: CFPB Fines Wells Fargo \$100 Million For Unauthorized Account Openings*

By Roy Urrico, Credit Union Times

California and federal regulators fined Wells Fargo a combined \$185 million for the widespread illegal practice of secretly opening unauthorized deposit and credit card accounts.

The CFPB fined Wells Fargo Bank, N.A. \$100 million for the widespread illegal practice of secretly opening unauthorized deposit and credit card accounts.

Wells Fargo, headquartered in Sioux Falls, S.D., is one of the biggest banks in the country and offers many consumer financial products and services, including savings and checking accounts, credit cards, debit and ATM cards, and online-banking services.

<http://www.cutimes.com/2016/09/08/cfpb-fines-wells-fargo-100-million-for-unauthorize?ref=rss>

Alabama Live: Wells Fargo Fires 5,300 For Illegally Opening Accounts, Credit Cards*

By Alabama Live

Wells Fargo has fired 5,300 employees for illegally opening accounts in order to get financial compensation for meeting sales targets without the knowledge or consent of customers, according to the Consumer Financial Protection Bureau.

The San Francisco-headquartered bank will pay full restitution to all victims and a \$100 million fine to the CFPB's Civil Penalty Fund.

Wells Fargo employees applied for 565,000 credit card accounts that customers might not have authorized, according to the bank's analysis.

http://www.al.com/business/index.ssf/2016/09/wells_fargo_fires_5300_for_ill.html

Inland Valley (CA) Daily Bulletin: Wells Fargo To Pay \$185 Million In Fines Over Unauthorized Accounts*

By Inland Valley (CA) Daily Bulletin

Wells Fargo will pay more than \$185 million in fines following allegations it secretly opened accounts for its customers in order to rake in banking fees, federal and local officials announced Thursday.

The San Francisco-based bank may have opened up to 1.5 million accounts and initiated 565,000 credit card applications without first obtaining customers' consent, officials said. The alleged fraud took place nationwide.

Under terms of the settlement, Wells Fargo must pay a total of \$50 million in penalties to the city and county of Los Angeles. The bank must also pay a \$100 million fee to the Consumer Financial Protection Bureau — a record fine imposed by the agency — and a \$35 million fine to the Office of the Comptroller of the Currency, an independent bureau of the U.S. Department of Treasury. Additionally, Wells Fargo will pay \$5 million for customer remediation.

<http://www.dailybulletin.com/business/20160908/wells-fargo-to-pay-185-million-in-fines-over-unauthorized-accounts>

Benzinga: Wells Fargo & Company (NYSE:WFC)*

By Javier Hasse, Benzinga

Earlier Thursday, U.S. regulators said Wells Fargo & Co (NYSE: WFC) would have to pay \$190 million to settle claims of its employees having created deposit and credit card accounts without the approval of its customers.

Apparently, the employees used this tactic to reach sales goals and gain monetary bonuses and rewards.

According to a statement from the Consumer Financial Protection Bureau, the bank opened more than 2 million without consent — more than 1.5 million deposit accounts and 565,443 credit card accounts.

<http://www.benzinga.com/news/16/09/8439028/well-fargo-fires-5-300-employees-after-fake-account-scandal>

SC Magazine: Wells Fargo Bank Fined \$185M, Fires 5,300 Staffers Over Fake Account Scam*

By Doug Olenick, SC Magazine

Wells Fargo Bank was fined a total of \$185 million as punishment for a five-year long scam that saw bank employees using bank customer information to illegally create accounts and email addresses and apply for credit and debit cards all in order to meet assigned sales goals and earn commissions.

About 5,300 workers were fired over the incident, according to CNNMoney.

Acting in most cases without any authority from the account holders, Wells Fargo workers opened an estimated 1.5 million deposit accounts and applied for roughly 565,000 credit card accounts, according to the Consumer Financial Protection Bureau (CFPB). Once the accounts were opened the employees transferred money to temporarily fund the new accounts which allowed them to meet sales goals and earn extra compensation.

<http://www.scmagazine.com/wells-fargo-bank-fined-185m-fires-5300-staffers-over-fake-account-scam/article/521318/>

CBC (CAN): Wells Fargo Fined \$185M For Creating Unauthorized Accounts*

By CBC (CAN)

U.S. bank Wells Fargo has fired more than 5,000 of its employees and been fined a total of \$185 million US for making up millions of unauthorized bank accounts on their customers' behalf — often without the customers' knowledge.

The California-based bank will pay \$100 million US to the Consumer Financial Protection Bureau (CFPB), \$35 million US to the Office of the Comptroller of the Currency and \$50 million US to the City and County of Los Angeles along with restitution to customers for a scam dating back to 2011 that allowed the bank to rack up millions in bank fees and meet aggressive growth targets.

The consumer agency says the bank opened 1.5 million bank accounts and more than 500,000 credit cards without the expressed permission of their existing customers. Money in customers' accounts was transferred to these new accounts without authorization. Debit cards were issued and activated, as well as PINs created, all without telling customers what they were doing.

<http://www.cbc.ca/news/business/wells-fargo-bank-1.3753705?cmp=rss>

Talking New Media: Wells Fargo Dinged \$185 Million For Creating Fake Accounts, LA Times Investigation Began Case*

By Talking New Media

The bank said that they have fired 5,300 employees who were somehow connected to the scheme to create fake bank and credit card accounts in order to reach sales goals

The Wells Fargo Bank, N.A was ordered to pay \$185 million in fines and penalties by the Consumer Financial Protection Bureau after the bank was accused of secretly opening unauthorized deposit and credit card accounts. The scheme resulted in more than 2 million deposit and credit card accounts being created without the customer's authorization.

Wells Fargo told CNNMoney that it had fired 5,300 employees related to the scheme.

<http://www.talkingnewmedia.com/2016/09/08/wells-fargo-dinged-185-million-for-creating-fake-accounts-la-times-investigation-began-case/>

Washington Examiner: Wells Fargo Fined \$100 Million For Illegally Creating Accounts To Soak Customers*

By Washington (DC) Examiner

Wells Fargo will pay \$100 million to the Consumer Financial Protection Bureau for illegally opening accounts for customers without their permission to overcharge them, the agency announced Thursday. The fine is the largest yet levied by the five-year-old agency.

The bureau said the bank's employees opened up to 2 million credit card and debit accounts that may not have been authorized by customers to meet sales targets, transferring funds from existing accounts and then racking up charges and fees on those accounts.

The bank will have to pay restitution to customers as well as a \$35 million penalty to the Office of the Comptroller of the Currency, which is a federal bank regulatory agency, and a \$50 million fine to the city and county of Los Angeles, where the agencies' enforcement action was filed in court.

http://www.washingtonexaminer.com/wells-fargo-fined-100-million-for-illegally-creating-accounts-to-soak-customers/article/2601284?custom_click=rss

Atlanta Business Chronicle: Regulators Hit Wells Fargo With Record \$185M Fine*

By Jeff Blumenthal, Atlanta (GA) Business Chronicle

The Consumer Financial Protection Bureau handed Wells Fargo its largest fine to date after determining that employees of the bank created unauthorized deposit and credit card accounts across the country in order to collect financial bonuses for themselves. The CFPB itself is levying a fine of \$100 million against Wells Fargo, although the bank will end up paying \$185 million in fines when factoring in the joint action from the Los Angeles City Attorney's office (\$50 million fine) and the Office of the Comptroller of the Currency (\$35 million). The penalty will be paid to the U.S. Treasury. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed," CFPB Director Richard Cordray said in a statement. "Today's action should serve notice to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences."

Regulators said Wells Fargo (NYSE: WFC) opened roughly 1.5 million deposit accounts and 565,000 credit card accounts that may not have been authorized by consumers. The CFPB also said bank employees also requested and issued debit cards without consumers' knowledge or consent, even creating PIN numbers without telling its customers. Financially harmed customers are eligible for restitution. The OCC order also requires Wells Fargo to take corrective action to establish an enterprise-wide sales practices risk management and

oversight program to detect and prevent unsafe or unsound sales practices. In a statement, Wells Fargo said: "We regret and take responsibility for any instances where customers may have received a product that they did not request."

Wells Fargo said it has set aside \$5 million for customer remediation. After a review by a third party consulting firm, the bank said \$2.6 million has been refunded to customers for any fees associated with products received by customers they may not have requested. Refunds averaged \$25.

<http://www.bizjournals.com/atlanta/news/2016/09/08/cfpb-wells-fargo-bank-wfc-fake-accounts-credit-card.html>

Corporate Crime Reporter: CFPB Fines Wells Fargo \$100 Million*

By Corporate Crime Reporter

The Consumer Financial Protection Bureau (CFPB) has fined Wells Fargo Bank \$100 million for the widespread illegal practice of secretly opening unauthorized deposit and credit card accounts.

Wells Fargo was represented by Anand Raman of Skadden, Arps in Washington, D.C.

Spurred by sales targets and compensation incentives, employees boosted sales figures by covertly opening accounts and funding them by transferring funds from consumers' authorized accounts without their knowledge or consent, often racking up fees or other charges.

<http://www.corporatecrimereporter.com/news/200/cfpb-fines-wells-fargo-100-million/>

Seeking Alpha: Wells Fargo To Pay \$185M Over Shady Account Openings*

By Seeking Alpha

At issue are "widespread illegal practices" in which bank employees secretly opened more than 2M deposit and credit card accounts to meet sales targets and collect bonuses, say regulators.

The CFPB's part of the settlement is \$100M, the largest-ever penalty for that agency.

Naturally, Wells Fargo (NYSE:WFC) neither denies nor admits to the allegations.

<http://seekingalpha.com/news/3207704-wells-fargo-pay-185m-shady-account-openings>

SNL Financial: SNL: UPDATE: Regulators Fine Wells Fargo \$185M For Secretly Opening Accounts*

By Kiah Haslett, SNL Financial

Bank employees opened more than 2 million deposit and credit card accounts that may not have been authorized by consumers, the Consumer Financial Protection Bureau said.

<https://www.snl.com/interactivex/article.aspx?KPLT=7&id=37654439>

Palm Beach (FL) Post: Feds Order Wells Fargo To Pay \$100 Million Fine For Shady Sales Practices \$WFC*

By Palm Beach (FL) Post

Yikes: Wells Fargo, the second-biggest bank in Florida and third-largest in the nation, created hundreds of thousands of phony accounts on behalf of its customers, the U.S. Consumer Financial Protection Bureau said Thursday.

The CFPB ordered Wells Fargo (NYSE: WFC) to pay a \$100 million fine, the largest ever imposed by the agency. Wells Fargo also must cough up \$2.6 million in refunds. In all, Wells Fargo said the episode will cost it \$185 million.

According to the CFPB, Wells Fargo:

<http://realtime.blog.palmbeachpost.com/2016/09/08/feds-order-wells-fargo-to-pay-100-million-fine-for-shady-sales-practices-wfc/>

Huffington Post (CAN): Wells Fargo Fined For Opening MILLIONS Of Unauthorized Accounts*

By Huffington Post (CAN)

NEW YORK — California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago; \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

http://www.huffingtonpost.ca/2016/09/08/wells-fargo-fake-accounts_n_11918274.html

Atlanta Journal-Constitution: Wells Fargo Fined \$185M: Things To Know*

By Atlanta (GA) Journal-Constitution

Wells Fargo has been fined \$185 million by the Consumer Financial Protection Bureau after 5300 employees created phony accounts which customers ended up paying fees for, according to USA Today. The company said in a statement that those employees have been fired.

CNN Money reported that federal regulators said the employees secretly created millions of bank and credit card accounts that were not authorized by customers since 2011. According to the Los Angeles Times, employees opened the accounts to meet strict sales goals.

Here is what customers need to know:

<http://www.myajc.com/news/business/wells-fargo-fined-185m-things-know/nsTSF/>

Charlotte (NC) Observer: Wells Fargo Fined \$185M For 'widespread Illegal Practices' That Hurt Customers*

By Deon Roberts And Rick Rothacker, Charlotte (NC) Observer

Wells Fargo will pay \$185 million to settle allegations of "widespread illegal practices" in which employees secretly opened accounts to meet sales targets and receive bonuses, federal regulators announced Thursday.

Employees for the San Francisco-based bank opened more than 2 million deposit and credit card accounts that may not have been authorized by consumers, regulators said, citing the bank's own analysis. The civil settlement is a black eye for a company that has long touted its corporate values as well as its ability to sell more products to its customer base.

Wells Fargo's violations resulted in the Consumer Financial Protection Bureau imposing a \$100 million fine, the regulator's largest penalty ever. Wells will also pay a \$35 million penalty to the U.S. Office of the Comptroller of the Currency, which regulates national banks, and another \$50 million to the City and County of Los Angeles, which had filed suit over the practices.

<http://www.charlotteobserver.com/news/business/banking/bank-watch-blog/article100499067.html>

International Business Times (UK): Wells Fargo Fined \$185m For Creating Millions Of Fake Accounts*

By Mary Papenfuss, International Business Times (UK)

Wells Fargo has been fined a record \$185m (£139m) for creating two million fake bank and credit card accounts in a scheme to collect extra fees and bonuses. In the wake of the scandal, the bank which is one of the biggest in the US, has fired 5,300 employees.

The banking scam has been going on since 2011 with consumers being hit with fees linked to accounts that they never agreed to open. Employees even created fake passwords and email addresses to enrol customers in online banking services for which they had not registered, said regulators.

"Wells Fargo employees secretly opened unauthorised accounts to hit sales targets and receive bonuses," said Richard Cordray, director of the Consumer Financial Protection Bureau (CFPB), who said the widespread practice was motivated by a driven Wells money-making culture.

<http://www.ibtimes.co.uk/wells-fargo-fined-185m-illegal-sales-tactics-involving-millions-fake-accounts-1580433>

Daily Mail: Wells Fargo Is Fined Record-Breaking \$190million And Fires 5,300 Staff After 'Widespread' Customer Fraud Scheme Is Uncovered

By Chris Pleasance, Daily Mail

Wells Fargo has been fined \$185million, told to repay \$5million to customers, and has fired 5,300 staff after they were caught creating phony accounts to fix sales figures

Of that money, \$2.6million is in refunds for fees applied to products that customers may not have requested, according to the bank.

http://www.dailymail.co.uk/news/article-3780625/Wells-Fargo-fined-record-breaking-190million-fires-5-300-staff-widespread-customer-fraud-scheme-uncovered.html?ITO=1490&ns_mchannel=rss&ns_campaign=1490

Ars Technica: 5,300 Wells Fargo Employees Fired After 2 Million Fake Accounts Discovered*

By Ars Technica

Since at least 2011, Wells Fargo employees have been creating fake accounts using customers' identities to boost their sales numbers, federal regulators said on Thursday.

The Consumer Financial Protection Bureau (CFPB) fined the bank \$100 million after a third-party consulting firm found that 2 million fake deposit and credit card accounts had been made without the consent of the person whose name was on the account. According to CNN Money, the bank fired 5,300 employees for taking part in the scheme, which constitutes about 1 percent of the bank's payroll.

In order to boost their sales numbers, employees opened 1.5 million deposit accounts and 565,000 credit card accounts on customers' behalf but without authorization from those customers. "Employees then transferred funds from consumers' authorized accounts to temporarily fund the new, unauthorized accounts," the CFPB wrote. "This widespread practice gave the employees credit for opening the new accounts, allowing them to earn additional compensation and to meet the bank's sales goals."

<http://arstechnica.com/tech-policy/2016/09/wells-fargo-staff-made-2-million-fake-accounts-with-customer-ids-to-goose-sales/>

Finextra: Wells Fargo Fined \$185m For Opening Millions Of Accounts Without Customers' Knowledge*

By Finextra

Wells Fargo has been fined \$185 million for opening up to two million unauthorised deposit and credit card accounts, issuing and activating debit cards without consent and creating phony email addresses to enrol people in online services.

The bank says that it has fired 5300 staffers over the scandal, which according to the Consumer Financial Protection Bureau (CFPB) was driven by sales targets and compensation incentives.

The CFPB has levied a \$100 million fine, with the Office of the Comptroller of the Currency slapping Wells with another \$35 million penalty and the City and County of Los Angeles \$50 million.

<https://www.finextra.com/newsarticle/29413/wells-fargo-fined-185m-for-opening-millions-of-accounts-without-customers-knowledge>

The Guardian (UK): Wells Fargo To Pay \$185m For Aggressive, Illegal Sales Tactics*

By Jana Kasperkevic, The Guardian (UK)

Wells Fargo will pay \$185m in a settlement over illegal sales practices that included the opening of unauthorized duplicate accounts and credit cards by employees in order to meet sales quotas, it was announced on Thursday.

The settlement includes a \$100m fine paid to the Consumer Financial Protection Bureau (CFPB) – the largest ever levied by the five-year-old bureau – a \$35m penalty paid to the Office of the Comptroller of the Currency (OCC) and a \$50m penalty paid to the City and County of Los Angeles.

“Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses,” said CFPB director Richard Cordray. “Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed.”

<https://www.theguardian.com/business/2016/sep/08/wells-fargo-settlement-illegal-sales-accounts>

Credit: Wells Fargo Fined \$185 Million Over Fake Credit Card & Deposit Accounts*

By Credit

Thousands of Wells Fargo bank employees seeking sales bonuses participated in a scheme that led to the opening of roughly 2 million unauthorized accounts, federal regulators said Thursday. For failing to monitor an incentive program that spun out of control, leading to “widespread” abuse of consumers’ information, Wells Fargo must now pay the biggest-ever penalty levied by the Consumer Financial Protection Bureau (CFPB), the agency said.

At the root of the scheme was a program that gave bonuses to employees who convinced existing customers to give more of their business to Wells Fargo — cross-selling checking account customers on new credit cards, for example.

But back in 2011, Wells employees started opening accounts for consumers — and moving account-holders’ money into them — without their consent or knowledge.

<http://www.ajc.com/feed/business/personal-finance/wells-fargo-fined-185-million-over-fake-credit/fCRgTq/>

WLNE-TV Providence (RI): Wells Fargo Accused Of Fraudulent Practices*

By WLNE-TV Providence (RI)

One of the nation’s biggest banks is accused of fraudulent practices over a 5-year period and it is a scandal that involves thousands of employees, and hundreds of thousands of bank accounts.

“...the largest such payment in the history of the city attorney’s office,” says Mike Feuer, Los Angeles City Attorney.

A 185 million dollar fine.

<http://www.abc6.com/story/33056124/wells-fargo-accused-of-fraudulent-practices>

Bloomberg Business: Wells Fargo Opened A Couple Million Fake Accounts*

By Matt Levine, Bloomberg Business

Two basic principles of management, and regulation, and life, are:

You get what you measure.

The thing that you measure will get gamed.

<http://www.bloomberg.com/view/articles/2016-09-09/wells-fargo-opened-a-couple-million-fake-accounts>

Digital Look: Wells Fargo Fined \$185m For Opening Fake Accounts*

By Digital Look

One of the US’ biggest banks, Wells Fargo, has been fined \$185m by regulators for allegedly creating fake accounts in order to meet sales targets.

The bank has reportedly fired over 5,000 employees for the practice, which involved the issuing of debit cards without the knowledge of customers, according to the US Consumer Financial Protection Bureau.

Wells Fargo did not explicitly accept responsibility for the incident, but have agreed to pay the fine associated with the investigation. In a press release, the lender said that “consistent with our commitment to customers and in the interest of putting this matter behind us” it would accept the decision.

<http://www.digitallook.com/news/international-companies/wells-fargo-fined-185m-for-opening-fake-accounts--1701790.html>

The Verge: Wells Fargo Fined \$185 Million For Creating 2 Million Fake Bank Accounts*

By Amar Toor, The Verge

Employees at Wells Fargo created millions of fake bank accounts and credit card numbers over the past five years, federal regulators announced this week, in an illegal bid to boost their sales figures. The bank was fined \$185 million for the practices on Thursday, including a record \$100 million by the Consumer Financial Protection Bureau (CFPB). Wells Fargo has fired at least 5,300 employees who were involved in the scam, according to The New York Times.

According to the regulators, employees created more than 2 million accounts that may not have been authorized by Wells Fargo customers, and covertly transferred funds to them from authorized accounts, racking up fees and other charges. They also created fake email accounts and PIN numbers to sign customers up for new accounts, most of which were unnoticed or closed shortly after opening. The scheme, which dates back to 2011, allowed employees to earn extra compensation and meet their sales targets.

“Today’s action should serve notice to the entire industry.”

<http://www.theverge.com/2016/9/9/12859740/wells-fargo-fake-account-scam-fine>

International Business Times: Wells Fargo Fined \$185 Million For Creating Over 1 Million Fake Accounts*

By International Business Times

Wells Fargo was fined a total of \$185 million by California and federal regulators Thursday for allegedly opening millions of unauthorized accounts for customers in order to meet its aggressive sales goals.

Employees, since 2011, had created millions of fake bank and credit card accounts without the customer's knowledge. This resulted in the bank earning unwarranted fees not to mention employees boosting their sales figures and consequently earning higher pay checks.

Wells Fargo confirmed to CNNMoney that it had fired as many as 5,300 employees in the last few years in relation to these practices.

<http://www.ibtimes.com/wells-fargo-fined-185-million-creating-over-1-million-fake-accounts-2413564>

Housing Wire: CFPB Levies \$100 Million Fine Against Wells Fargo*

By Sarah Wheeler, Housing Wire

The Consumer Financial Protection Bureau levied the largest fine in its history — \$100 million — against Wells Fargo Thursday for the “widespread unlawful” practices of employees who opened more than 2 million fake accounts to get sales bonuses.

“Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed,” said CFPB Director Richard Cordray. “Today’s action should serve notice to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences.”

According to a CFPB press release, Wells Fargo employees secretly opened deposit and credit accounts under existing customers’ names without their knowledge, which often racked up fees or other charges. From the release:

<http://www.housingwire.com/articles/37993-cfpb-levies-100-million-fine-against-wells-fargo>

KESQ-TV Palm Springs (CA): Wells Fargo Hit With \$185 Million In Fines*

By KESQ-TV Palm Springs (CA)

Everyone hates paying bank fees. But imagine paying fees on a ghost account you didn’t even sign up for.

That’s exactly what happened to Wells Fargo customers nationwide.

On Thursday, federal regulators said Wells Fargo employees secretly created millions of unauthorized bank and credit card accounts – without their customers knowing it – since 2011.

<http://www.kesq.com/news/wells-fargo-hit-with-185-million-in-fines/41588840>

Washington Examiner: House Panel Schedules Vote On Dodd-Frank Replacement*

By Al Weaver, Washington (DC) Examiner

The House Financial Services Committee will meet Tuesday to debate and vote on the Republican replacement for President Obama’s financial reform law, committee Chairman Jeb Hensarling of Texas announced Thursday.

Previously, Hensarling had suggested that he aimed for a September mark-up of his legislation, the Financial CHOICE (Creating Hope and Opportunity for Investors, Consumers and Entrepreneurs) Act, but that events could prevent that.

Yet to be determined is what amendments might be added to the bill, a sweeping conservative reform that touches on almost every aspect of the financial system’s architecture and contains many provisions sure to prove controversial.

http://www.washingtonexaminer.com/house-panel-schedules-vote-on-dodd-frank-replacement/article/2601307?custom_click=rss

Housing Wire: Congress Set To Consider Republican Plan To Abolish Dodd-Frank*

By Ben Lane, Housing Wire

House Financial Services Committee Chairman Rep. Jeb Hensarling, R-TX made waves earlier this year when he announced a Republican-crafted plan to repeal the Dodd-Frank Wall Street Reform and Consumer Protection Act and replace it with a “pro-growth, pro-consumer” alternative.

Many of the tenets of the Republican plan, called the Financial CHOICE Act, were later echoed by the Republican Party’s national platform, adopted during its convention in July.

Included in the Financial CHOICE Act (“CHOICE” in this instance stands for “Creating Hope and Opportunity for Investors, Consumers and Entrepreneurs”) is an end to “too-big-to-fail bailouts, dramatic reforms to the Consumer Financial Protection Bureau, and an overhaul of a financial regulatory system that is choking the country’s economic recovery.

<http://www.housingwire.com/articles/37991-congress-set-to-consider-republican-plan-to-abolish-dodd-frank>

American Banker: Banks Learn The Price Of ‘Satisfactory’ CRA Grades*

By Kenneth H. Thomas, American Banker

Watching Michael Phelps, Simone Biles and other U.S. Olympians win multiple gold medals at the Summer Games in Rio de Janeiro reminded us of popular sports catchphrases such as “Winning isn’t everything, it’s the only thing.”

But even though going for the gold drives so many athletes, businesses and other organizations, it is for the most part absent from banks’ performance on Community Reinvestment Act exams. Not only have some notable banks received failing “Needs to Improve” CRA grades of late – mostly recently Associated Banc-Corp in Green Bay, Wis. – but over 90% of institutions are happy with a passing “Satisfactory” CRA rating. Fewer than 10% get an “Outstanding” grade – the gold medal of CRA.

In analyzing CRA exam performance, I have found that banks engage in a deliberate strategy of what I call “Satisficing.” I have concluded that there are few if any real incentives for banks to go for CRA gold. Bankers tend to be happy with the middle ground along with over 90% of their brethren and indicate sound reasons to get a Satisfactory rating. They say things such as: “When you are at the top, there is only one way to go,” or, “An Outstanding rating brings unwanted community groups asking for donations and wanting us to do more.”

<http://www.americanbanker.com/bankthink/banks-learn-the-price-of-satisfactory-cra-grades-1091171-1.html>

The Hill: House Panel To Consider Dodd-Frank Replacement

By Peter Schroeder, The Hill

A House committee is set to consider a Republican alternative to the Dodd-Frank financial reform law.

Chairman Jeb Hensarling (R-Texas) on Thursday announced that his House Financial Services Committee will debate his legislation, known as the Financial CHOICE Act, on Sept. 13.

With just weeks left in the current Congress and Democrats fiercely opposed to the bill, it faces long odds. But if Donald Trump wins the White House, many observers believe Hensarling's plan could serve as a starting point for GOP efforts to overhaul Wall Street regulations.

<http://thehill.com/business-a-lobbying/295012-house-panel-to-consider-gop-dodd-frank-replacement-sept-13>

CNBC: Bank Of America's Moynihan: I'm Bullish On The US Consumer

By CNBC

Bank of America CEO Brian Moynihan is bullish on the state of the U.S. consumer, he told CNBC in an exclusive interview Thursday.

"As you look at the month of August, which we just got the final details on, it'll be the strongest consumer spending growth in debit and credit cards year-over-year this year," Moynihan said, adding that "the year-to-date consumers on our debit and credit cards are spending 4.7 percent more than they did last year, and the pace is accelerating. So, the consumer is in very good shape credit-quality-wise, spending-wise."

That positive outlook comes after the pace of consumer loan growth across the financial sector in the second quarter had caused concern for some investors, but Moynihan was upbeat.

<http://www.cnbc.com/2016/09/08/bank-of-america-ceo-brian-moynihan-im-bullish-on-the-us-consumer.html>

Bankrate: 7 Tips To Resolve Complaints Against Banks*

By Allison Ross, Bankrate

It's certainly not a good idea to try to resolve your complaint while you're hopping mad.

"If you are upset, calm down. Talk to a friend. Rant. Rave. Punch a pillow. Eat chocolate in slow motion like they do on commercials," says Meg Marco, executive editor of Consumer Reports' Consumerist website.

It's understandable why you may be upset, says Adrian Swinscoe, a business consultant who advises on strategy, marketing and team performance issues.

http://www.bankrate.com/finance/banking/resolve-complaints-against-banks-1.aspx?ic_id=Top_Financial%20News%20Center_link_3

Consumer Financial Protection Bureau

My Customer (UK): CFPB And Beyond: How Big Data Is Improving Customer Service*

By My Customer (UK)

We may have put the subprime mortgage crisis behind us and the housing market has certainly begun to rebound, but the financial sector is still dealing with an issue of its own: a diminished reputation. Simply put, subprime lending and other troubling practices have resulted in a real lack of trust between finance professionals and their clients. The industry is in need of a facelift – and big data can help.

Improved data collection practices make it easier than ever for companies to provide top-notch customer service, and that includes the finance industry. If your company is looking to regain its standing as a brand customers can believe in, here are three steps you can take today.

Offer Help Upfront

<http://www.mycustomer.com/community/blogs/annajo/cfpb-and-beyond-how-big-data-is-improving-customer-service>

National Law Review: California Court Weighs In On "True Lender" Issue As CFPB Expands Its UDAAP Enforcement Authority*

By National Law Review

David Monteiro focuses his practice on counseling companies facing government investigations and enforcement litigation. A former enforcement attorney with the Federal Trade Commission's Bureau of Consumer Protection, Division of Financial Practices, David guides financial institutions and other companies in complying with state and federal consumer protection laws and regulations, responding to examinations and investigations, and defending litigation against the government.

<http://www.natlawreview.com/article/california-court-weighs-true-lender-issue-cfpb-expands-its-udaap-enforcement>

Huffington Post: A New Consumer Protection Agenda For Working Families*

By Rep. John K. Delaney, Huffington Post

For too many Americans it can be expensive just to spend their own money. Daily drains on purchasing power caused by high fees, exorbitant rates and limited access to affordable credit and basic banking services are making it more difficult for millions of Americans to enter the middle class and making the foothold that many have feel tenuous. The very people who can least afford to do so often pay some of the highest rates and fees in the marketplace.

Far from the headlines or cable news, this is an everyday financial crisis that is limiting economic opportunity and dragging down the creation of more good jobs by limiting demand and stifling new business creation. This hidden crisis is keeping the economic recovery from being enjoyed more widely. As a member of the House Committee on Financial Services and a former entrepreneur who helped small and medium sized businesses grow by providing them access to capital, this is unacceptable to me.

While the reforms and protections passed after the financial crisis of 2008 addressed structural problems related to large financial institutions, more work needs to be done to help protect individual consumers and underserved communities. Even here in Maryland, which is one of the wealthiest states in the country, there are areas with high concentrations of consumers who are subjected to costly services and a lack of mainstream banking options.

http://www.huffingtonpost.com/john-k-delaney/a-new-consumer-protection_b_11910482.html

Consumer Credit

CNBC: Many Americans Still Struggle To Understand Card Agreements*

By CNBC

Ever take a look at the terms and conditions when you sign up for a credit card? If you're like a lot of Americans, you probably haven't. And even if you have, it's likely you couldn't figure out what it said.

It turns out the average credit card agreement in the U.S. is written at an 11th-grade reading level, far higher than many consumers can understand. The average reading level is around a seventh-grade level. That gap can lead consumers to ruin their credit and rack up merciless hidden fees, according to a study out Thursday from CreditCards.com.

"Most credit card agreements are so confusingly written that the average person — even if they took the time to read it all the way through — probably won't be able to understand it," said Matt Schulz, senior industry analyst at CreditCards.com.

<http://www.cnbc.com/2016/09/08/credit-cards-many-americans-cant-understand-their-card-agreements.html>

ConsumerAffairs: Have You Ever Read Your Credit Card Agreement?*

By Mark Huffman, ConsumerAffairs

A credit card is like a loan, and when you borrow money, there's usually a long and all-encompassing agreement that goes along with it.

Ever read your credit card agreement? A study by CreditCards.com found 46% of cardholders "never" or "hardly ever" peruse the legal agreements that come with credit cards. When researchers asked consumers who had read the agreements to describe them in one word, 71% chose a negative adjective. The top choices were "lengthy," "long," and "verbose."

Matt Schulz, CreditCards.com's senior industry analyst, says unreadable contracts are a hazard because in many cases, consumers are unaware of what they're signing up for.

<https://www.consumeraffairs.com/news/have-you-ever-read-your-credit-card-agreement-090816.html>

KDKA-TV Pittsburgh: Credit Card Agreements Too Long And Hard To Understand*

By KDKA-TV Pittsburgh (PA)

PITTSBURGH (KDKA) — Most of us use credit cards, but have you read the fine print of the agreements that govern those credit cards?

"No. Like I said, too long, too muddled. I don't understand a lot of that," said Katherine Haywood of Canonsburg.

It's a common complaint.

<http://pittsburgh.cbslocal.com/2016/09/08/study-credit-card-agreements-too-long-and-hard-to-understand/>

CBS News: Credit Card Agreements Confusing Customers

By CBS News

The average American household has about \$6,000 in credit card debt. Many people are getting hammered by high interest rates, partly because they couldn't read or understand the credit card agreement. Jericka Duncan reports.

<http://www.cbsnews.com/videos/credit-card-agreements-confusing-customers/>

Wall Street Journal: Rise In July U.S. Consumer Credit Reflects Steady Household Spending

By Jeffrey Sparshott, Wall Street Journal

The Wall Street Journal reports US consumer credit balances increased in July, indicating steady household spending.

<http://www.wsj.com/articles/u-s-consumer-credit-increased-17-71-billion-in-july-1473361611>

Associated Press: Consumer Borrowing Grows By \$17.7 Billion In July

By Paul Wiseman, Associated Press

WASHINGTON (AP) — American consumers increased their borrowing in July, though the category that includes credit cards grew at the slowest pace since February.

The Federal Reserve said Thursday that consumer borrowing rose by \$17.7 billion in July, up from a \$14.5 billion increase in June.

Revolving credit, which covers credit cards, rose by \$2.8 billion, down from \$9.2 billion in June and least since February's \$2.2 billion.

The category that includes auto and student loans increased by \$14.9 billion, up sharply from June's \$5.4 billion gain.

<http://www.chron.com/news/article/Consumer-borrowing-grows-by-17-7-billion-in-July-9210737.php>

Business Insider: US Consumer Credit, July 2016

By Business Insider

US consumer credit balances rose by \$17.71 billion in July, according to the Federal Reserve.

Economists had estimated that credit balances increased to \$16 billion, according to Bloomberg. Outstanding revolving credit, which includes credit-card purchases, rose at a 3.4% annual rate to \$969 billion.
<http://www.businessinsider.com/us-consumer-credit-july-2016-2016-9>

CBS News: Count 'Em: 2 Simple Rules For Reducing Credit Card Debt

By Aimee Picchi, CBS News

There are two types of credit card users: Those who pay off their balances every month, and those who don't.

The average U.S. family with debt owes more than \$15,000 on their credit cards, an amount that can take years to pay off while also leading to stress and guilt. So-called revolvers, or people who keep balances on their cards, may be simply trying to keep up with expenses that are outpacing their income, which has grown more common as households cope with stagnant pay and rising costs.

Keeping two rules of thumb in mind can help revolvers reduce their debt, according to a new study from the Urban Institute. The first rule asks consumers to turn to cash rather than plastic if the purchase is less than \$20. The second is to keep in mind that charging with a card can add about 20 percent to the total cost of an item because of the interest on plastic.

<http://www.cbsnews.com/news/count-em-two-simple-rules-for-cutting-back-credit-card-debt/>

Washington Post: How The Careless Errors Of Credit Reporting Agencies Are Ruining People's Lives*

By Bobby Allyn, Washington (DC) Post

Apartment hunting in Philadelphia is already hectic enough. So relief washed over me when my girlfriend and I found a charming spot that worked for us. But before I was able to sign the lease, I received a call from the landlord, and he spoke slowly. He seemed concerned, and for good reason: After running a tenant screening on me using a service provided by the credit-reporting behemoth TransUnion, a clutch of criminal offenses appeared, including two felony firearms convictions. He said it didn't seem to square with what he had expected from a public-radio reporter moving from one trendy neighborhood to another.

It didn't. I have never owned nor fired a weapon in my life. The other charges the agency listed were equally as baffling, since they were just as made up. A case of mistaken identity, I thought, should be easy to clear up.

I was wrong. It took me more than a dozen phone calls, the handiwork of a county court clerk and six weeks to solve the problem. And that was only after I contacted the company's communications department as a journalist.

<https://www.washingtonpost.com/posteverything/wp/2016/09/08/how-the-careless-errors-of-credit-reporting-agencies-are-ruining-peoples-lives/>

NASDAQ: 3 Important Money Lessons For Youths

By Roslyn Lash, NASDAQ

I first learned about credit as a preteen. If I wanted my bike on Christmas Day, I'd have to get a store-brand bike. If I waited until after the holiday, I could get a Schwinn. I chose the store-brand bike, but as winter passed, I realized that it wasn't a very good bike and complained to my mother. I was shocked to learn that six months later she was still making payments on my Christmas gift.

That was my first lesson on two important issues: patience and credit. I understood that I should have waited and gotten the Schwinn. I also learned that when you buy something on credit, the attached interest means you'll pay more. These early life and money lessons matter a lot. Research has shown that kids form their money habits by age 7. Even at a young age, I knew there was something wrong with continually making payments, for what seemed like forever.

3 key lessons

<http://www.nasdaq.com/article/3-important-money-lessons-for-youths-cm676093>

Bankrate: 5 Ways To Get The Most From Your Credit Cards

By Dana Dratch, Bankrate

If you're going to carry a balance on a new credit card, look for a low interest rate.

"For many people, credit card annual percentage rates, or APRs, are around 15%, says credit expert John Ulzheimer, formerly of FICO and Equifax and founder of CreditExpertWitness. "But some issuers are going as deep as below 10% on their rates and even to zero on introductory balance transfer cards."

You can also use 0% introductory rates to your advantage.

http://www.bankrate.com/finance/credit-cards/get-most-from-your-credit-cards-1.aspx?ic_id=Top_Financial%20News%20Center_link_2

Business Insider: How To Manage Debt

By Mai Nguyen, Business Insider

Millions of Americans are struggling with debt. It's a scary metaphor, but not an unfair one: According to the latest statistics from the Federal Reserve, the average credit card balance among indebted households is \$16,140, while the average student loan debt is \$31,946. And this holiday season, shoppers will spend an average \$805.65 on gifts and other seasonal items, according to the National Retail Federation. Many of those purchases will be paid with a credit card, leaving them with bigger balances in the New Year.

Steve Rhode, a consumer debt professional in North Carolina, sees the country's debt issue as a simple math problem, with a simple solution. You should spend less than you earn. "People make it so complicated," Rhode says, "when all they need to do is take action." But even the idea of taking action can seem overwhelming. When you're ready to give it a shot, here are the five things you should consider. 1. Track your spending

As the "Get Out of Debt Guy," Rhode helps people overcome their debt woes. The first thing he tells clients to do is track their

spending for three months before they start trying to change their habits. "People's knee-jerk reaction is to create a budget right away," Rhode says. "But a budget is nothing more than a page of lies if people are overestimating their income and underestimating their spending by \$400, which is usually the case." Instead, he says, take the time to form an accurate picture.

<http://www.businessinsider.com/sc/how-to-manage-debt-2016-9>

Go Banking Rates: 10 Things You Should Never Put On A Credit Card

By Go Banking Rates

Using a credit card is so convenient. These wonderful little pieces of plastic can make your life much easier. Plus, a credit card is an excellent way to build credit, which can help you secure the financing you need to buy a car, afford a home or take out any type of loan. But, you shouldn't use a credit card for every single purchase without analyzing the pros and cons first.

If you think it's OK to use your credit card for any and all purchases because of the perks and credit card rewards you'll get, think again. There are some purchases and scenarios where using a credit card is a bad idea because of fees, higher interest rates and the possibility of falling into credit card debt.

Here is a detailed list of some of the things you should never pay for with a credit card, along with why it might be a terrible idea to do. Granted, there might be some caveats and situations where using a credit card for these purchases actually makes the most financial sense. Still, consider the following arguments before deciding to whip out the credit card for these 10 purchases.1. Mortgage Payments

<http://www.nasdaq.com/article/10-things-you-should-never-put-on-a-credit-card-cm676087>

U.S. News & World Report: How Your Age Matters: Questions Every Generation Asks A Financial Advisor

By Debbie Carlson, U.S. News & World Report

Financial advisors can help people reach their monetary goals, but the type of advice people need depends on their age and present life situation.

Not surprisingly, the needs of a single 25-year-old are different from a married 40-year-old with two kids in high school, as are the needs of someone who is 65.

There are a few questions everyone seeking advice from a financial planner should ask, such as inquiring if the advisor is a fiduciary, how are fees calculated and if the advisor can help with an entire financial plan or just investments, but some queries will be unique to certain life stages.

<http://money.usnews.com/investing/articles/2016-09-08/how-your-age-matters-questions-every-generation-asks-a-financial-advisor>

Housing, Mortgages and Foreclosure

Mortgage Orb: New Mortgage Loan Defect Report Shows That TRID Is A Major Source Of Defects*

By Patrick Barnard, Mortgage Orb

ARMCO, a provider of risk management solutions to the mortgage industry, recently released its inaugural Loan Defect Trends report, a quarterly report that uses data from ACES Analytics, the company's quality control benchmarking platform.

Because ACES Analytics was released in September 2014, the firm now has more than two years of data on which to base this new report.

The report will only become more accurate as the company collects more loan defect data from customers and non-customers.

<http://www.mortgageorb.com/new-mortgage-loan-defect-report-shows-that-trid-is-a-major-source-of-defects>

South Bend (IN) Tribune: TRID Responsible For More Mortgage Defects*

By South Bend (IN) Tribune

Last October, the Consumer Financial Protection Bureau introduced the TILA-RESPA Integrated Disclosure (TRID) rule. TRID was designed to make it easier for borrowers to understand the loans they are being offered and compare them to other loans in order to get the best deal. However, almost a year later, it appears that TRID has had the opposite effect, causing more mortgage defects instead of making loans easier and less error-prone.

Following TRID's implementation in 2015, Moody's produced a report in which more than 90 percent of the mortgages reviewed had at least one TRID violation, although most of these errors were simply technical mistakes that did not affect the amount of the loan or the borrower's qualifying status. Now another report produced by ACES Risk Management (ARMCO) shows that the number of errors is increasing, and they are no longer harmless defects. Instead, more and more mortgages include serious TRID violations that must be addressed.

The ARMCO report looked at more than 50,000 mortgages made by over 60 lenders. The analysis shows that in the two quarters following TRID's implementation, serious mortgage defects rose. By the fourth quarter of 2015, the mortgage defect rate was 1.21 percent, up from 0.77 percent in the previous quarter. The first quarter of this year saw a defect rate of 1.92 percent. Almost all of these defects fall into the areas that TRID is designed to cover.

http://www.southbendtribune.com/news/business/moneytips/trid-responsible-for-more-mortgage-defects/article_ed25abe9-1f0c-54b4-ac04-77b3d1afe451.html

Inside Mortgage Finance: Title Agents Bash TRID Clarification Proposal, Real Estate Agents Love Getting Access To Docs

By Inside Mortgage Finance

Title Agents Bash TRID Clarification Proposal, Real Estate Agents Love Getting Access to Docs

http://www.insidemortgagefinance.com/issues/imfpubs_imf/2016_34/news/Title-Agents-Bash-TRID-Clarification-Proposal-Real-Estate-1000038153-1.html

Credit: Women Are Better Than Men At Paying Their Mortgages

By Christine Giordano, Credit

Women pay more for mortgages than men, but that doesn't mean that they're a higher risk when it comes to missing mortgage payments. In fact, a new study from the Urban Institute says that women actually are less likely to miss a payment, compared to men.

The recent study looked at all types of borrowers, including single men, single women and couples. They compared data from 13 million women and 17 million men across a vast range of socioeconomic factors. They found that "if a male-only (most likely a single man) borrower has a 6% probability of default, a female-only (most likely a single woman) borrower with the same characteristics would be expected to default at a 5.8% rate," according to the study. That means women are .2% better at not missing payments.

"This is the first step in saying the barometer is consistently not accurately predicting whether women are able to pay their mortgages," Sheryl Pardo, a spokesperson for the Housing Finance Policy Center at the Urban Institute, said.

<http://finance.yahoo.com/news/women-better-men-paying-mortgages-113000778.html>

Older Americans

Business Insider: Confidence Gap Between Younger And Older Americans All-Time High

By Business Insider

Younger Americans are way more optimistic than older ones.

In fact, those under 35 have never been more optimistic about the future than those over 55.

According to a chart shared by a Bank of America Merrill Lynch team led by equity strategist Sarbjit Nahal, the difference in the Conference Board's consumer-confidence index between the young and the old has been widening for years and hit a record high of 58.8 points in June 2016.

<http://www.businessinsider.com/confidence-gap-between-younger-and-older-americans-all-time-high-2016-9>

Students

Consumer Reports: Student Loan Servicers Put Borrowers At Risk*

By Donna Rosato, Consumer Reports

The most recent target: Wells Fargo, the second largest processor of student loan payments. The CFPB in late August fined the bank \$3.6 million for a host of problems, including failing to provide important payment information to consumers, charging consumers late fees when payments were on time, and failing to update or correct inaccurate information supplied to credit reporting agencies. Though Wells Fargo didn't admit or deny the allegations, the bank also agreed to pay \$410,000 to refund those late fees to customers and improve disclosures on billing statements about the way it credits payments to outstanding balances.

"We do not agree with the CFPB's assertions and have voluntarily agreed to resolve the Bureau's concerns so that we can put the matter behind us," says Wells Fargo spokesman Jason Vasquez. Some of the problems identified had already been resolved or done away with, says Vasquez.

Last July the CFPB hit Discover Bank with a \$2.5 million fine for what is said were illegal education loan servicing practices. It ordered the bank to pay \$16 million in refunds to borrowers for problems such as overstating minimum payments and to cease practices such as repeatedly calling consumers behind on payments early in the morning and late at night.

<http://www.consumerreports.org/student-debt/student-loan-servicers-put-borrowers-at-risk/>

Bloomberg News: What's Next For ITT Tech's Students And Their Half A Billion In Debt?*

By Polly Mosendz, Bloomberg News

When ITT Technical Institute shut down this week, Tim Noufer was just a quarter away from earning his bachelor's degree.

The Army veteran, now 26, had enrolled in 2012, using the GI Bill to get an associate's degree. He stuck around at the for-profit college for his bachelor's, pleased with its night schedule and online class options.

On Tuesday, his dad texted him with the news that his school, with its 29,000 indebted students across at least 39 states, had imploded.

<http://finance.yahoo.com/news/whats-next-itt-techs-students-100021217.html>

Nerd Wallet: How To Live On An Entry-Level Salary When You Have Student Loans

By Devon Delfino, Nerd Wallet

When Catherine Richard graduated from college in May, she was in for a reality check. She owes the federal government \$24,000 in student loans and another \$14,000 to her parents, who are giving her until she turns 26 to start making payments. On top of that, she has about \$13,000 in credit card debt.

Richard earns \$37,500 a year working as an assistant account executive at a public relations firm in Milwaukee and lives with her parents to cut down on rent. But she doesn't let her entry-level salary keep her from pursuing her financial goals: She's been saving money

and is on track to buy a house early next year.

Richard's financial situation isn't ideal, she admits, but she shows that it's possible to achieve financial goals on an entry-level salary — even if you have student loans. Keep your budget simple and realistic

<http://www.ajc.com/feed/business/consumer-advice/how-to-live-on-an-entry-level-salary-when-you-have/fCRgK9/>

Youngstown (OH) Vindicator: ITT Victims Deserve Help; Public Is Seeking Answers*

By Youngstown (OH) Vindicator

Some 40,000 students attending ITT Technical Institute across the country no doubt entered the institution with grand dreams of earning a life-changing higher education degree. Today, many of those dreams have shattered into nightmares, and many of those students have received little more than the boot.

Earlier this week, administrators at ITT, one of America's largest networks of for-profit colleges, shuttered their doors at their 130 campuses in 39 states, including the Mahoning Valley campus on Meridian Road in Austintown. In addition to the tens of thousands of students who were harmed, more than 8,000 ITT employees now find themselves in unemployment lines.

In this immediate aftermath of the ITT closing, all energies must be channeled toward assisting the primary victims — the students. In the long term, oversight of such money-making institutions ought to be strengthened and broadened to avoid a repeat of the calamity that befell many helpless students just as the new academic year was to begin.

<http://www.vindy.com/news/2016/sep/09/itt-victims-deserve-help-public-is-seeking/>

Policy and Regulatory

NPR: House Republicans Divided Over Impeachment Of IRS Commissioner

By Npr

House Republicans are debating whether to move forward with trying to impeach IRS Commissioner John Koskinen. The debate is a fallout from the 2013 IRS scandal, in which conservative groups were unfairly targeted for seeking tax-exempt status. Conservatives are pushing reluctant GOP party leaders to move forward, but there is skepticism that this is a smart move so close to Election Day.

<http://www.npr.org/2016/09/08/493157987/house-republicans-divided-over-impeachment-of-irs-commissioner>

New York Times: Private Equity Tries To Chip Away At Dodd-Frank With House Bill

By Ben Protess And Danielle Ivory

In the wake of the 2008 financial crisis, private equity suffered a rare setback on Capitol Hill.

The Dodd-Frank Act, the sweeping legislation passed in response to the crisis, saddled the industry with new regulations. The largest private equity firms, which had operated for decades with relatively little federal oversight, suddenly faced regulatory exams and reporting obligations.

But the industry did not give up.

[http://www.nytimes.com/2016/09/09/business/dealbook/private-equity-tries-to-chip-away-at-dodd-frank-with-house-bill.html?](http://www.nytimes.com/2016/09/09/business/dealbook/private-equity-tries-to-chip-away-at-dodd-frank-with-house-bill.html?gwh=3968E53D73C17C6E98CEDB0B345CF4A2)

[gwh=3968E53D73C17C6E98CEDB0B345CF4A2](http://www.nytimes.com/2016/09/09/business/dealbook/private-equity-tries-to-chip-away-at-dodd-frank-with-house-bill.html?gwh=3968E53D73C17C6E98CEDB0B345CF4A2)

New York Times: Regulators Seek Tighter Curbs On Investments By Big Banks

By Nathaniel Popper

Regulators are seeking to impose further restrictions on the ability of Wall Street banks to make risky investments with their own money.

If the new rules proceed, banks will be prohibited from buying and selling commodities, like copper, and would have to shut down what remains of their in-house private equity operations.

The biggest banks have already been scaling back these businesses, but Goldman Sachs continues to have significant operations in these areas.

[http://www.nytimes.com/2016/09/09/business/dealbook/regulators-seek-tighter-curbs-on-investments-by-big-banks.html?](http://www.nytimes.com/2016/09/09/business/dealbook/regulators-seek-tighter-curbs-on-investments-by-big-banks.html?gwh=A095C2593F2424809E41039A3F414854)

[gwh=A095C2593F2424809E41039A3F414854](http://www.nytimes.com/2016/09/09/business/dealbook/regulators-seek-tighter-curbs-on-investments-by-big-banks.html?gwh=A095C2593F2424809E41039A3F414854)

The Big Picture

Headlines From Today's Front Pages.

Wall Street Journal:

[Wells Fargo To Pay \\$185 Million Fine, Fires Thousands Over Sales Tactics](#)

[Hunt For Holiday Workers Heats Up, Giving Wages A Boost](#)

[North Korea Conducts Fifth Nuclear Test](#)

[Chinese Billionaire Linked To Giant Aluminum Stockpile In Mexican Desert](#)

New York Times:

[Donald Trump's Campaign Stands By Embrace Of Putin](#)

[Donald Trump's Remarks Show He's Mistaken On Sexual Assault In Military](#)

[Matt Lauer Loses The War In A Battle Between The Candidates](#)
[North Korea Tests A Nuclear Device, South Says](#)
[Wells Fargo Fined For Fraudulently Opening Accounts For Customers](#)
[Airbnb Adopts Rules To Fight Discrimination By Its Hosts](#)
[Venus Williams Loses In Third-Set Tiebreaker And Serena Williams Moves On](#)

Washington Post:

[Prosecutors Won't Retry McDonnells](#)
[In ITT Closure, Many See Regulators Targeting For-Profit Schools](#)
[US Hits Militants In Six Countries](#)
[The Quiet One: Melania Trump](#)
[Democrats Lock Arms Around Clinton](#)
[N. Korea Carries Out Nuclear Test, Experts Say](#)

Financial Times:

[Draghi Stands Firm Despite Downgrades](#)
[Record Fine For Wells After Staff Set Up Secret Accounts To Hit Goals](#)
[World Economy Chokes On \\$5tn Cost Of Pollution As Premature Deaths Soar](#)

Washington Times:

[Visa Security Loophole Exploited By 9/11 Attackers Still Open 15 Years Later](#)
[Donald Trump, Hillary Clinton Step Out Of Character As Tight Race Enters Home Stretch](#)
[Hillary Clinton's Foreign Financial Entanglements Unprecedented For Presidential Nominee](#)
['Religious Freedom,' 'Liberty' Just 'Code Words' For Intolerance, US Civil Rights Chairman Says](#)
[Seoul Condemns North Korea's 5th Nuclear Test, Calls It 'Fanatic Recklessness'](#)

Story Lineup From Last Night's Network News:

ABC: 2016 Politics-Trump; 2016 Politics-Clinton; Gary Johnson-Aleppo Comment; Texas-School Shooting; Severe Weather; Zika-Florida Cases; Wells Fargo-Bank Account Fraud; Las Vegas-Murder Suspect Escapes; Samsung-Galaxy Note 7 Recall; Allergan-Price Hike Limit; Ryan Lochte-Olympic Suspension.

CBS: 2016 Politics-Clinton; 2016 Politics-Trump; Commander-In-Chief Forum; Commander-In-Chief Forum Analysis; Gary Johnson-Aleppo Comment; North Dakota-Native American Tribes Protest Pipeline; Credit Card Contracts; Wells Fargo-Bank Account Fraud; Ryan Lochte-Olympic Suspension; Dabney Montgomery-Death.

NBC: Wells Fargo-Bank Account Fraud; 2016 Politics-Trump; 2016 Politics-Clinton; 2016 Politics-Ohio Voters; Gary Johnson-Aleppo Comment; French Alps-Cable Car Rescue; Chicago-Street Violence; Ryan Lochte-Olympic Suspension; 9/11 Ground Zero Flag Found; African-American History And Culture Museum.

Network TV At A Glance:

2016 Politics-Trump – 8 minutes, 5 seconds
2016 Politics-Clinton – 8 minutes
Gary Johnson-Aleppo Comment – 6 minutes, 5 seconds
Wells Fargo-Bank Account Fraud – 4 minutes, 35 seconds
Ryan Lochte-Olympic Suspension – 1 minute, 15 seconds

Story Lineup From This Morning's Radio News Broadcasts:

ABC: North Korea-Nuclear Test; 2016 Politics-Clinton; Wells Fargo-Bank Account Fraud; US Open-Serena Williams.

CBS: North Korea-Nuclear Test; FAA Flight Warning-Galaxy 7 Phones; Wells Fargo-Bank Account Fraud; Federal Investigation-Hacked Election Computers; NASA-Asteroid Mission; 2017 Guinness World Records.

FOX: North Korea-Nuclear Test; 2016 Politics-Trump; 2016 Politics-Clinton; Wisconsin-Flooding; Montana-Abducted Woman Found Dead; Pew Research Center-Population Statistics; Texas-Mattress Company 9/11 Ad; Football.

NPR: North Korea-Nuclear Test; 2016 Politics-Trump; 2016 Politics-Clinton; French Alps-Cable Car Rescue; Wall Street; McDonnells Retrial Denied; Paralympics-US Gold Medal; Tim Tebow Contract.

Washington's Schedule

Today's Events In Washington.

White House:

PRESIDENT OBAMA — Returns to Washington, DC, following trip to China and Laos.

VICE PRESIDENT BIDEN — Departs Washington, DC en route St. Louis, Missouri; participates in a roundtable on creating affordable, accelerated education and training opportunities so that more Americans obtain the skills they need to get middle class jobs in high growth fields such as technology; delivers remarks at an event for Jason Kander for Senate; departs St. Louis, Missouri en route Los Angeles, California; delivers remarks at the Stand Up to Cancer Live Event; departs Los Angeles, California en route Wilmington, Delaware.

US Senate: Not in session.

US House: 8:30 AM House Oversight subcommittee hearing on FEMA response to Louisiana flooding – Transportation and Public Assets Subcommittee hearing on 'Oversight of the Federal Emergency Management Agency's Response to the Baton Rouge Flood Disaster'. Invited witnesses include FEMA Regional Administrator Tony Robinson; Central, LA, Mayor Jr. Shelton; Denham Springs, LA, Mayor Gerard Landry; and Walker, LA, Mayor Rick Ramsey. Location: Rm 2154, Rayburn House Office Bldg., Washington, DC <http://oversight.house.gov/>. Contacts: House Committee on Oversight and Government Reform 1 202 225 5074.

9:00 AM House Commerce subcommittee hearing on federal mental health parity laws and regulations – Health Subcommittee hearing on 'An Examination of Federal Mental Health Parity Laws and Regulations', with testimony from HealthPartners Medical Group Behavioral Health Division Senior Medical Director Michael Trangle, Association for Behavioral Health and Wellness President and CEO Pamela Greenberg, and Health Law Advocates Executive Director Matt Selig. Location: Rm 2322, Rayburn House Office Bldg., Washington, DC <http://energycommerce.house.gov/> <https://twitter.com/HouseCommerce>. Contacts: House Energy and Commerce Committee 1 202 225 2927.

9:00 AM House meets for legislative business – House of Representatives meets for legislative business, with agenda for the week including 'H.R. 2357 – Accelerating Access to Capital Act of 2016' and 'H.R. 5424 – Investment Advisers Modernization Act of 2016' * Administration has expressed its strong opposition to both bills, and said that President Barack Obama would likely veto either if they reached his desk, saying the former would 'undermine the health and integrity of the markets' and the latter would 'weaken oversight of the financial system'. Location: Washington, DC <http://www.house.gov/>. Contacts: House of Representatives Press Gallery 1 202 225 3945. Last votes expected no later than 3:00 p.m.

9:15 AM POSTPONED: House Financial Services subcommittee hearing on corporate governance – POSTPONED: Capital Markets and Government Sponsored Enterprises Subcommittee hearing on 'Corporate Governance: Fostering a System that Promotes Capital Formation and Maximizes Shareholder Value'. Location: Rm 2128, Rayburn House Office Bldg., Washington, DC <http://financialservices.house.gov> <https://twitter.com/FinancialCmte>. Contacts: House Committee on Financial Services press 1 202 226 0471.

10:30 AM House ceremony marks 15th anniversary of 9/11 – House of Representatives holds ceremony to mark the 15th anniversary of 9/11 and remember the thousands of men and women killed that day. House Speaker Paul Ryan and Minority Leader Nancy Pelosi deliver remarks, and Members participate in a rendition of 'God Bless America'. Location: House Steps, US Capitol, Washington, DC <http://speaker.house.gov/> <https://twitter.com/SpeakerBoehner>. Contacts: AshLee Strong House Speaker press ashlee.strong@mail.house.gov 1 202 225 0600. Media may access the plaza no earlier than 8:30 a.m. ET. All crews with equipment must be set by 9:30 a.m. ET for the security sweep. All TV crews must contact the House Radio-TV gallery to sign up for coverage at 202-225-5214.

11:00 AM Tom Lantos Human Rights Commission hearing on human rights in Bahrain – Tom Lantos Human Rights Commission hearing on 'Human Rights in Bahrain: Next Steps, examining recent developments in the country and their implications for Bahrain and the US, and offering policy recommendations to Congress, in the context of the global effort to counter violent extremism. Panelists include Human Rights First Human Rights Defenders Director Brian Dooley, Human Rights Watch Washington Director Sarah Margon, Bahrain MP Matar Ebrahim Matar, and Project on Middle East Democracy Deputy Director for Policy Cole Bockenfeld. Location: HVC-210, US Capitol Visitor Center, Washington, DC <http://tlhrc.house.gov/> <https://twitter.com/TLHRCCommission>. Contacts: Kimberly Stanton Tom Lantos Human Rights Commission Kimberly. Stanton@mail.house.gov 1 202 225 3599. This hearing will be open to members of Congress, congressional staff, the interested public and the media.

Other: 7:00 AM Values Voter Summit with Donald Trump among day one speakers – Values Voter Summit – annual meeting of social conservative activists hosted by the Family Research Council. Day one speakers include 2016 Republican presidential nominee Donald Trump, Republican National Committee Chairman Reince Priebus, Republicans Sens. Tim Scott and James Lankford and Reps. Marsha Blackburn, John Fleming, Louie Gohmert, James Bridenstine, and Diane Black, Kentucky Governor Matt Bevin, North Carolina Lt. Governor Dan Forest, Family Research Council President Tony Perkins, former Sen. Rick Santorum, 'The Dana Show' host Dana Loesch, 'The Laura Ingraham Show' host Laura Ingraham, 'Family Talk' founder and host Dr James Dobson, Lt. Col. (Ret.) Allen West, 'Duck Dynasty's Phil Robertson, Wallbuilders founder and President David Barton, The Benham Companies co-founders David and Jason Benham, and Center for Urban Renewal and Education founder Star Parker. Location: Omni Shoreham Hotel, Washington, DC <http://www.valuesvotersummit.org> [#VVS16](https://twitter.com/FRCAction). Contacts: J.P. Duffy Family Research Council media jpd@frc.org 1 202 637 4679 FRC Media Office media@frc.org 1 866 372 6397. Donald Trump speaks at 3:30 PM.

9:00 AM Department of Justice moment of silence and Survivor Tree plaque unveiling – Attorney General Loretta Lynch leads a moment of silence as part of a commemoration ceremony with Department of Justice employees to recognize the 15th anniversary of the 9/11 terrorist attack. Following the moment of silence, the Attorney General delivers remarks and dedicates a commemorative plaque for the 'Survivor Tree' seedling that was planted in the Department of Justice's courtyard on the anniversary last year. Location: US Department of Justice Courtyard, 950 Pennsylvania Ave., N.W., Washington, DC www.justice.gov <https://twitter.com/TheJusticeDept>. Contacts: DoJ press press@usdoj.gov 1 202 514 2007.

12:00 PM Heritage Foundation Annual B.C. Lee Lecture on US Policy in the Asia-Pacific – Heritage Foundation Annual B.C. Lee Lecture on US Policy in the Asia-Pacific: Republican Sen. John McCain interviewed on 'US-Asia Policy: Prospects during a Critical Time of Change' * Lecture previously given by officials including Henry Kissinger, Jesse Helms, Donald Rumsfeld, Colin Powell, Condoleezza Rice, Joe Lieberman, Ed Royce, and Robert Zoellick * South Korea Ambassador to the US Amb. Ahn Ho-Young hosts post-lecture reception. Location: Heritage Foundation, 214 Massachusetts Ave NE, Washington, DC www.heritage.org <https://twitter.com/Heritage>. Contacts: Heritage Foundation media HeritagePress@heritage.org 1 202 675 1761. Attendance will be limited for this function, so your prompt RSVP is very much appreciated.

called at (703) 483-6100.

From: [Mason, Zach \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: FW: [PRESS]: CFPB News Summary for Friday, September 9, 2016
Date: Friday, September 09, 2016 10:31:32 AM
Attachments: [CFPBNewsSummary160909.doc](#)

Wow. That's some serious juice. Well done.

ZAM
212.328.7013

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From: Van Dyke, Laura (CFPB)
Sent: Friday, September 09, 2016 9:49 AM
To: _DL_CFPB_AllHands
Subject: [PRESS]: CFPB News Summary for Friday, September 9, 2016

Mobile version and searchable archives available at cfpb.bulletinintelligence.com.

[Consumer Financial Protection Bureau News Summary](#)



An asterisk at the end of a headline signifies a CFPB mention.

TO: THE DIRECTOR AND SENIOR STAFF

DATE: FRIDAY, SEPTEMBER 9, 2016

TODAY'S TABLE OF CONTENTS

Banking

- [New York Times: Wells Fargo Fined For Years Of Harm To Customers*](#)
- [Washington Post: Wells Fargo Boots 5,300 Employees For Creating Accounts Its Customers Didn't Ask For*](#)
- [Wall Street Journal: Wells Fargo To Pay \\$185 Million Fine Over Account Openings](#)
- [Wall Street Journal: CFPB Levies Its Largest Fine Ever: \\$100 Million Against Wells Fargo*](#)
- [Los Angeles Times: Wells Fargo To Pay \\$185 Million To Settle Allegations Its Workers Opened Fake Accounts*](#)
- [Associated Press: Wells Fargo Fined \\$185M Over Creation Of Fake Accounts For Bonuses*](#)
- [Associated Press: Business Highlights*](#)
- [AFP: Wells Fargo To Pay \\$185mn Over Unauthorized Accounts*](#)
- [Reuters: Wells Fargo Settles Fraud Case With State, Federal Officials](#)
- [Reuters: UPDATE 1-Wells Fargo Will Pay \\$190 Mln To Settle Customer Fraud Case](#)
- [McClatchy: Wells Fargo Is Fined \\$185M For 'Widespread Illegal Practices' In Account Openings*](#)
- [UPI: Wells Fargo Fined \\$185M For Bonus Scam: 5,300 Employees Fired*](#)
- [USA Today: Wells Fargo Fined \\$185M Over Unauthorized Accounts*](#)
- [TIME: Wells Fargo Fined \\$185 Million For Creating Fake Accounts*](#)
- [CNN Money: 5,300 Wells Fargo Employees Fired Over 2 Million Phony Accounts*](#)
- [American Banker: Wells Fargo To Pay \\$187.5M For Wrongfully Opening Customer Accounts](#)
- [Fortune: Wells Fargo Has Been Fined \\$185M For Opening Unauthorized Accounts*](#)
- [ABC News: Wells Fargo Fires About 5,300 Workers In Unauthorized Account Scandal, Officials Say*](#)
- [NBC News: Wells Fargo Created Millions Of Unauthorized Accounts, Regulators Say](#)
- [NBC News: Wells Fargo Fined \\$185 Million On Phony Accounts, Fires 5,300 Staff*](#)
- [ABC: Wells Fargo Bank Account Fraud-Transcript](#)
- [CBS: Wells Fargo Bank Account Fraud-Transcript](#)
- [NBC: Wells Fargo Bank Account Fraud-Transcript.*](#)
- [CBS News: Wells Fargo Fined For Opening Millions Of Fake Accounts*](#)
- [NPR: Wells Fargo Ordered To Pay \\$185 Million Fine Over Unauthorized Accounts*](#)
- [PBS NewsHour: Wells Fargo Fined For Creating Fake Accounts, Other Illegal Practices*](#)
- [Bloomberg News: Wells Fargo Is Fined \\$185 Million Over Unapproved Accounts*](#)
- [Boston Globe: Well Fargo To Pay \\$185m Fine For Sham Accounts*](#)
- [NPR: Wells Fargo Fined \\$185 Million Over Creation Of Fake Accounts For Bonuses*](#)
- [Financial Times: Wells Fargo: Magic Tricks](#)
- [Financial Times: Wells Fargo Fined \\$185m Over Account Openings*](#)
- [Financial Times: Wells Fargo Hit With Record Fine Over Secret Accounts](#)
- [Mic: Wells Fargo Gets A Record-setting Fine For Roping Customers Into Fake Accounts*](#)

- [The Hill: Overnight Finance: Wells Fargo Fined \\$185M For Fake Accounts*](#)
- [The Hill: Wells Fargo Slapped With \\$185M Fine For Opening Unauthorized Accounts*](#)
- [BuzzFeed: Wells Fargo Pays Record Fine For "Widespread Illegal Practice" By Sales Staff*](#)
- [Consumerist: Wells Fargo On The Hook For \\$185 Million For Opening Unauthorized Accounts*](#)
- [Yahoo! Finance: Wells Fargo Fined \\$185 Million For Creating Fake Accounts*](#)
- [Money Talks News: Wells Fargo To Pay \\$190 Million For Illegally Opened Accounts*](#)
- [Consumer Reports: Wells Fargo On The Hook For \\$185 Million For Opening Unauthorized Accounts*](#)
- [Yahoo! News: Wells Fargo To Pay \\$190M After Creating Sham Accounts For Customers*](#)
- [Vanity Fair: Wells Fargo Fires 5,300 Employees For Opening Millions Of Phony Account*](#)
- [Inc. Magazine: Why Wells Fargo Fired 5,300 Employees \(Hint: Always Check Your Bank Statement\)*](#)
- [Slate: Wells Fargo To Pay \\$185 Million For Account-opening Scandal. That's Not Enough.*](#)
- [Los Angeles Business Journal: Wells Fargo Slapped With \\$50 Million Fines In L.A. Settlement*](#)
- [Birmingham \(AL\) Business Journal: No Word On Whether Wells Fargo Scandal Affected Birmingham Customers*](#)
- [St. Louis Business Journal: Regulators Hit Wells Fargo With \\$185 Million Fine, The Largest In Consumer Financial Protection Bureau History*](#)
- [BBC News \(UK\): US Bank Wells Fargo Fined \\$185m For Opening Illegal Accounts*](#)
- [New York Post: Feds Slap Wells Fargo With Record Fine Over Fake Accounts*](#)
- [ConsumerAffairs: Feds Fine Wells Fargo \\$100 Million For Secretly Opening Customer Accounts*](#)
- [Daily Caller: Wells Fargo Just Got Hit With The Biggest Fine In CFPB History*](#)
- [VIBE: Wells Fargo Fined \\$185 Million For Fake Accounts*](#)
- [Inquisitr: Wells Fargo Fires 5,300 Employees For Creating Millions Of Fake Accounts Using Customer's Names Without Consent](#)
- [Fusion: Wells Fargo Fined \\$185 Million For Sales Abuse*](#)
- [Bankrate: Wells Fargo To Pay \\$185 Million To Settle Allegations Against Employee Practices*](#)
- [Fiscal Times: Wells Fargo Hit With \\$185 Million Fine For Creating Sham Accounts*](#)
- [Complex Magazine \(UK\): Wells Fargo Fined \\$185M After Employees Open Millions Of Fake Accounts*](#)
- [Law360: CFPB Wells Fargo Fine A Red Flag On Pay, Sales Plans*](#)
- [WRC-TV Washington: Wells Fargo Fined \\$185M For Opening Millions Of Unauthorized Accounts*](#)
- [WUSA-TV Washington: Wells Fargo Fined \\$185M Over Unauthorized Accounts*](#)
- [KCAL-TV Los Angeles: Settlement Reached With Wells Fargo Over Unauthorized Accounts*](#)
- [Nerd Wallet: What Wells Fargo's \\$185 Million Settlement May Mean For You*](#)
- [Allentown \(PA\) Morning Call: Wells Fargo Fined For Employees 'Enriching' Themselves At Customers' Expense*](#)
- [Harrisburg \(PA\) Patriot-News: 'A Violation Of Trust': Thousands Of Wells Fargo Employees Created Fake Accounts At Customers' Expense*](#)
- [Pay Before: CFPB Levees Record \\$100 Million Fine On Wells Fargo*](#)
- [Clark County \(WA\) Columbian: Wells Fargo Fined For Unauthorized Accounts*](#)
- [Investopedia: Wells Fargo Draws \\$185M Fine For Fake Accounts \(WFC\)*](#)
- [Finance Magnates: U.S. Regulators Levies \\$185 Million Fine On Wells Fargo Over Fake Credit Cards*](#)
- [Telegraph \(UK\): Wells Fargo Fires 5,300 Employees Over 'Phony Account' Schemes That Led To \\$185 Million Fine*](#)
- [Brisbane \(AUS\) Times: Wells Fargo To Pay \\$240m For Unauthorised Accounts*](#)
- [Daily Intelligencer \(NY\): Wells Fargo Fined \\$185 Million For Screwing Customers*](#)
- [Sioux Falls \(SD\) Argus Leader: 5,300 Wells Fargo Workers Fired For Conduct: Local Impact Not Released*](#)
- [New Jersey Local News: Wells Fargo Fined \\$185M Over Fake Bank Accounts*](#)
- [Credit Union Times: CFPB Fines Wells Fargo \\$100 Million For Unauthorized Account Openings*](#)
- [Alabama Live: Wells Fargo Fires 5,300 For Illegally Opening Accounts, Credit Cards*](#)
- [Inland Valley \(CA\) Daily Bulletin: Wells Fargo To Pay \\$185 Million In Fines Over Unauthorized Accounts*](#)
- [Benzinga: Wells Fargo & Company \(NYSE:WFC\)*](#)
- [SC Magazine: Wells Fargo Bank Fined \\$185M, Fires 5,300 Staffers Over Fake Account Scam*](#)
- [CBC \(CAN\): Wells Fargo Fined \\$185M For Creating Unauthorized Accounts*](#)
- [Talking New Media: Wells Fargo Dinged \\$185 Million For Creating Fake Accounts, LA Times Investigation Began Case*](#)
- [Washington Examiner: Wells Fargo Fined \\$100 Million For Illegally Creating Accounts To Soak Customers*](#)
- [Atlanta Business Chronicle: Regulators Hit Wells Fargo With Record \\$185M Fine*](#)
- [Corporate Crime Reporter: CFPB Fines Wells Fargo \\$100 Million*](#)
- [Seeking Alpha: Wells Fargo To Pay \\$185M Over Shady Account Openings*](#)
- [SNL Financial: SNL: UPDATE: Regulators Fine Wells Fargo \\$185M For Secretly Opening Accounts*](#)
- [Palm Beach \(FL\) Post: Feds Order Wells Fargo To Pay \\$100 Million Fine For Shady Sales Practices \\$WFC*](#)
- [Huffington Post \(CAN\): Wells Fargo Fined For Opening MILLIONS Of Unauthorized Accounts*](#)
- [Atlanta Journal-Constitution: Wells Fargo Fined \\$185M: Things To Know*](#)
- [Charlotte \(NC\) Observer: Wells Fargo Fined \\$185M For 'widespread Illegal Practices' That Hurt Customers*](#)
- [International Business Times \(UK\): Wells Fargo Fined \\$185m For Creating Millions Of Fake Accounts*](#)
- [Daily Mail: Wells Fargo Is Fined Record-Breaking \\$190million And Fires 5,300 Staff After 'Widespread' Customer Fraud Scheme Is Uncovered](#)
- [Ars Technica: 5,300 Wells Fargo Employees Fired After 2 Million Fake Accounts Discovered*](#)
- [Finextra: Wells Fargo Fined \\$185m For Opening Millions Of Accounts Without Customers' Knowledge*](#)
- [The Guardian \(UK\): Wells Fargo To Pay \\$185m For Aggressive, Illegal Sales Tactics*](#)
- [Credit: Wells Fargo Fined \\$185 Million Over Fake Credit Card & Deposit Accounts*](#)
- [WLNE-TV Providence \(RI\): Wells Fargo Accused Of Fraudulent Practices*](#)
- [Bloomberg Business: Wells Fargo Opened A Couple Million Fake Accounts*](#)
- [Digital Look: Wells Fargo Fined \\$185m For Opening Fake Accounts*](#)
- [The Verge: Wells Fargo Fined \\$185 Million For Creating 2 Million Fake Bank Accounts*](#)
- [International Business Times: Wells Fargo Fined \\$185 Million For Creating Over 1 Million Fake Accounts*](#)
- [Housing Wire: CFPB Levies \\$100 Million Fine Against Wells Fargo*](#)

- [KESQ-TV Palm Springs \(CA\): Wells Fargo Hit With \\$185 Million In Fines*](#)
- [Washington Examiner: House Panel Schedules Vote On Dodd-Frank Replacement*](#)
- [Housing Wire: Congress Set To Consider Republican Plan To Abolish Dodd-Frank*](#)
- [American Banker: Banks Learn The Price Of 'Satisfactory' CRA Grades*](#)
- [The Hill: House Panel To Consider Dodd-Frank Replacement](#)
- [CNBC: Bank Of America's Moynihan: I'm Bullish On The US Consumer](#)
- [Bankrate: 7 Tips To Resolve Complaints Against Banks*](#)

[Consumer Financial Protection Bureau](#)

- [My Customer \(UK\): CFPB And Beyond: How Big Data Is Improving Customer Service*](#)
- [National Law Review: California Court Weighs In On "True Lender" Issue As CFPB Expands Its UDAAP Enforcement Authority*](#)
- [Huffington Post: A New Consumer Protection Agenda For Working Families*](#)

[Consumer Credit](#)

- [CNBC: Many Americans Still Struggle To Understand Card Agreements*](#)
- [ConsumerAffairs: Have You Ever Read Your Credit Card Agreement?*](#)
- [KDKA-TV Pittsburgh: Credit Card Agreements Too Long And Hard To Understand*](#)
- [CBS News: Credit Card Agreements Confusing Customers](#)
- [Wall Street Journal: Rise In July U.S. Consumer Credit Reflects Steady Household Spending](#)
- [Associated Press: Consumer Borrowing Grows By \\$17.7 Billion In July](#)
- [Business Insider: US Consumer Credit, July 2016](#)
- [CBS News: Count 'Em: 2 Simple Rules For Reducing Credit Card Debt](#)
- [Washington Post: How The Careless Errors Of Credit Reporting Agencies Are Ruining People's Lives*](#)
- [NASDAQ: 3 Important Money Lessons For Youths](#)
- [Bankrate: 5 Ways To Get The Most From Your Credit Cards](#)
- [Business Insider: How To Manage Debt](#)
- [Go Banking Rates: 10 Things You Should Never Put On A Credit Card](#)
- [U.S. News & World Report: How Your Age Matters: Questions Every Generation Asks A Financial Advisor](#)

[Housing, Mortgages and Foreclosure](#)

- [Mortgage Orb: New Mortgage Loan Defect Report Shows That TRID Is A Major Source Of Defects*](#)
- [South Bend \(IN\) Tribune: TRID Responsible For More Mortgage Defects*](#)
- [Inside Mortgage Finance: Title Agents Bash TRID Clarification Proposal, Real Estate Agents Love Getting Access To Docs](#)
- [Credit: Women Are Better Than Men At Paying Their Mortgages](#)

[Older Americans](#)

- [Business Insider: Confidence Gap Between Younger And Older Americans All-Time High](#)

[Students](#)

- [Consumer Reports: Student Loan Servicers Put Borrowers At Risk*](#)
- [Bloomberg News: What's Next For ITT Tech's Students And Their Half A Billion In Debt?*](#)
- [Nerd Wallet: How To Live On An Entry-Level Salary When You Have Student Loans](#)
- [Youngstown \(OH\) Vindicator: ITT Victims Deserve Help: Public Is Seeking Answers*](#)

[Policy and Regulatory](#)

- [NPR: House Republicans Divided Over Impeachment Of IRS Commissioner](#)
- [New York Times: Private Equity Tries To Chip Away At Dodd-Frank With House Bill](#)
- [New York Times: Regulators Seek Tighter Curbs On Investments By Big Banks](#)

[The Big Picture](#)

- [Headlines From Today's Front Pages.](#)

[Washington's Schedule](#)

- [Today's Events In Washington.](#)

Banking

New York Times: Wells Fargo Fined For Years Of Harm To Customers*

By Michael Corkery, New York (NY) Times

Credit cards issued secretly without a customer's consent. Bank employees creating fake email accounts to sign up customers for online banking services. Customers accumulating late fees on accounts they never even knew they had.

Those illegal banking practices were widespread and pervasive at Wells Fargo, which on Thursday was fined \$185 million, including a \$100 million penalty from the Consumer Financial Protection Bureau, the largest such penalty the agency has ever issued.

Federal banking regulators said the practices reflected serious flaws in the internal culture and oversight at Wells Fargo, one of the nation's largest banks.

<http://www.nytimes.com/2016/09/09/business/dealbook/wells-fargo-fined-for-years-of-harm-to-customers.html>

Washington Post: Wells Fargo Boots 5,300 Employees For Creating Accounts Its Customers Didn't Ask For*

By Renae Merle, Washington (DC) Post

Wells Fargo agreed to pay the largest fine ever collected by the federal government's new consumer protection agency after an investigation found its staff opened more than 2 million fake checking, credit card and other accounts for customers in order to meet sales targets and earn bonuses. The bank, one of the largest in the country, said it has fired 5,300 over the last five years for the conduct.

The case exposes a potential vulnerability in the nation's banking system that has gone largely unrecognized. Banks have spent millions in recent years strengthening their security systems to fight cybercriminals seeking customer data and hackers attempting to exploit weaknesses in the financial world's online tapestry. But the Wells Fargo scheme is striking because those accused included thousands of ordinary workers inside one of the country's largest banks.

Chasing "compensation incentives," employees went as far as to create phony email addresses to enroll existing customers in online-banking services and issued them debit cards they didn't request, government regulators alleged. Some even created fake personal identification numbers.

<https://www.washingtonpost.com/news/business/wp/2016/09/08/wells-fargo-fined-185-million-for-creating-accounts-its-customers-didnt-ask-for/>

Wall Street Journal: Wells Fargo To Pay \$185 Million Fine Over Account Openings

By Emily Glazer, Wall Street Journal

The Wall Street Journal reports Wells Fargo has been fined \$185 million for charges listed as widespread illegal practice in the account openings and other related fields.

<http://www.wsj.com/articles/wells-fargo-to-pay-185-million-fine-over-account-openings-1473352548>

Wall Street Journal: CFPB Levies Its Largest Fine Ever: \$100 Million Against Wells Fargo*

By Yuka Hayashi, Wall Street Journal

The Wall Street Journal reports the fine the CFPB has levied against Wells Fargo is the largest in the agency's history.

<http://www.wsj.com/articles/cfpb-levies-its-largest-fine-ever-100-million-against-wells-fargo-1473373739>

Los Angeles Times: Wells Fargo To Pay \$185 Million To Settle Allegations Its Workers Opened Fake Accounts*

By James Rufus Koren, Los Angeles (CA) Times

City and federal officials have reached a \$185-million settlement with Wells Fargo over allegations that the bank's employees, driven by strict sales quotas, regularly opened new accounts for customers without their knowledge.

The settlement, announced Thursday morning, calls for the San Francisco banking giant to pay \$100 million in penalties to the Consumer Financial Protection Bureau — the largest fine the federal agency has ever imposed — and \$35 million to the Office of the Comptroller of the Currency, another federal regulator.

It also will pay \$50 million in penalties to local officials and to compensate account holders for fees related to bogus accounts.

<http://www.latimes.com/la-fi-wells-fargo-settlement-20160907-snap-story.html>

Associated Press: Wells Fargo Fined \$185M Over Creation Of Fake Accounts For Bonuses*

By Ken Sweet, Associated Press

NEW YORK — California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago, \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

<http://www.startribune.com/business/392758801.html>

Associated Press: Business Highlights*

NEW YORK (AP) — California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

<http://www.chron.com/business/article/Business-Highlights-9211238.php>

AFP: Wells Fargo To Pay \$185mn Over Unauthorized Accounts*

By AFP

Retail and commercial banking giant Wells Fargo will pay more than \$185 million in fines after US regulators accused the bank of secretly opening accounts without customers' knowledge, officials said Thursday.

The Consumer Financial Protection Bureau said employees at Wells Fargo, the world's largest bank by market value, had illegally boosted sales figures by opening unauthorized deposit and credit accounts and then covertly funding them with customers' money, sometimes creating phony email addresses to enroll them.

This resulted in fees and other charges for customers and improperly helped bank employees meet sales targets and receive bonuses,

according to the CFPB.

<http://www.dailymail.co.uk/wires/afp/article-3780260/Wells-Fargo-pay-185mn-unauthorized-accounts.html>

Reuters: Wells Fargo Settles Fraud Case With State, Federal Officials

By Reuters

Reuters reports Wells Fargo has agreed to pay \$185 million in fines and restitution to customers for “pushing customers into multiple, fee-generating accounts that they never requested.”

<http://www.reuters.com/article/wells-fargo-settlement-idUSL1N1BK11F>

Reuters: UPDATE 1-Wells Fargo Will Pay \$190 Mln To Settle Customer Fraud Case

By Patrick Rucker And Dan Freed, Reuters

Reuters reports regulators have ordered Wells Fargo to pay “\$185 million in penalties and \$5 million to customers that regulators say were pushed into fee-generating accounts that they never requested.”

<http://www.reuters.com/article/wells-fargo-settlement-idUSL1N1BK18U>

McClatchy: Wells Fargo Is Fined \$185M For ‘Widespread Illegal Practices’ In Account Openings*

By McClatchy

Wells Fargo will pay \$185 million to settle allegations of “widespread illegal practices” in which employees secretly opened accounts to meet sales targets and receive bonuses, federal regulators announced Thursday.

Employees for the San Francisco-based bank opened more than 2 million deposit and credit card accounts that may not have been authorized by consumers, the bank’s own analysis shows, regulators said. The civil settlement is a black eye for a company that has long touted its employee culture and its ability to sell more products to its customer base.

Wells Fargo’s violations resulted in the Consumer Financial Protection Bureau imposing a \$100 million fine, the regulator’s largest penalty ever. Wells will also pay a \$35 million penalty to the U.S. Office of the Comptroller of the Currency, which regulates national banks, and another \$50 million to the City and County of Los Angeles, which had filed suit over the practices.

<http://www.sacbee.com/news/nation-world/national/article100670802.html#storylink=rss>

UPI: Wells Fargo Fined \$185M For Bonus Scam; 5,300 Employees Fired*

By Doug G. Ware, UPI

WASHINGTON, Sept. 8 (UPI) — Federal regulators on Thursday fined Wells Fargo Bank nearly \$200 million for a widespread scam run by some employees to open millions of bogus accounts to meet quotas and generate sales bonuses, officials said.

The federal Consumer Financial Protection Bureau announced the penalties against the bank after an investigation uncovered rampant illegal activity by thousands of employees.

According to regulators, employees at Wells Fargo opened more than 2 million fake deposit accounts in real customers’ names and even transferred money in and out of them, without authorization, from those unsuspecting customers.

http://www.upi.com/Business_News/2016/09/08/Wells-Fargo-fined-185M-for-bonus-scam-5300-employees-fired/796147335994/

USA Today: Wells Fargo Fined \$185M Over Unauthorized Accounts*

By Kevin McCoy, USA Today

Wells Fargo Bank, N.A., one of the nation’s largest banks, has been with \$185 million in civil penalties for secretly opening millions of unauthorized deposit and credit card accounts in a bid to boost its finances, federal and state officials said Thursday.

Employees of Wells Fargo (WFC) boosted sales figures by covertly opening the accounts and funding them by transferring money from customers’ authorized accounts without permission, the Consumer Financial Protection Bureau, Office of the Comptroller of the Currency and Los Angeles officials said.

An analysis by the San Francisco-headquartered bank found that its employees opened more than two million deposit and credit card accounts that may not have been authorized by consumers, the officials said. Many of the transfers ran up fees or other charges for the customers.

<http://www.usatoday.com/story/money/2016/09/08/wells-fargo-fined-185m-over-unauthorized-accounts/90003212/>

TIME: Wells Fargo Fined \$185 Million For Creating Fake Accounts*

By TIME

(NEW YORK) — California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank’s employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago; \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney’s office.

<http://time.com/4484479/wells-fargo-fined-unauthorized-accounts/>

CNN Money: 5,300 Wells Fargo Employees Fired Over 2 Million Phony Accounts*

By Matt Egan, CNN Money

That's exactly what happened to Wells Fargo customers nationwide.

On Thursday, federal regulators said Wells Fargo employees secretly created millions of unauthorized bank and credit card accounts – without their customers knowing it – since 2011.

The phony accounts earned the bank unwarranted fees and allowed Wells Fargo employees to boost their sales figures and make more money.

<http://money.cnn.com/2016/09/08/investing/wells-fargo-created-phony-accounts-bank-fees/index.html>

American Banker: Wells Fargo To Pay \$187.5M For Wrongfully Opening Customer Accounts

By American Banker

American Banker reports Wells Fargo agreed to a settlement of \$187.5 million for claims it falsely opened customer bank and credit card accounts.

<http://www.americanbanker.com/news/law-regulation/wells-fargo-to-pay-1875m-for-illegally-opening-customer-accounts-1091175-1.html>

Fortune: Wells Fargo Has Been Fined \$185M For Opening Unauthorized Accounts*

By Fortune

Wells Fargo wfc has been ordered to pay \$185 million to settle charges that employees had fraudulently signed customers up for deposit and credit card accounts to hit sales targets and receive bonuses, according to regulators.

The Office of the Comptroller of the Currency, the Consumer Financial Protection Bureau (CFPB), and the Los Angeles City Attorney each announced settlements with Wells Fargo on Thursday. Los Angeles first filed a lawsuit against the bank in May 2015.

"Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed," bureau director Richard Cordray said in a statement.

<http://fortune.com/2016/09/08/wells-fargo-credit-card/>

ABC News: Wells Fargo Fires About 5,300 Workers In Unauthorized Account Scandal, Officials Say*

By ABC News

Wells Fargo has fired about 5,300 workers after an investigation found that "hundreds of thousands of unauthorized deposit accounts" had been opened on behalf of customers as well as "tens of thousands of credit cards" without consent, according to the Los Angeles City Attorney's office.

The bank was slapped with \$185 million in fines and civil penalties by city, county and federal authorities.

The Consumer Financial Protection Bureau, a federal agency created in the wake of the financial crisis last decade, estimates that more than 1.5 million deposit accounts may not have been authorized.

<http://abcnews.go.com/US/wells-fargo-fires-5300-workers-unauthorized-account-scandal/story?id=41956019>

NBC News: Wells Fargo Created Millions Of Unauthorized Accounts, Regulators Say

By NBC News

Wells Fargo Created Millions of Unauthorized Accounts, Regulators Say

<http://www.nbcnews.com/nightly-news/video/wells-fargo-created-millions-of-unauthorized-accounts-regulators-say-760819267562>

NBC News: Wells Fargo Fined \$185 Million On Phony Accounts, Fires 5,300 Staff*

By NBC News


California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

A staggering 5,300 employees at Wells Fargo were fired in connection with this behavior, according to the Los Angeles City Attorney's office.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago; \$35 million to the Office of the Comptroller of the Currency, and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.


<http://www.nbcnews.com/business/business-news/wells-fargo-fined-185-million-improper-account-openings-n645031>

ABC: Wells Fargo Bank Account Fraud-Transcript.

[ABC World News Tonight](#)  reported, "This evening, thousands of employees at the nation's largest bank are accused of using customers' information to open up new bank accounts for millions of Americans without you even knowing. And putting some of the customers' money into new accounts, and then allegedly charging overdraft fees for the initial account. Well, tonight here, a landmark fine, \$185 million, and Rebecca Jarvis is tracking your money." ABC (Jarvis) added, "Tonight, Wells Fargo under fire. Thousands of employees at the bank accused of secretly using customer information and illegally opening more than two million savings and credit card accounts. To meet sales goals, bankers at branches across the country would temporarily siphon money from real bank accounts into those secret accounts, keeping customers in the dark. Even creating phony email addresses and fake PINs to cover their tracks. Customers, who had no idea the money was gone, were then charged overdraft fees. Wells Fargo firing 5,300 employees in connection with the widespread, illegal

scheme that spans at least five years. Telling ABC News, "While we regret every interaction that was not handled properly, the number of instances and team members involved represent a very small portion of our business." Muir: "Wow, this is still stunning. Rebecca with us now. And how do customers get their money back if they were overcharged?" Jarvis: "David, Wells Fargo expects to pay back as much as \$5 million to customers, and they say it will automatically go back in your account if you were affected by this scam." Muir: "All right, Rebecca Jarvis on your money tonight. Rebecca, thanks."

CBS: Wells Fargo Bank Account Fraud-Transcript.

The [CBS Evening News](#)  reported, "Well it was clear today that one bank's employees were committing fraud on an astonishing scale. More than 5,000 employees at Wells Fargo have been fired for opening unauthorized accounts that the customers knew nothing about — 1.5 million bogus checking accounts, about half a million credit cards in the names of real customers. It was a scheme to win bonuses for drumming up business. Wells Fargo was fined \$185 million today."

NBC: Wells Fargo Bank Account Fraud-Transcript.*

[NBC Nightly News](#)  reported, "Good evening. Wells Fargo, one of the nation's largest banks, is in serious trouble tonight, admitting that for years it signed up customers for credit cards and online banking services without their knowledge, even creating fake email addresses for enrollment. The company says it has fired thousands of employees who were involved in the scheme, but its admission raises worrisome questions about the bank's culture. Tonight, regulators are hitting Wells Fargo with massive fines. Tom Costello starts us off with what customers should know." NBC (Costello) added, "It was fraud on a scale that matched the size and influence of the world's largest bank. Wells Fargo employees opened roughly one and a half million bank accounts and applied for more than half a million credit cards that in many cases the customers never requested or agreed to. Thousands of employees were in on it, motivated, say regulators, by promises of higher compensation for generating new business." Richard Cordray, Consumer Financial Protection Bureau: "Money might be moved from your accounts into some of these accounts without your knowledge. That might have cost you fees, late fees, rewards fees, overdraft charges and the like." Costello: "Now Wells Fargo has been hit with \$185 million in total fines, including the biggest ever by the Consumer Financial Protection Bureau. It was the city of Los Angeles that originally sued Wells Fargo. Now, Wells is paying LA \$50 million in fines." Mike Feuer, Los Angeles City Attorney: "If I were a consumer in this case, I would be outraged if my bank opened an account for me using my personal data and never told me." Costello: "Today, Wells Fargo told NBC News it has fired 5,300 employees over the past five years. In a statement saying, 'We regret and take responsibility for any instances where customers may have received a product that they did not request.' The takeaway for all bank customers?" Sue Herera, CNBC: "Regardless of where you bank, Wells Fargo or any other bank, you need to really monitor your bank account, watch for unauthorized transfers and unauthorized withdrawals from your account, or payments that you have not authorized." Costello: "Tonight, Wells tells me it will refund an average of \$25 to every affected customer. It says it's already identified those people and will put that money automatically in their account, no action required. We asked Wells Fargo, do they have a problem with ethics or training at their bank? They insist no, but they concede some managers were among the employees fired. Lester?" Holt: "All right, Tom Costello. Tom, thank you."

CBS News: Wells Fargo Fined For Opening Millions Of Fake Accounts*

By Kathy Kristof, CBS News

Wells Fargo (WFC) has long touted its commitment to customers, with CEO John Stumpf noting a few years ago that it wants people to "see us as trusted financial advisers." But that reputation could be in jeopardy given the bank's recent financial penalties for abusive business practices.

On Thursday, Wells was hit with a record fine for covertly opening some 2 million unauthorized customer credit card and deposit accounts, draining real accounts to fund them, and charging fees for services the customers didn't request.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," said Richard Cordray, Director of the Consumer Financial Protection Bureau. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed."

<http://www.cbsnews.com/news/wells-fargo-pays-record-fine-for-customer-abuse/>

NPR: Wells Fargo Ordered To Pay \$185 Million Fine Over Unauthorized Accounts*

By NPR

Wells Fargo will pay \$185 million in penalties following accusations the bank opened deposit accounts and credit cards for customers without their permission. The Consumer Financial Protection Bureau says bank employees opened more than 2 million accounts that may not have been authorized. The motive, according to regulator, was to hit sales targets and compensation incentives.

<http://www.npr.org/2016/09/08/493157959/wells-fargo-ordered-to-pay-185-million-fine-over-unauthorized-accounts>

PBS NewsHour: Wells Fargo Fined For Creating Fake Accounts, Other Illegal Practices*

By Kristen Doerer, PBS NewsHour

The Consumer Financial Protection Bureau fined Wells Fargo \$100 million for illegal banking practices on Thursday.

Another \$85 million will be paid to California and federal regulators, according to the Charlotte Observer.

Since 2011, Wells Fargo employees have created bank and credit card accounts without customers' consent.

<http://www.pbs.org/newshour/run-down/wells-fargo-fined-creating-fake-accounts-illegal-practices/>

Bloomberg News: Wells Fargo Is Fined \$185 Million Over Unapproved Accounts*

By Jesse Hamilton, Bloomberg News

Wells Fargo & Co. will pay \$185 million to resolve claims that bank employees opened deposit and credit-card accounts without customers' approval to satisfy sales goals and earn financial rewards, U.S. regulators said.

The lender opened more than 2 million accounts that consumers may not have known about, the Consumer Financial Protection Bureau said in a statement Thursday. Wells Fargo, which fired 5,300 employees over the improper sales practices, agreed to pay a \$100 million fine to the CFPB, \$35 million to the Office of the Comptroller of the Currency and \$50 million to the Los Angeles city attorney to settle the matter. The San Francisco-based bank also will compensate customers who incurred fees or charges, the agencies said.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," CFPB Director Richard Cordray said in his agency's statement. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed."

<http://www.bloomberg.com/news/articles/2016-09-08/wells-fargo-fined-185-million-over-unwanted-customer-accounts>

Boston Globe: Well Fargo To Pay \$185m Fine For Sham Accounts*

By Michael Corkery, Boston (MA) Globe

NEW YORK — For years, Wells Fargo employees secretly issued credit cards without a customer's consent. They created fake e-mail accounts to sign up customers for online banking services. They set up sham accounts that customers learned about only after they started accumulating fees.

On Thursday, these illegal banking practices cost Wells Fargo \$185 million in fines, including a \$100 million penalty from the Consumer Financial Protection Bureau, the largest such penalty the agency has issued.

Federal banking regulators said the practices, which date to 2011, reflected serious flaws in the internal culture and oversight at Wells Fargo, one of the nation's largest banks. The bank has fired at least 5,300 employees who were involved.

<http://www.bostonglobe.com/business/2016/09/08/wells-fargo-fined-for-years-harm-customers/7pKVBXuMtVCN1y6GoLaXsM/story.html>

NPR: Wells Fargo Fined \$185 Million Over Creation Of Fake Accounts For Bonuses*

By NPR

Wells Fargo Bank has been ordered to pay \$185 million in fines and penalties to settle what the Consumer Financial Protection Bureau calls "the widespread illegal practice of secretly opening unauthorized deposit and credit card accounts."

Thousands of Wells Fargo employees opened the accounts in secret so they would get bonuses for hitting their sales targets, according to investigators. More than 2 million deposit and credit card accounts may have been created without customer authorization.

The bank must pay \$100 million to the CFPB — the largest fine ever levied by the federal consumer watchdog. It also will pay \$50 million to the City and County of Los Angeles, along with a \$35 million penalty to the Office of the Comptroller of the Currency.

<http://www.npr.org/sections/thetwo-way/2016/09/08/493130449/wells-fargo-to-pay-around-190-million-over-fake-accounts-that-sparked-bonuses>

Financial Times: Wells Fargo: Magic Tricks

By Financial Times

The Financial Times reports Wells Fargo has fired 5,300 employees following a fine from government regulators.

<http://www.ft.com/cms/s/047cfb84-75fb-11e6-b60a-de4532d5ea35.html>

Financial Times: Wells Fargo Fined \$185m Over Account Openings*

By Alistair Gray, Financial Times

The Financial Times reports the CFPB has implemented its largest fine yet on Wells Fargo.

<http://www.ft.com/fastft/2016/09/08/wells-fargo-fined-185m-over-account-openings/>

Financial Times: Wells Fargo Hit With Record Fine Over Secret Accounts

By Alistair Gray, Financial Times

The Financial Times reports Wells Fargo has been fined for opening customer accounts without approval.

<http://www.ft.com/cms/s/b665e862-75c7-11e6-b60a-de4532d5ea35.html>

Mic: Wells Fargo Gets A Record-setting Fine For Roping Customers Into Fake Accounts*

By James Dennin, Mic

Wells Fargo, the largest bank in the world in terms of market capitalization, was just handed the largest fine in the history of the Consumer Financial Protection Bureau, a government watchdog set up in the wake of the 2008-09 financial crisis, according to a statement from the CFPB.

According to the CFPB, Wells Fargo employees illegally opened up accounts on behalf of clients without their knowledge in order to meet sales targets.

At \$100 million, it's the agency's largest fine ever, CFPB President Richard Cordray said in a prepared statement, and Wells Fargo has other liabilities as well.

<https://mic.com/articles/153743/the-consumer-financial-protection-bureau-just-handed-wells-fargo-its-biggest-fine-ever>

The Hill: Overnight Finance: Wells Fargo Fined \$185M For Fake Accounts*

By Sylvan Lane, The Hill

Wells Fargo slapped with \$185M fine for opening unauthorized accounts: Thousands of Wells Fargo employees secretly opened deposit and credit card accounts to boost their sales numbers, racking up millions in fees and other charges for consumers, a regulator said Thursday.

The Consumer Financial Protection Bureau (CFPB) fined Wells Fargo \$185 million, including a \$100 million penalty the bank will pay to the CFPB's Civil Penalty Fund – the largest fine ever levied by the regulator.

“Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses,” said CFPB Director Richard Cordray.

<http://thehill.com/policy/finance/overnights/295108-overnight-finance-wells-fargo-fined-185m-for-fake-accounts-warren>

The Hill: Wells Fargo Slapped With \$185M Fine For Opening Unauthorized Accounts*

By Vicki Needham, The Hill

Thousands of Wells Fargo employees secretly opened deposit and credit card accounts to boost their sales numbers, racking up millions in fees and other charges for consumers, a regulator said Thursday.

The Consumer Financial Protection Bureau (CFPB) fined Wells Fargo \$185 million, including a \$100 million penalty the bank will pay to the CFPB's Civil Penalty Fund – the largest fine ever levied by the regulator.

“Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses,” said CFPB Director Richard Cordray.

<http://thehill.com/policy/finance/295060-wells-fargo-slapped-with-185-million-fine-for-opening-unauthorized-accounts>

BuzzFeed: Wells Fargo Pays Record Fine For “Widespread Illegal Practice” By Sales Staff*

By Matthew Zeitlin, BuzzFeed

Wells Fargo will pay \$185 million in penalties after admitting its employees set up unauthorized credit and debit accounts for customers, even on occasion transferring money between the accounts without the customer's knowledge and permission.

Of the \$185 million to be paid to regulators and local authorities, \$100 million will go to the Consumer Financial Protection Bureau — the largest such fine ever levied by the CFPB.

Bank employees opened over 1.5 million accounts “that may not have been authorized and that may have been funded through simulated funding or transferring funds from consumers' existing accounts without their knowledge or consent,” according to data collected by a consultancy hired by the bank.

<https://www.buzzfeed.com/matthewzeitlin/wells-fargo-pays-record-fine-for-widespread-illegal-practice>

Consumerist: Wells Fargo On The Hook For \$185 Million For Opening Unauthorized Accounts*

By Consumerist

More than a year after the city of Los Angeles sued Wells Fargo for alleged customer account abuses, including pushing employees into opening unauthorized accounts to make sales quotas, the banking giant has been ordered to pay more than \$185 million in refunds and penalties.

The Consumer Financial Protection Bureau, along with the Office of the Comptroller of the Currency and the Los Angeles city attorney, announced the joint enforcement action Thursday, putting an end to the years-long probe into Wells Fargo's practices involving cross-selling products to customers – for example, coaxing a checking account holder to open a credit card.

The consent order [PDF] notes that, since Jan. 2011, Wells Fargo employees regularly misused customers' personal information, opening nearly two million unwanted accounts and failing to close the unauthorized accounts despite complaints from customers.

<https://consumerist.com/2016/09/08/wells-fargo-on-the-hook-for-185-million-for-opening-unauthorized-accounts/>

Yahoo! Finance: Wells Fargo Fined \$185 Million For Creating Fake Accounts*

By Yahoo! Finance

The Consumer Financial Protection Bureau announced on Thursday that it was fining Wells Fargo \$100 million for secretly opening up bank and credit card accounts for customers without their authorization, apparently all because employees were trying to reach aggressive sales goals set by the bank.

“Spurred by sales targets and compensation incentives, employees boosted sales figures by covertly opening accounts and funding them by transferring funds from consumers' authorized accounts without their knowledge or consent, often racking up fees or other charges,” a CFPB press release explained.

In addition to the \$100 million fine, Wells Fargo will pay \$50 million to the city and county of Los Angeles, and another \$35 million penalty to the Office of the Comptroller of the Currency.

<http://finance.yahoo.com/news/wells-fargo-fined-185-million-181314711.html>

Money Talks News: Wells Fargo To Pay \$190 Million For Illegally Opened Accounts*

By Money Talks News

Wells Fargo Bank must shell out \$190 million to settle claims over what federal regulators are calling a “widespread illegal practice.” Federal authorities say bank employees' secretly opened unauthorized deposit and credit card accounts to meet Wells Fargo sales targets and earn financial incentives.

According to the Consumer Financial Protection Bureau, thousands of Wells Fargo workers opened more than 2 million accounts without customer knowledge or consent, leaving the unsuspecting account holder on the hook for fees and other charges associated with the new accounts.

The Wells Fargo bank workers allegedly opened the new accounts in an effort to meet sales targets and earn bonus money.

<http://finance.yahoo.com/news/wells-fargo-pay-190-million-062947573.html>

Consumer Reports: Wells Fargo On The Hook For \$185 Million For Opening Unauthorized Accounts*

By Consumer Reports

More than a year after the city of Los Angeles sued Wells Fargo for alleged customer account abuses, including pushing employees into opening unauthorized accounts to make sales quotas, the banking giant has been ordered to pay more than \$185 million in refunds and penalties.

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The consent order [PDF] notes that, since Jan. 2011, Wells Fargo employees regularly misused customers' personal information, opening nearly two million unwanted accounts and failing to close the unauthorized accounts despite complaints from customers.

<http://finance.yahoo.com/news/wells-fargo-hook-185-million-212540617.html>

Yahoo! News: Wells Fargo To Pay \$190M After Creating Sham Accounts For Customers*

By Yahoo! News

Wells Fargo will pay \$185 million in penalties and \$5 million to customers after the bank's employees allegedly opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals. The Consumer Financial Protection Bureau will receive \$100 million of the total penalties — the largest fine ever levied by the agency, which was conceived after the 2008 financial crisis.

Today's action should serve notice to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences. CFPB Director Richard Cordray

In a complaint filed in May 2015, California prosecutors alleged that Wells Fargo opened some 2 million bank and credit card accounts that may have not been authorized by customers and later generated fees. In some cases, they even created fake email addresses to sign up customers for online banking services. Wells Fargo's aggressive sales tactics were first disclosed by the Los Angeles Times in an investigation in 2013. Bank employees were told that the average customer tapped six financial tools but that they should push households to use eight products, according to the complaint, which was filed after the story ran. After the deal this week, the bank also took some late action, adding language to qualify its so-called "cross sale ratio," which is the number of products the bank sells to each of its individual customers.

<https://www.yahoo.com/digest/20160908/wells-fargo-pay-190m-creating-sham-accounts-customers-10753027>

Vanity Fair: Wells Fargo Fires 5,300 Employees For Opening Millions Of Phony Account*

By Emily Jane Fox, Vanity Fair

Wells Fargo is paying up and laying off thousands of workers after it reached an agreement to settle allegations that, for years, its employees extracted millions in fees by regularly opening new accounts for customers without their knowledge.

Under the agreement, announced Thursday by the Consumer Financial Protection Bureau, Wells Fargo will pay a total of \$185 million: a \$100 million fine to the C.F.P.B.'s Civil Penalty Fund, \$35 million the Office of the Comptroller of the Currency, and an additional \$50 million to the City and County of Los Angeles. Richard Cordray, the bureau's director, called it the "largest penalty the C.F.P.B. has ever imposed" because of "the severity of these violations."

Federal regulators say that scheme, which allegedly began in 2011, involved Wells Fargo employees secretly creating millions of unauthorized credit-card and bank accounts, without customer consent. Incentivized by rigorous sales quotas and compensation, employees transferred money from existing customer accounts to surreptitiously opened new accounts, the C.F.P.B. explained in its statement. Unaware that their balances had changed, customers were then charged overdraft fees or penalties for insufficient funds.

<http://www.vanityfair.com/news/2016/09/wells-fargo-fine>

Inc. Magazine: Why Wells Fargo Fired 5,300 Employees (Hint: Always Check Your Bank Statement)*

By Minda Zetlin, Inc. Magazine

It's like a scene out of the latest Wall Street-bashing Hollywood blockbuster. One of the most respected financial institutions in the United States, and the third largest bank in the world, just admitted to fleecing its customers on such a massive scale that at least 5,300 employees were involved in the scam which went on unabated for at least five years.

Wells Fargo has just been fined a record \$185 million by federal and California state regulators for widespread fraud, in which bank employees opened extra accounts for customers without their permission and signed them up for credit cards they didn't want. To keep customers from catching on, bank employees routinely created false email addresses for customers where notices about these unwanted accounts were sent. As a result, customers were hit with late fees on credit cards they didn't know they had, and overdraft fees because money in a legitimate account had been transferred to an unauthorized one. In all, Wells Fargo employees opened more than 2 million unauthorized bank and credit card accounts. The bank says it has fired 5,300 employees over their involvement in this widespread fraud.

It's a shocking story, but there are a few lessons smart leaders can draw from it: 1. Sales incentives can do more harm than good.

<http://www.inc.com/minda-zetlin/why-wells-fargo-fired-5300-employees-hint-always-check-your-bank-statement.html>

Slate: Wells Fargo To Pay \$185 Million For Account-opening Scandal. That's Not Enough.*

By Slate

Federal and California state authorities slammed Wells Fargo with \$185 million in fines on Thursday, after multiple investigations revealed employees of the bank had opened up millions of checking accounts and credit cards without the permission of their customers. As a result of that behavior, the company said it has fired more than 5,000 employees, or 1 percent of its workforce. As far as we know, none of those fired employees come from the C-suite.

Even if bank executives did not personally sign up customers for the fraudulent accounts, they bear as much—if not more—responsibility as the low-level employees who got caught holding the bag.

Wells Fargo's woes originate in a practice called cross-selling. That's when salespeople are urged to encourage existing bank customers to use multiple bank products. The practice has long been around, but many financial services firms got more aggressive about it after 2008, as a combination of regulatory changes and the low-interest rate environment put pressure on their bottom lines.

http://www.slate.com/blogs/moneybox/2016/09/08/wells_fargo_to_pay_185_million_for_account_opening_scandal_that_s_not_enough.html

Los Angeles Business Journal: Wells Fargo Slapped With \$50 Million Fines In L.A. Settlement*

By Hayley Fox, Los Angeles (CA) Business Journal

The L.A. City Attorney announced a record-breaking settlement on Thursday in which Wells Fargo Bank was ordered to pay customer restitution and \$50 million in civil penalties for opening unauthorized customer accounts.

This agreement is the result of a 2015 lawsuit filed against the bank, in which Wells Fargo is accused of not only starting accounts without customer consent, but failing to notify customers that these accounts had been opened, and causing "negative financial consequences" to customers, including unwanted fees.

"We're holding Wells Fargo accountable and assuring the violations we've alleged never happen in the future," said L.A. City Attorney Mike Feuer in a statement. "This extraordinary resolution sends a strong message – to big banks and consumers alike – that we'll be vigilant in protecting consumer rights."

<http://www.labusinessjournal.com/news/2016/sep/08/wells-fargo-slapped-50-million-fines-l-settlement/>

Birmingham (AL) Business Journal: No Word On Whether Wells Fargo Scandal Affected Birmingham Customers*

By Michael Seale, Birmingham (AL) Business Journal

The financial services industry took a huge hit with the announcement from the Consumer Financial Protection Bureau that Wells Fargo employees had secretly created millions of unauthorized bank and credit card accounts – without their customers knowing it – since 2011. The banking giant, which currently holds the third highest market share in Birmingham, was fined \$185 million by regulators, and 5,200 employees were fired. Thus far, the bank has not reported whether or not any of the 1.5 million fraudulent accounts or terminated employees have ties to the Birmingham metro area. "We do not have a geographic breakdown for these announcements," said Crystal Drake, the bank's regional communications manager for the southeast. "With respect to the terminations, it is important to understand the context, the 5 year period involved and the size of our workforce. The actions we have taken with respect to team members and managers reflect our commitment to monitoring and addressing any inappropriate sales conduct." She added, "On an annual basis, more than 100,000 team members worked in our stores, and the number terminated represents about one percent of this workforce over the five year period. While we regret every interaction that was not handled properly, the number of instances and team members involved represent a very small portion of our business." The effect the scandal will have on the bank or its local presence in the Birmingham area is still unknown. However, banking analyst Matt Schultz from Creditcards.com said it sends out a warning signal to consumers. "This is just further proof of how important it is to always, always check your credit report," Schultz said. "That's really the best way to know if someone has created an account in your name without you knowing about it."

<http://www.bizjournals.com/birmingham/news/2016/09/08/no-word-on-whether-wells-fargo-scandal-affected.html>

St. Louis Business Journal: Regulators Hit Wells Fargo With \$185 Million Fine, The Largest In Consumer Financial Protection Bureau History*

By Jeff Blumenthal, St. Louis (MO) Business Journal

The Consumer Financial Protection Bureau handed San Francisco-based Wells Fargo & Co. its largest fine to date after determining that employees of the bank created unauthorized deposit and credit-card accounts across the country in order to collect financial bonuses for themselves. The CFPB itself is levying a fine of \$100 million against Wells Fargo, although the bank will end up paying \$185 million in fines when factoring in the joint action from the Los Angeles City Attorney's office (\$50 million fine) and the Office of the Comptroller of the Currency (\$35 million). The penalty will be paid to the U.S. Treasury. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed," CFPB Director Richard Cordray said in a statement. "Today's action should serve notice to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences."

Regulators said Wells Fargo (NYSE: WFC) opened roughly 1.5 million deposit accounts and 565,000 credit-card accounts that may not have been authorized by consumers. The CFPB also said bank employees requested and issued debit cards without consumers' knowledge or consent, even creating PIN numbers without telling its customers.

Financially harmed customers are eligible for restitution. The OCC order requires Wells Fargo to take corrective action to establish an enterprise-wide sales practices risk management and oversight program to detect and prevent unsafe or unsound sales practices. In a statement, Wells Fargo said: "We regret and take responsibility for any instances where customers may have received a product that they did not request."

<http://www.bizjournals.com/stlouis/news/2016/09/08/wfc-wells-fargo-cfpb.html>

BBC News (UK): US Bank Wells Fargo Fined \$185m For Opening Illegal Accounts*

By BBC News

The US' biggest bank Wells Fargo has been fined \$185m for illegally opening accounts to boost sales targets.

The cash will go to regulators while the bank will also hand back \$5m to customers.

The regulator accused it of "widespread illegal practice" around account openings, sales targets and compensation incentives.

<http://www.bbc.com/news/business-37312720>

New York Post: Feds Slap Wells Fargo With Record Fine Over Fake Accounts*

By New York Post

NEW YORK — California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago; \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

<http://nypost.com/2016/09/08/feds-slap-wells-fargo-with-record-fine-over-fake-accounts/>

ConsumerAffairs: Feds Fine Wells Fargo \$100 Million For Secretly Opening Customer Accounts*

By ConsumerAffairs

Wells Fargo Bank is being fined \$100 million because its employees secretly opened unauthorized accounts for bank customers. The Consumer Financial Protection Bureau said the bank employees, driven by sales incentives, opened more than two million unauthorized deposit and credit card accounts.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," said CFPB Director Richard Cordray. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed. Today's action should serve notice to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences."

Wells Fargo has agreed to pay full restitution to all victims, as well as the \$100 million fine. It will pay another \$35 million to the Office of the Comptroller of the Currency and another \$50 million to the City and County of Los Angeles.

<https://www.consumeraffairs.com/news/feds-fine-wells-fargo-100-million-for-secretly-opening-customer-accounts-090816.html>

Daily Caller: Wells Fargo Just Got Hit With The Biggest Fine In CFPB History*

By Robert Donachie, Daily Caller

The government has fined Wells Fargo \$185 million for issuing hundreds of thousands of credit cards to customers without their knowledge and opening more than a million bank accounts without their consent.

The Consumer Financial Protection Bureau slapped the bank with the fine — the largest it has ever levied — after finding these practices were rampant throughout Wells Fargo since 2011, reports The New York Times.

Wells Fargo employees issued 565,000 lines of credit and opened 1.5 million bank accounts for customers without their consent, and sometimes created false email addresses to sign them up for banking services in order to pad their numbers. Some 14,000 of those credit accounts accrued over \$400,000 in fees, reports CNN Money, and the bank has promised to pay more than \$2 million back in fees customers were fraudulently charged.

<http://dailycaller.com/2016/09/08/wells-fargo-fined-185-million-for-opening-fake-accounts-credit-cards/>

VIBE: Wells Fargo Fined \$185 Million For Fake Accounts*

By Desire Thompson, VIBE

Wells Fargo is preparing to roll out a huge apology tour after an investigation uncovered 5,300 employees were the source of over 2 million fake accounts.

CNN Money reports a Los Angeles-based lawsuit from 2013 raised a red flag when a customer claimed they were targeted for unpaid credit cards they didn't sign up for. One by one more customers came forward, sparking an investigation by the Consumer Financial Protection Bureau and the Office of the Comptroller of the Currency. Discovered between 2011 and 2015 were millions of unauthorized bank and credit card accounts. It also showed employees transferred money from customer's accounts into fake ones, issued over 500,000 unauthorized credit card accounts and created fake email addresses to set up online banking. The investigation also showed 14,000 of accounts created were exposed to \$400,000 in annual fees and overdraft charges.

In a statement, Richard Cordray of the CFPB concluded that employees created the accounts in hopes of bonuses and other rewards. "Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," the statement read. "It reflects the severity of these violations, the breadth of the unfair and abusive practices and how seriously we take them. We found this conduct to be quite surprising."

<http://www.vibe.com/2016/09/wells-fargo-fined-185-million-for-fraudulent-accounts/>

Inquisitr: Wells Fargo Fires 5,300 Employees For Creating Millions Of Fake Accounts Using Customer's Names Without Consent

By Patricia Ramirez, Inquisitr

Wells Fargo customers across America have a reason to be concerned today. It was announced on Thursday that, over the course of at least the last few years, Wells Fargo employees had been creating fake bank accounts and credit card accounts using the names and personal information of Wells Fargo customers. The fake bank accounts were created without the knowledge or consent of the Wells Fargo customers in question, reports CNN, and since 2011, over 5,300 Wells Fargo employees have been fired for creating fraudulent bank accounts.

Reportedly, the reason that the Wells Fargo employees created the fake accounts in their customer's names was to ensure that they met their sales goals and received lucrative bonuses. They reportedly funded the phony accounts with money that they transferred from the existing accounts of customers. What's worse, the customers in question would often lose money themselves as they were charged bank fees on accounts that they didn't authorize and didn't even know about.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses."

<http://www.inquisitr.com/3494024/wells-fargo-fires-5300-employees-for-creating-millions-of-fake-accounts-using-customers-names-without-consent-video/>

Fusion: Wells Fargo Fined \$185 Million For Sales Abuse*

By Fusion

If you're a Wells Fargo bank customer, you might have had a bank account or credit card in your name that you never knew existed until the fines began to rack up.

For that and other supremely shady sales practices, Wells Fargo has agreed to pay a \$185 million fine and fired more than 5,300 employees — roughly 1% of its entire workforce.

The Consumer Financial Protection Bureau announced the settlement, saying that Wells Fargo employees had regularly signed customers up for services without their consent or knowledge in order to hit sales numbers and receive bonuses.

<http://fusion.net/story/345423/wells-fargo-fake-accounts-fine/>

Bankrate: Wells Fargo To Pay \$185 Million To Settle Allegations Against Employee Practices*

By Bankrate

Everyone who has visited a bank branch in recent years has probably experienced bank personnel trying to upsell them on other services.

"You want to make a withdrawal from your checking account? That's great. How about a credit card?"

But sometimes bank upselling can go horribly wrong, as it did for Frank Ahn, a small business owner in Venice Beach, California, who eventually ended up with 20 Wells Fargo accounts due to practices of Wells Fargo staff.

http://www.bankrate.com/finance/banking/wells-fargo-to-pay-185-million-to-settle-allegations.aspx?ic_id=Top_Financial%20News%20Center_link_1

Fiscal Times: Wells Fargo Hit With \$185 Million Fine For Creating Sham Accounts*

By Janna Herron, Fiscal Times

Wells Fargo will pay \$185 million in fines for the widespread practice of opening credit card and bank accounts under customers' names without their approval.

The Consumer Financial Protection Bureau said thousands of employees of the bank enrolled consumers in unauthorized accounts, sometimes transferring funds without customer permission, to hit sales targets and receive bonuses for opening new accounts.

Bank employees opened 1.5 million deposit accounts, applied for 565,000 credit cards and issued an undisclosed number of debit cards, all without authorization from customers. Some employees used fake email addresses to enroll customers in online-banking services without consent.

<http://www.thefiscaltimes.com/2016/09/08/Wells-Fargo-Hit-185-Million-Fine-Creating-Sham-Accounts>

Complex Magazine (UK): Wells Fargo Fined \$185M After Employees Open Millions Of Fake Accounts*

By Debbie Encalada, Complex Magazine (UK)

Wells Fargo is being forced to pay \$185 million in fines after employees created over two million fake accounts, the Consumer Financial Protection Bureau said. The accounts date back as far as 2011.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," director of the Consumer Financial Protection Bureau Richard Cordray said in a press release Thursday. To meet sales numbers, employees opened deposit accounts while transferring money from existing accounts to fund them. They also applied for credit cards, issued debit cards, and enrolled customers in online banking with fake email addresses.

The CFPB reported Wells Fargo employees opened an astounding 1.5 million deposit accounts. "Employees then transferred funds from consumers' authorized accounts to temporarily fund the new, unauthorized accounts," wrote the CFPB. "This widespread practice gave the employees credit for opening the new accounts, allowing them to earn additional compensation and to meet the bank's sales goals." Because money was removed from customers' accounts they were charged for overdraft fees or fees for insufficient funds.

<http://www.complex.com/life/2016/09/wells-fargo-workers-fired-creating-over-2-million-fake-accounts>

Law360: CFPB Wells Fargo Fine A Red Flag On Pay, Sales Plans*

By Evan Weinberger, Law360

Law360, New York (September 8, 2016, 8:19 PM ET) – The \$185 million penalty the Consumer Financial Protection Bureau and two other agencies handed to Wells Fargo & Co. on Thursday, following revelations that employees had opened over a million sham accounts to meet sales targets and qualify for additional pay, should serve as a warning to others to carefully monitor their employees and re-evaluate aggressive incentive plans, experts said.

Wells Fargo employees created 1.5 million bank accounts without customers' knowledge and transferred money from existing accounts to fund the new ones, according to the agencies. (Credit:...

To view the full article, register now.

<http://www.law360.com/articles/837931>

WRC-TV Washington: Wells Fargo Fined \$185M For Opening Millions Of Unauthorized Accounts*

By WRC-TV Washington (DC)

California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago; \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

<http://www.nbcwashington.com/news/national-international/Wells-Fargo-to-Pay-50-Million--392774951.html>

WUSA-TV Washington: Wells Fargo Fined \$185M Over Unauthorized Accounts*

By WUSA-TV Washington (DC)

Wells Fargo Bank, N.A., one of the nation's largest banks, has been with \$185 million in civil penalties for secretly opening millions of unauthorized deposit and credit card accounts in a bid to boost its finances, federal and state officials said Thursday.

Employees of Wells Fargo (WFC) boosted sales figures by covertly opening the accounts and funding them by transferring money from customers' authorized accounts without permission, the Consumer Financial Protection Bureau, Office of the Comptroller of the Currency and Los Angeles officials said.

An analysis by the San Francisco-headquartered bank found that its employees opened more than two million deposit and credit card accounts that may not have been authorized by consumers, the officials said. Many of the transfers ran up fees or other charges for the customers.

<http://www.wusa9.com/news/nation-now/wells-fargo-fined-185m-over-unauthorized-accounts/315627270>

KCAL-TV Los Angeles: Settlement Reached With Wells Fargo Over Unauthorized Accounts*

By KCAL-TV Los Angeles (CA)

LOS ANGELES (CBSLA.com) — Wells Fargo will pay \$50 million in penalties to the city of Los Angeles and restitution to customers as part of a settlement resolving litigation alleging the company opened up bank accounts without customers' permission, prosecutors said Thursday.

In addition to the settlement reached with Los Angeles City Attorney Mike Feuer's office, the bank also reached settlements with two federal agencies in which it agreed to pay at least \$135 million in penalties over similar claims, Feuer's office said.

The U.S. Consumer Financial Protection Bureau (CFPB) and the Office of the Comptroller of the Currency (OCC) will also require the bank to enact "broad changes to its sales practices and internal oversight", according to Feuer.

<http://losangeles.cbslocal.com/2016/09/08/settlement-reached-with-wells-fargo-over-unauthorized-accounts/>

Nerd Wallet: What Wells Fargo's \$185 Million Settlement May Mean For You*

By Jeanne Lee, Nerd Wallet

Who would expect a bank, rather than some shadowy hacker, to misuse your personal information?

Wells Fargo reached a \$185 million settlement Thursday for what federal officials called a widespread illegal practice among employees of creating fake customer accounts, PIN numbers and emails in order to meet sales targets and earn bonuses. What Wells Fargo did

Wells Fargo employees opened roughly 1.5 million bank accounts and about 565,000 credit card accounts that may not have been authorized by consumers, according to the Consumer Financial Protection Bureau, which cited figures from the bank's own investigation that reviewed accounts from 2011 to 2015.

<http://www.ajc.com/feed/business/consumer-advice/what-wells-fargos-185-million-settlement-may-mean/fCRgfZ/>

Allentown (PA) Morning Call: Wells Fargo Fined For Employees 'Enriching' Themselves At Customers' Expense*

By Allentown (PA) Morning Call

Banks have been accused of doing a lot of nasty things, but what Wells Fargo was accused of Thursday is particularly offensive.

Federal regulators said Wells Fargo employees trying to hit sales targets and earn bonuses opened bank and credit card accounts in customers' names without their consent, resulting in some customers being charged fees.

Employees opened more than 2 million accounts that may not have been authorized, according to the Consumer Financial Protection

Bureau, which fined the bank \$100 million, the largest penalty it ever has levied.

<http://www.mcall.com/mc-wells-fargo-fine-watchdog-20160908-column.html>

Harrisburg (PA) Patriot-News: 'A Violation Of Trust': Thousands Of Wells Fargo Employees Created Fake Accounts At Customers' Expense*

By Harrisburg (PA) Patriot-News

Wells Fargo has been fined \$185 million after federal regulators found that employees created millions of unauthorized bank and credit card accounts without customers knowledge in order to collect financial bonuses for themselves.

The Consumer Financial Protection Bureau said Thursday that thousands of bank employees found ways to game Wells Fargo's incentive-compensation program by secretly signing up existing clients for new services that were never requested.

CNN has reported that Wells Fargo has fired 5,300 employees for creating 2 million fake accounts.

http://www.pennlive.com/news/2016/09/a_violation_of_trust_thousands.html

Pay Before: CFPB Levees Record \$100 Million Fine On Wells Fargo*

By Pay Before

The CFPB on Sept. 8 announced a \$100 million fine against Wells Fargo for what the agency called "widespread unlawful sales practices." The agency said the fine is the largest such penalty it has ever issued.

According to the CFPB, Wells Fargo employees secretly opened new accounts, into which they shifted funds from existing accounts without consumers' knowledge or permission—often racking up fees and other charges. The employees' actions were motivated by Wells Fargo compensation policies that rewarded employees for signing up existing clients for new accounts, according to the consent order. The illegally created new accounts were temporarily funded by transfers from existing accounts, enabling employees to meet new account creation sales targets, the agency said. The agency added that "thousands" of employees were involved in the activity, which dates back at least five years and resulted in the creation of more than 2 million deposit and credit card accounts that may not have been authorized by consumers, in violation of Dodd-Frank regulations barring unfair, deceptive and abusive acts.

"Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed," CFPB Director Richard Cordray said in an announcement. "Today's action should serve notice to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences."

<http://paybefore.com/pay-gov/cfpb-levees-record-100-million-fine-on-wells-fargo/>

Clark County (WA) Columbian: Wells Fargo Fined For Unauthorized Accounts*

By Clark County (WA) Columbian

NEW YORK — California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago; \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

<http://www.columbian.com/news/2016/sep/08/wells-fargo-fined-for-unauthorized-accounts/>

Investopedia: Wells Fargo Draws \$185M Fine For Fake Accounts (WFC)*

By Rebecca Darst, Investopedia

Banking giant Wells Fargo & Co (WFC) shares traded higher late Thursday against news of an \$185 million settlement with the nation's Consumer Financial Protection Bureau, the Office of the Comptroller of the Currency, and the Los Angeles City Attorney's Office.

In a prepared statement delivered to the media on Thursday, Richard Cordray, Director of the Consumer Financial Protection Bureau, said the enforcement action was levied after an agency investigation found Wells Fargo employees across the United States had created fraudulent deposit and credit card accounts in order to generate sales bonuses for themselves. (For more, see: Wells Fargo Profit Slides Despite Higher Loans.)

"Thousands of bank employees found ways to game the system by secretly signing up existing clients for new services that were never requested," Cordray said.

<http://www.investopedia.com/news/wells-fargo-draws-185m-fine-fake-accounts-wfc/?partner=mediafed>

Finance Magnates: U.S. Regulators Levies \$185 Million Fine On Wells Fargo Over Fake Credit Cards*

By Finance Magnates

California and federal regulators today fined Wells Fargo Bank (WFC), one of the U.S. largest banks, \$185 million in civil penalties to resolve claims that bank employees secretly opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

Thousands of employees at Wells Fargo opened roughly two million bank accounts and applied for 565,000 credit cards without customers' knowledge or consent. In some cases, bank employees created fake email addresses to sign up customers for online banking services, accumulating late fees on accounts they never even knew they had.

The Consumer Financial Protection Bureau (CSFB) blamed Wells Fargo's aggressive sales tactics. The federal consumer watchdog said employees at the world's most valuable bank, which serves around 40 million retail customers, had been motivated to open the

unauthorized accounts by compensation policies that rewarded them for drumming up new business.

<http://www.financemagnates.com/forex/regulation/u-s-regulators-levies-185-million-fine-on-wells-fargo-over-fake-credit-cards/>

Telegraph (UK): Wells Fargo Fires 5,300 Employees Over ‘Phony Account’ Schemes That Led To \$185 Million Fine*

By David Lawler, Telegraph (UK)

Wells Fargo has fired 5,300 people after government regulators discovered that employees of the US bank had created millions of phony bank and credit card accounts to boost their sales figures.

The US Consumer Financial Protection Bureau (CFPB) fined the bank \$185 million (£139 million) on Thursday as a result of the illegal practices, the largest fine ever imposed by the agency.

Employees had opened 1.5 million bank accounts and applied for more than 500,000 credit cards over the past five years, doing so at the expense of existing consumers, the CFPB said.

<http://www.telegraph.co.uk/news/2016/09/08/wells-fargo-fires-5300-employees-over-phony-account-schemes-that/>

Brisbane (AUS) Times: Wells Fargo To Pay \$240m For Unauthorised Accounts*

By Jesse Hamilton, Brisbane (AUS) Times

Wells Fargo will pay \$US185 million (\$240 million) to resolve claims that bank employees opened deposit and credit-card accounts without customers' approval to satisfy sales goals and earn financial rewards, US regulators said.

The lender opened more than 2 million accounts that consumers may not have known about, the Consumer Financial Protection Bureau said in a statement on Thursday. Wells Fargo, which fired 5300 employees over the improper sales practices, agreed to pay a \$US100 million fine to the CFPB, \$US35 million to the Office of the Comptroller of the Currency and \$US50 million to the Los Angeles city attorney to settle the matter. The San Francisco-based bank also will compensate customers who incurred fees or charges, the agencies said.

"Wells Fargo employees secretly opened unauthorised accounts to hit sales targets and receive bonuses," CFPB director Richard Cordray said in his agency's statement. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed."

<http://www.brisbanetimes.com.au/business/banking-and-finance/wells-fargo-to-pay-240m-for-unauthorised-accounts-20160908-grcc6f.html>

Daily Intelligencer (NY): Wells Fargo Fined \$185 Million For Screwing Customers*

By Adam K. Raymond, Daily Intelligencer (NY)

Wells Fargo has fired 5,300 employees and incurred \$185 million in fines for a massive pattern of fraud that saw millions of accounts opened on behalf of customers without their knowledge.

Bank employees opened around 1.5 million checking accounts and applied for just over a half-million credit cards using real names and fake email addresses of existing customers. To create some of those accounts, employees essentially stole from customers. They would take money from a customer's real account to satisfy the requirements of the new account, which left customers vulnerable to overdraft fees and with less money in their bank account than there should have been.

Employees say they were motivated to screw customers by both pressure to increase the number of accounts and incentives that rewarded them for doing so.

<http://nymag.com/daily/intelligencer/2016/09/wells-fargo-fined-usd185-million-for-screwing-customers.html>

Sioux Falls (SD) Argus Leader: 5,300 Wells Fargo Workers Fired For Conduct; Local Impact Not Released*

By Sioux Falls (SD) Argus Leader

Wells Fargo Bank has been fined \$185 million for opening millions of unauthorized deposit and credit card accounts, and has fired 5,300 employees and managers over a five-year period for their involvement.

A Wells Fargo spokeswoman in Sioux Falls said the company is not providing a "geographic breakdown" of where the inappropriate sales conduct and firings occurred.

"It is important to understand the context, the five-year period involved and the size of our workforce," said Staci Schiller, a communications consultant and vice president.

<http://www.argusleader.com/story/news/business-journal/2016/09/08/5300-wells-fargo-workers-fired-conduct-local-impact-not-released/90090022/>

New Jersey Local News: Wells Fargo Fined \$185M Over Fake Bank Accounts*

By Paul Milo, New Jersey Local News

WASHINGTON — A federal banking industry regulator has fined Wells Fargo after its employees were found to have secretly opened deposit and credit card accounts in order to meet sales quotas.

The Consumer Financial Protection Bureau announced Thursday that workers at the banking giant, which has 294 branches in New Jersey, opened up to 2 million deposit and credit card accounts without consumers' permission. The Sioux Falls, S.D. -based bank faces fines totaling \$185 million, including \$100 million to the bureau, \$35 million to the U.S. Comptroller of the Currency and \$50 million to the city and county of Los Angeles.

Bamboozled: She got someone else's bank statements

http://www.nj.com/news/index.ssf/2016/09/wells_fargo_bank_fined_185_million_fires_thousands.html

Credit Union Times: CFPB Fines Wells Fargo \$100 Million For Unauthorized Account Openings*

By Roy Urrico, Credit Union Times

California and federal regulators fined Wells Fargo a combined \$185 million for the widespread illegal practice of secretly opening unauthorized deposit and credit card accounts.

The CFPB fined Wells Fargo Bank, N.A. \$100 million for the widespread illegal practice of secretly opening unauthorized deposit and credit card accounts.

Wells Fargo, headquartered in Sioux Falls, S.D., is one of the biggest banks in the country and offers many consumer financial products and services, including savings and checking accounts, credit cards, debit and ATM cards, and online-banking services.

<http://www.cutimes.com/2016/09/08/cfpb-fines-wells-fargo-100-million-for-unauthorize?ref=rss>

Alabama Live: Wells Fargo Fires 5,300 For Illegally Opening Accounts, Credit Cards*

By Alabama Live

Wells Fargo has fired 5,300 employees for illegally opening accounts in order to get financial compensation for meeting sales targets without the knowledge or consent of customers, according to the Consumer Financial Protection Bureau.

The San Francisco-headquartered bank will pay full restitution to all victims and a \$100 million fine to the CFPB'S Civil Penalty Fund.

Wells Fargo employees applied for 565,000 credit card accounts that customers might not have authorized, according to the bank's analysis.

http://www.al.com/business/index.ssf/2016/09/wells_fargo_fires_5300_for_ill.html

Inland Valley (CA) Daily Bulletin: Wells Fargo To Pay \$185 Million In Fines Over Unauthorized Accounts*

By Inland Valley (CA) Daily Bulletin

Wells Fargo will pay more than \$185 million in fines following allegations it secretly opened accounts for its customers in order to rake in banking fees, federal and local officials announced Thursday.

The San Francisco-based bank may have opened up to 1.5 million accounts and initiated 565,000 credit card applications without first obtaining customers' consent, officials said. The alleged fraud took place nationwide.

Under terms of the settlement, Wells Fargo must pay a total of \$50 million in penalties to the city and county of Los Angeles. The bank must also pay a \$100 million fee to the Consumer Financial Protection Bureau — a record fine imposed by the agency — and a \$35 million fine to the Office of the Comptroller of the Currency, an independent bureau of the U.S. Department of Treasury. Additionally, Wells Fargo will pay \$5 million for customer remediation.

<http://www.dailybulletin.com/business/20160908/wells-fargo-to-pay-185-million-in-fines-over-unauthorized-accounts>

Benzinga: Wells Fargo & Company (NYSE:WFC)*

By Javier Hasse, Benzinga

Earlier Thursday, U.S. regulators said Wells Fargo & Co (NYSE: WFC) would have to pay \$190 million to settle claims of its employees having created deposit and credit card accounts without the approval of its customers.

Apparently, the employees used this tactic to reach sales goals and gain monetary bonuses and rewards.

According to a statement from the Consumer Financial Protection Bureau, the bank opened more than 2 million without consent — more than 1.5 million deposit accounts and 565,443 credit card accounts.

<http://www.benzinga.com/news/16/09/8439028/well-fargo-fires-5-300-employees-after-fake-account-scandal>

SC Magazine: Wells Fargo Bank Fined \$185M, Fires 5,300 Staffers Over Fake Account Scam*

By Doug Olenick, SC Magazine

Wells Fargo Bank was fined a total of \$185 million as punishment for a five-year long scam that saw bank employees using bank customer information to illegally create accounts and email addresses and apply for credit and debit cards all in order to meet assigned sales goals and earn commissions.

About 5,300 workers were fired over the incident, according to CNNMoney.

Acting in most cases without any authority from the account holders, Wells Fargo workers opened an estimated 1.5 million deposit accounts and applied for roughly 565,000 credit card accounts, according to the Consumer Financial Protection Bureau (CFPB). Once the accounts were opened the employees transferred money to temporarily fund the new accounts which allowed them to meet sales goals and earn extra compensation.

<http://www.scmagazine.com/wells-fargo-bank-fined-185m-fires-5300-staffers-over-fake-account-scam/article/521318/>

CBC (CAN): Wells Fargo Fined \$185M For Creating Unauthorized Accounts*

By CBC (CAN)

U.S. bank Wells Fargo has fired more than 5,000 of its employees and been fined a total of \$185 million US for making up millions of unauthorized bank accounts on their customers' behalf — often without the customers' knowledge.

The California-based bank will pay \$100 million US to the Consumer Financial Protection Bureau (CFPB), \$35 million US to the Office of the Comptroller of the Currency and \$50 million US to the City and County of Los Angeles along with restitution to customers for a scam dating back to 2011 that allowed the bank to rack up millions in bank fees and meet aggressive growth targets.

The consumer agency says the bank opened 1.5 million bank accounts and more than 500,000 credit cards without the expressed permission of their existing customers. Money in customers' accounts was transferred to these new accounts without authorization. Debit cards were issued and activated, as well as PINs created, all without telling customers what they were doing.

<http://www.cbc.ca/news/business/wells-fargo-bank-1.3753705?cmp=rss>

Talking New Media: Wells Fargo Dinged \$185 Million For Creating Fake Accounts, LA Times Investigation Began Case*

By Talking New Media

The bank said that they have fired 5,300 employees who were somehow connected to the scheme to create fake bank and credit card accounts in order to reach sales goals

The Wells Fargo Bank, N.A was ordered to pay \$185 million in fines and penalties by the Consumer Financial Protection Bureau after the bank was accused of secretly opening unauthorized deposit and credit card accounts. The scheme resulted in more than 2 million deposit and credit card accounts being created without the customer's authorization.

Wells Fargo told CNNMoney that it had fired 5,300 employees related to the scheme.

<http://www.talkingnewmedia.com/2016/09/08/wells-fargo-dinged-185-million-for-creating-fake-accounts-la-times-investigation-began-case/>

Washington Examiner: Wells Fargo Fined \$100 Million For Illegally Creating Accounts To Soak Customers*

By Washington (DC) Examiner

Wells Fargo will pay \$100 million to the Consumer Financial Protection Bureau for illegally opening accounts for customers without their permission to overcharge them, the agency announced Thursday. The fine is the largest yet levied by the five-year-old agency.

The bureau said the bank's employees opened up to 2 million credit card and debit accounts that may not have been authorized by customers to meet sales targets, transferring funds from existing accounts and then racking up charges and fees on those accounts.

The bank will have to pay restitution to customers as well as a \$35 million penalty to the Office of the Comptroller of the Currency, which is a federal bank regulatory agency, and a \$50 million fine to the city and county of Los Angeles, where the agencies' enforcement action was filed in court.

http://www.washingtonexaminer.com/wells-fargo-fined-100-million-for-illegally-creating-accounts-to-soak-customers/article/2601284?custom_click=rss

Atlanta Business Chronicle: Regulators Hit Wells Fargo With Record \$185M Fine*

By Jeff Blumenthal, Atlanta (GA) Business Chronicle

The Consumer Financial Protection Bureau handed Wells Fargo its largest fine to date after determining that employees of the bank created unauthorized deposit and credit card accounts across the country in order to collect financial bonuses for themselves. The CFPB itself is levying a fine of \$100 million against Wells Fargo, although the bank will end up paying \$185 million in fines when factoring in the joint action from the Los Angeles City Attorney's office (\$50 million fine) and the Office of the Comptroller of the Currency (\$35 million). The penalty will be paid to the U.S. Treasury. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed," CFPB Director Richard Cordray said in a statement. "Today's action should serve notice to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences."

Regulators said Wells Fargo (NYSE: WFC) opened roughly 1.5 million deposit accounts and 565,000 credit card accounts that may not have been authorized by consumers. The CFPB also said bank employees also requested and issued debit cards without consumers' knowledge or consent, even creating PIN numbers without telling its customers. Financially harmed customers are eligible for restitution. The OCC order also requires Wells Fargo to take corrective action to establish an enterprise-wide sales practices risk management and oversight program to detect and prevent unsafe or unsound sales practices. In a statement, Wells Fargo said: "We regret and take responsibility for any instances where customers may have received a product that they did not request."

Wells Fargo said it has set aside \$5 million for customer remediation. After a review by a third party consulting firm, the bank said \$2.6 million has been refunded to customers for any fees associated with products received by customers they may not have requested. Refunds averaged \$25.

<http://www.bizjournals.com/atlanta/news/2016/09/08/cfpb-wells-fargo-bank-wfc-fake-accounts-credit-car.html>

Corporate Crime Reporter: CFPB Fines Wells Fargo \$100 Million*

By Corporate Crime Reporter

The Consumer Financial Protection Bureau (CFPB) has fined Wells Fargo Bank \$100 million for the widespread illegal practice of secretly opening unauthorized deposit and credit card accounts.

Wells Fargo was represented by Anand Raman of Skadden, Arps in Washington, D.C.

Spurred by sales targets and compensation incentives, employees boosted sales figures by covertly opening accounts and funding them by transferring funds from consumers' authorized accounts without their knowledge or consent, often racking up fees or other charges.

<http://www.corporatecrimereporter.com/news/200/cfpb-fines-wells-fargo-100-million/>

Seeking Alpha: Wells Fargo To Pay \$185M Over Shady Account Openings*

By Seeking Alpha

At issue are "widespread illegal practices" in which bank employees secretly opened more than 2M deposit and credit card accounts to

meet sales targets and collect bonuses, say regulators.

The CFPB's part of the settlement is \$100M, the largest-ever penalty for that agency.

Naturally, Wells Fargo (NYSE:WFC) neither denies nor admits to the allegations.

<http://seekingalpha.com/news/3207704-wells-fargo-pay-185m-shady-account-openings>

SNL Financial: SNL: UPDATE: Regulators Fine Wells Fargo \$185M For Secretly Opening Accounts*

By Kiah Haslett, SNL Financial

Bank employees opened more than 2 million deposit and credit card accounts that may not have been authorized by consumers, the Consumer Financial Protection Bureau said.

<https://www.snl.com/interactivex/article.aspx?KPLT=7&id=37654439>

Palm Beach (FL) Post: Feds Order Wells Fargo To Pay \$100 Million Fine For Shady Sales Practices SWFC*

By Palm Beach (FL) Post

Yikes: Wells Fargo, the second-biggest bank in Florida and third-largest in the nation, created hundreds of thousands of phony accounts on behalf of its customers, the U.S. Consumer Financial Protection Bureau said Thursday.

The CFPB ordered Wells Fargo (NYSE: WFC) to pay a \$100 million fine, the largest ever imposed by the agency. Wells Fargo also must cough up \$2.6 million in refunds. In all, Wells Fargo said the episode will cost it \$185 million.

According to the CFPB, Wells Fargo:

<http://realtime.blog.palmbeachpost.com/2016/09/08/feds-order-wells-fargo-to-pay-100-million-fine-for-shady-sales-practices-wfc/>

Huffington Post (CAN): Wells Fargo Fined For Opening MILLIONS Of Unauthorized Accounts*

By Huffington Post (CAN)

NEW YORK — California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago; \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

http://www.huffingtonpost.ca/2016/09/08/wells-fargo-fake-accounts_n_11918274.html

Atlanta Journal-Constitution: Wells Fargo Fined \$185M: Things To Know*

By Atlanta (GA) Journal-Constitution

Wells Fargo has been fined \$185 million by the Consumer Financial Protection Bureau after 5300 employees created phony accounts which customers ended up paying fees for, according to USA Today. The company said in a statement that those employees have been fired.

CNN Money reported that federal regulators said the employees secretly created millions of bank and credit card accounts that were not authorized by customers since 2011. According to the Los Angeles Times, employees opened the accounts to meet strict sales goals.

Here is what customers need to know:

<http://www.myajc.com/news/business/wells-fargo-fined-185m-things-know/nsTSF/>

Charlotte (NC) Observer: Wells Fargo Fined \$185M For 'widespread Illegal Practices' That Hurt Customers*

By Deon Roberts And Rick Rothacker, Charlotte (NC) Observer

Wells Fargo will pay \$185 million to settle allegations of "widespread illegal practices" in which employees secretly opened accounts to meet sales targets and receive bonuses, federal regulators announced Thursday.

Employees for the San Francisco-based bank opened more than 2 million deposit and credit card accounts that may not have been authorized by consumers, regulators said, citing the bank's own analysis. The civil settlement is a black eye for a company that has long touted its corporate values as well as its ability to sell more products to its customer base.

Wells Fargo's violations resulted in the Consumer Financial Protection Bureau imposing a \$100 million fine, the regulator's largest penalty ever. Wells will also pay a \$35 million penalty to the U.S. Office of the Comptroller of the Currency, which regulates national banks, and another \$50 million to the City and County of Los Angeles, which had filed suit over the practices.

<http://www.charlotteobserver.com/news/business/banking/bank-watch-blog/article100499067.html>

International Business Times (UK): Wells Fargo Fined \$185m For Creating Millions Of Fake Accounts*

By Mary Papenfuss, International Business Times (UK)

Wells Fargo has been fined a record \$185m (£139m) for creating two million fake bank and credit card accounts in a scheme to collect extra fees and bonuses. In the wake of the scandal, the bank which is one of the biggest in the US, has fired 5,300 employees.

The banking scam has been going on since 2011 with consumers being hit with fees linked to accounts that they never agreed to

open. Employees even created fake passwords and email addresses to enrol customers in online banking services for which they had not registered, said regulators.

"Wells Fargo employees secretly opened unauthorised accounts to hit sales targets and receive bonuses," said Richard Cordray, director of the Consumer Financial Protection Bureau (CFPB), who said the widespread practice was motivated by a driven Wells money-making culture.

<http://www.ibtimes.co.uk/wells-fargo-fined-185m-illegal-sales-tactics-involving-millions-fake-accounts-1580433>

Daily Mail: Wells Fargo Is Fined Record-Breaking \$190million And Fires 5,300 Staff After 'Widespread' Customer Fraud Scheme Is Uncovered

By Chris Pleasance, Daily Mail

Wells Fargo has been fined \$185million, told to repay \$5million to customers, and has fired 5,300 staff after they were caught creating phony accounts to fix sales figures

Of that money, \$2.6million is in refunds for fees applied to products that customers may not have requested, according to the bank.

http://www.dailymail.co.uk/news/article-3780625/Wells-Fargo-fined-record-breaking-190million-fires-5-300-staff-widespread-customer-fraud-scheme-uncovered.html?ITO=1490&ns_mchannel=rss&ns_campaign=1490

Ars Technica: 5,300 Wells Fargo Employees Fired After 2 Million Fake Accounts Discovered*

By Ars Technica

Since at least 2011, Wells Fargo employees have been creating fake accounts using customers' identities to boost their sales numbers, federal regulators said on Thursday.

The Consumer Financial Protection Bureau (CFPB) fined the bank \$100 million after a third-party consulting firm found that 2 million fake deposit and credit card accounts had been made without the consent of the person whose name was on the account. According to CNN Money, the bank fired 5,300 employees for taking part in the scheme, which constitutes about 1 percent of the bank's payroll.

In order to boost their sales numbers, employees opened 1.5 million deposit accounts and 565,000 credit card accounts on customers' behalf but without authorization from those customers. "Employees then transferred funds from consumers' authorized accounts to temporarily fund the new, unauthorized accounts," the CFPB wrote. "This widespread practice gave the employees credit for opening the new accounts, allowing them to earn additional compensation and to meet the bank's sales goals."

<http://arstechnica.com/tech-policy/2016/09/wells-fargo-staff-made-2-million-fake-accounts-with-customer-ids-to-goose-sales/>

Finextra: Wells Fargo Fined \$185m For Opening Millions Of Accounts Without Customers' Knowledge*

By Finextra

Wells Fargo has been fined \$185 million for opening up to two million unauthorised deposit and credit card accounts, issuing and activating debit cards without consent and creating phony email addresses to enrol people in online services.

The bank says that it has fired 5300 staffers over the scandal, which according to the Consumer Financial Protection Bureau (CFPB) was driven by sales targets and compensation incentives.

The CFPB has levied a \$100 million fine, with the Office of the Comptroller of the Currency slapping Wells with another \$35 million penalty and the City and County of Los Angeles \$50 million.

<https://www.finextra.com/newsarticle/29413/wells-fargo-fined-185m-for-opening-millions-of-accounts-without-customers-knowledge>

The Guardian (UK): Wells Fargo To Pay \$185m For Aggressive, Illegal Sales Tactics*

By Jana Kasperkevic, The Guardian (UK)

Wells Fargo will pay \$185m in a settlement over illegal sales practices that included the opening of unauthorized duplicate accounts and credit cards by employees in order to meet sales quotas, it was announced on Thursday.

The settlement includes a \$100m fine paid to the Consumer Financial Protection Bureau (CFPB) – the largest ever levied by the five-year-old bureau – a \$35m penalty paid to the Office of the Comptroller of the Currency (OCC) and a \$50m penalty paid to the City and County of Los Angeles.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," said CFPB director Richard Cordray. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed."

<https://www.theguardian.com/business/2016/sep/08/wells-fargo-settlement-illegal-sales-accounts>

Credit: Wells Fargo Fined \$185 Million Over Fake Credit Card & Deposit Accounts*

By Credit

Thousands of Wells Fargo bank employees seeking sales bonuses participated in a scheme that led to the opening of roughly 2 million unauthorized accounts, federal regulators said Thursday. For failing to monitor an incentive program that spun out of control, leading to "widespread" abuse of consumers' information, Wells Fargo must now pay the biggest-ever penalty levied by the Consumer Financial Protection Bureau (CFPB), the agency said.

At the root of the scheme was a program that gave bonuses to employees who convinced existing customers to give more of their business to Wells Fargo — cross-selling checking account customers on new credit cards, for example.

But back in 2011, Wells employees started opening accounts for consumers — and moving account-holders' money into them — without their consent or knowledge.

<http://www.ajc.com/feed/business/personal-finance/wells-fargo-fined-185-million-over-fake-credit/CRgTq/>

WLNE-TV Providence (RI): Wells Fargo Accused Of Fraudulent Practices*

By WLNE-TV Providence (RI)

One of the nation's biggest banks is accused of fraudulent practices over a 5-year period and it is a scandal that involves thousands of employees, and hundreds of thousands of bank accounts.

"...the largest such payment in the history of the city attorney's office," says Mike Feuer; Los Angeles City Attorney.

A 185 million dollar fine.

<http://www.abc6.com/story/33056124/wells-fargo-accused-of-fraudulent-practices>

Bloomberg Business: Wells Fargo Opened A Couple Million Fake Accounts*

By Matt Levine, Bloomberg Business

Two basic principles of management, and regulation, and life, are:

You get what you measure.

The thing that you measure will get gamed.

<http://www.bloomberg.com/view/articles/2016-09-09/wells-fargo-opened-a-couple-million-fake-accounts>

Digital Look: Wells Fargo Fined \$185m For Opening Fake Accounts*

By Digital Look

One of the US' biggest banks, Wells Fargo, has been fined \$185m by regulators for allegedly creating fake accounts in order to meet sales targets.

The bank has reportedly fired over 5,000 employees for the practice, which involved the issuing of debit cards without the knowledge of customers, according to the US Consumer Financial Protection Bureau.

Wells Fargo did not explicitly accept responsibility for the incident, but have agreed to pay the fine associated with the investigation. In a press release, the lender said that "consistent with our commitment to customers and in the interest of putting this matter behind us" it would accept the decision.

<http://www.digitallook.com/news/international-companies/wells-fargo-fined-185m-for-opening-fake-accounts--1701790.html>

The Verge: Wells Fargo Fined \$185 Million For Creating 2 Million Fake Bank Accounts*

By Amar Toor, The Verge

Employees at Wells Fargo created millions of fake bank accounts and credit card numbers over the past five years, federal regulators announced this week, in an illegal bid to boost their sales figures. The bank was fined \$185 million for the practices on Thursday, including a record \$100 million by the Consumer Financial Protection Bureau (CFPB). Wells Fargo has fired at least 5,300 employees who were involved in the scam, according to The New York Times.

According to the regulators, employees created more than 2 million accounts that may not have been authorized by Wells Fargo customers, and covertly transferred funds to them from authorized accounts, racking up fees and other charges. They also created fake email accounts and PIN numbers to sign customers up for new accounts, most of which were unnoticed or closed shortly after opening. The scheme, which dates back to 2011, allowed employees to earn extra compensation and meet their sales targets.

"Today's action should serve notice to the entire industry."

<http://www.theverge.com/2016/9/9/12859740/wells-fargo-fake-account-scam-fine>

International Business Times: Wells Fargo Fined \$185 Million For Creating Over 1 Million Fake Accounts*

By International Business Times

Wells Fargo was fined a total of \$185 million by California and federal regulators Thursday for allegedly opening millions of unauthorized accounts for customers in order to meet its aggressive sales goals.

Employees, since 2011, had created millions of fake bank and credit card accounts without the customer's knowledge. This resulted in the bank earning unwarranted fees not to mention employees boosting their sales figures and consequently earning higher pay checks.

Wells Fargo confirmed to CNNMoney that it had fired as many as 5,300 employees in the last few years in relation to these practices.

<http://www.ibtimes.com/wells-fargo-fined-185-million-creating-over-1-million-fake-accounts-2413564>

Housing Wire: CFPB Levies \$100 Million Fine Against Wells Fargo*

By Sarah Wheeler, Housing Wire

The Consumer Financial Protection Bureau levied the largest fine in its history — \$100 million — against Wells Fargo Thursday for the "widespread unlawful" practices of employees who opened more than 2 million fake accounts to get sales bonuses.

"Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed," said CFPB Director Richard Cordray. "Today's action should serve notice to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences."

According to a CFPB press release, Wells Fargo employees secretly opened deposit and credit accounts under existing customers' names without their knowledge, which often racked up fees or other charges. From the release:

<http://www.housingwire.com/articles/37993-cfpb-levies-100-million-fine-against-wells-fargo>

KESQ-TV Palm Springs (CA): Wells Fargo Hit With \$185 Million In Fines*

By KESQ-TV Palm Springs (CA)

Everyone hates paying bank fees. But imagine paying fees on a ghost account you didn't even sign up for. That's exactly what happened to Wells Fargo customers nationwide.

On Thursday, federal regulators said Wells Fargo employees secretly created millions of unauthorized bank and credit card accounts – without their customers knowing it – since 2011.

<http://www.kesq.com/news/wells-fargo-hit-with-185-million-in-fines/41588840>

Washington Examiner: House Panel Schedules Vote On Dodd-Frank Replacement*

By Al Weaver, Washington (DC) Examiner

The House Financial Services Committee will meet Tuesday to debate and vote on the Republican replacement for President Obama's financial reform law, committee Chairman Jeb Hensarling of Texas announced Thursday.

Previously, Hensarling had suggested that he aimed for a September mark-up of his legislation, the Financial CHOICE (Creating Hope and Opportunity for Investors, Consumers and Entrepreneurs) Act, but that events could prevent that.

Yet to be determined is what amendments might be added to the bill, a sweeping conservative reform that touches on almost every aspect of the financial system's architecture and contains many provisions sure to prove controversial.

http://www.washingtonexaminer.com/house-panel-schedules-vote-on-dodd-frank-replacement/article/2601307?custom_click=rss

Housing Wire: Congress Set To Consider Republican Plan To Abolish Dodd-Frank*

By Ben Lane, Housing Wire

House Financial Services Committee Chairman Rep. Jeb Hensarling, R-TX made waves earlier this year when he announced a Republican-crafted plan to repeal the Dodd-Frank Wall Street Reform and Consumer Protection Act and replace it with a "pro-growth, pro-consumer" alternative.

Many of the tenets of the Republican plan, called the Financial CHOICE Act, were later echoed by the Republican Party's national platform, adopted during its convention in July.

Included in the Financial CHOICE Act ("CHOICE" in this instance stands for "Creating Hope and Opportunity for Investors, Consumers and Entrepreneurs") is an end to "too-big-to-fail bailouts, dramatic reforms to the Consumer Financial Protection Bureau, and an overhaul of a financial regulatory system that is choking the country's economic recovery.

<http://www.housingwire.com/articles/37991-congress-set-to-consider-republican-plan-to-abolish-dodd-frank>

American Banker: Banks Learn The Price Of 'Satisfactory' CRA Grades*

By Kenneth H. Thomas, American Banker

Watching Michael Phelps, Simone Biles and other U.S. Olympians win multiple gold medals at the Summer Games in Rio de Janeiro reminded us of popular sports catchphrases such as "Winning isn't everything, it's the only thing."

But even though going for the gold drives so many athletes, businesses and other organizations, it is for the most part absent from banks' performance on Community Reinvestment Act exams. Not only have some notable banks received failing "Needs to Improve" CRA grades of late – mostly recently Associated Banc-Corp in Green Bay, Wis. – but over 90% of institutions are happy with a passing "Satisfactory" CRA rating. Fewer than 10% get an "Outstanding" grade – the gold medal of CRA.

In analyzing CRA exam performance, I have found that banks engage in a deliberate strategy of what I call "Satisficing." I have concluded that there are few if any real incentives for banks to go for CRA gold. Bankers tend to be happy with the middle ground along with over 90% of their brethren and indicate sound reasons to get a Satisfactory rating. They say things such as: "When you are at the top, there is only one way to go," or, "An Outstanding rating brings unwanted community groups asking for donations and wanting us to do more."

<http://www.americanbanker.com/bankthink/banks-learn-the-price-of-satisfactory-cra-grades-1091171-1.html>

The Hill: House Panel To Consider Dodd-Frank Replacement

By Peter Schroeder, The Hill

A House committee is set to consider a Republican alternative to the Dodd-Frank financial reform law.

Chairman Jeb Hensarling (R-Texas) on Thursday announced that his House Financial Services Committee will debate his legislation, known as the Financial CHOICE Act, on Sept. 13.

With just weeks left in the current Congress and Democrats fiercely opposed to the bill, it faces long odds. But if Donald Trump wins the White House, many observers believe Hensarling's plan could serve as a starting point for GOP efforts to overhaul Wall Street regulations.

<http://thehill.com/business-a-lobbying/295012-house-panel-to-consider-gop-dodd-frank-replacement-sept-13>

CNBC: Bank Of America's Moynihan: I'm Bullish On The US Consumer

By CNBC

Bank of America CEO Brian Moynihan is bullish on the state of the U.S. consumer, he told CNBC in an exclusive interview Thursday.

"As you look at the month of August, which we just got the final details on, it'll be the strongest consumer spending growth in debit and credit cards year-over-year this year," Moynihan said, adding that "the year-to-date consumers on our debit and credit cards are spending 4.7 percent more than they did last year, and the pace is accelerating. So, the consumer is in very good shape credit-quality-wise, spending-wise."

That positive outlook comes after the pace of consumer loan growth across the financial sector in the second quarter had caused concern for some investors, but Moynihan was upbeat.

<http://www.cnbc.com/2016/09/08/bank-of-america-ceo-brian-moynihan-im-bullish-on-the-us-consumer.html>

Bankrate: 7 Tips To Resolve Complaints Against Banks*

By Allison Ross, Bankrate

It's certainly not a good idea to try to resolve your complaint while you're hopping mad.

"If you are upset, calm down. Talk to a friend. Rant. Rave. Punch a pillow. Eat chocolate in slow motion like they do on commercials," says Meg Marco, executive editor of Consumer Reports' Consumerist website.

It's understandable why you may be upset, says Adrian Swinscoe, a business consultant who advises on strategy, marketing and team performance issues.

http://www.bankrate.com/finance/banking/resolve-complaints-against-banks-1.aspx?ic_id=Top_Financial%20News%20Center_link_3

Consumer Financial Protection Bureau

My Customer (UK): CFPB And Beyond: How Big Data Is Improving Customer Service*

By My Customer (UK)

We may have put the subprime mortgage crisis behind us and the housing market has certainly begun to rebound, but the financial sector is still dealing with an issue of its own: a diminished reputation. Simply put, subprime lending and other troubling practices have resulted in a real lack of trust between finance professionals and their clients. The industry is in need of a facelift – and big data can help.

Improved data collection practices make it easier than ever for companies to provide top-notch customer service, and that includes the finance industry. If your company is looking to regain its standing as a brand customers can believe in, here are three steps you can take today.

Offer Help Upfront

<http://www.mycustomer.com/community/blogs/annajo/cfpb-and-beyond-how-big-data-is-improving-customer-service>

National Law Review: California Court Weighs In On “True Lender” Issue As CFPB Expands Its UDAAP Enforcement Authority*

By National Law Review

David Monteiro focuses his practice on counseling companies facing government investigations and enforcement litigation. A former enforcement attorney with the Federal Trade Commission's Bureau of Consumer Protection, Division of Financial Practices, David guides financial institutions and other companies in complying with state and federal consumer protection laws and regulations, responding to examinations and investigations, and defending litigation against the government.

<http://www.natlawreview.com/article/california-court-weighs-true-lender-issue-cfpb-expands-its-udaap-enforcement>

Huffington Post: A New Consumer Protection Agenda For Working Families*

By Rep. John K. Delaney, Huffington Post

For too many Americans it can be expensive just to spend their own money. Daily drains on purchasing power caused by high fees, exorbitant rates and limited access to affordable credit and basic banking services are making it more difficult for millions of Americans to enter the middle class and making the foothold that many have feel tenuous. The very people who can least afford to do so often pay some of the highest rates and fees in the marketplace.

Far from the headlines or cable news, this is an everyday financial crisis that is limiting economic opportunity and dragging down the creation of more good jobs by limiting demand and stifling new business creation. This hidden crisis is keeping the economic recovery from being enjoyed more widely. As a member of the House Committee on Financial Services and a former entrepreneur who helped small and medium sized businesses grow by providing them access to capital, this is unacceptable to me.

While the reforms and protections passed after the financial crisis of 2008 addressed structural problems related to large financial institutions, more work needs to be done to help protect individual consumers and underserved communities. Even here in Maryland, which is one of the wealthiest states in the country, there are areas with high concentrations of consumers who are subjected to costly services and a lack of mainstream banking options.

http://www.huffingtonpost.com/john-k-delaney/a-new-consumer-protection_b_11910482.html

Consumer Credit

CNBC: Many Americans Still Struggle To Understand Card Agreements*

By CNBC

Ever take a look at the terms and conditions when you sign up for a credit card? If you're like a lot of Americans, you probably haven't. And even if you have, it's likely you couldn't figure out what it said.

It turns out the average credit card agreement in the U.S. is written at an 11th-grade reading level, far higher than many consumers can understand. The average reading level is around a seventh-grade level. That gap can lead consumers to ruin their credit and rack up merciless hidden fees, according to a study out Thursday from CreditCards.com.

"Most credit card agreements are so confusingly written that the average person — even if they took the time to read it all the way through — probably won't be able to understand it," said Matt Schulz, senior industry analyst at CreditCards.com.

<http://www.cnbc.com/2016/09/08/credit-cards-many-americans-cant-understand-their-card-agreements.html>

ConsumerAffairs: Have You Ever Read Your Credit Card Agreement?*

By Mark Huffman, ConsumerAffairs

A credit card is like a loan, and when you borrow money, there's usually a long and all-encompassing agreement that goes along with it.

Ever read your credit card agreement? A study by CreditCards.com found 46% of cardholders "never" or "hardly ever" peruse the legal agreements that come with credit cards. When researchers asked consumers who had read the agreements to describe them in one word, 71% chose a negative adjective. The top choices were "lengthy," "long," and "verbose."

Matt Schulz, CreditCards.com's senior industry analyst, says unreadable contracts are a hazard because in many cases, consumers are unaware of what they're signing up for.

<https://www.consumeraffairs.com/news/have-you-ever-read-your-credit-card-agreement-090816.html>

KDKA-TV Pittsburgh: Credit Card Agreements Too Long And Hard To Understand*

By KDKA-TV Pittsburgh (PA)

PITTSBURGH (KDKA) — Most of us use credit cards, but have you read the fine print of the agreements that govern those credit cards?

"No. Like I said, too long, too muddled. I don't understand a lot of that," said Katherine Haywood of Canonsburg.

It's a common complaint.

<http://pittsburgh.cbslocal.com/2016/09/08/study-credit-card-agreements-too-long-and-hard-to-understand/>

CBS News: Credit Card Agreements Confusing Customers

By CBS News

The average American household has about \$6,000 in credit card debt. Many people are getting hammered by high interest rates, partly because they couldn't read or understand the credit card agreement. Jericka Duncan reports.

<http://www.cbsnews.com/videos/credit-card-agreements-confusing-customers/>

Wall Street Journal: Rise In July U.S. Consumer Credit Reflects Steady Household Spending

By Jeffrey Sparshott, Wall Street Journal

The Wall Street Journal reports US consumer credit balances increased in July, indicating steady household spending.

<http://www.wsj.com/articles/u-s-consumer-credit-increased-17-71-billion-in-july-1473361611>

Associated Press: Consumer Borrowing Grows By \$17.7 Billion In July

By Paul Wiseman, Associated Press

WASHINGTON (AP) — American consumers increased their borrowing in July, though the category that includes credit cards grew at the slowest pace since February.

The Federal Reserve said Thursday that consumer borrowing rose by \$17.7 billion in July, up from a \$14.5 billion increase in June.

Revolving credit, which covers credit cards, rose by \$2.8 billion, down from \$9.2 billion in June and least since February's \$2.2 billion.

The category that includes auto and student loans increased by \$14.9 billion, up sharply from June's \$5.4 billion gain.

<http://www.chron.com/news/article/Consumer-borrowing-grows-by-17-7-billion-in-July-9210737.php>

Business Insider: US Consumer Credit, July 2016

By Business Insider

US consumer credit balances rose by \$17.71 billion in July, according to the Federal Reserve.

Economists had estimated that credit balances increased to \$16 billion, according to Bloomberg.

Outstanding revolving credit, which includes credit-card purchases, rose at a 3.4% annual rate to \$969 billion.

<http://www.businessinsider.com/us-consumer-credit-july-2016-2016-9>

CBS News: Count 'Em: 2 Simple Rules For Reducing Credit Card Debt

By Aimee Picchi, CBS News

There are two types of credit card users: Those who pay off their balances every month, and those who don't.

The average U.S. family with debt owes more than \$15,000 on their credit cards, an amount that can take years to pay off while also leading to stress and guilt. So-called revolvers, or people who keep balances on their cards, may be simply trying to keep up with expenses that are outpacing their income, which has grown more common as households cope with stagnant pay and rising costs.

Keeping two rules of thumb in mind can help revolvers reduce their debt, according to a new study from the Urban Institute. The first rule asks consumers to turn to cash rather than plastic if the purchase is less than \$20. The second is to keep in mind that charging with a card can add about 20 percent to the total cost of an item because of the interest on plastic.

<http://www.cbsnews.com/news/count-em-two-simple-rules-for-cutting-back-credit-card-debt/>

Washington Post: How The Careless Errors Of Credit Reporting Agencies Are Ruining People's Lives*

By Bobby Allyn, Washington (DC) Post

Apartment hunting in Philadelphia is already hectic enough. So relief washed over me when my girlfriend and I found a charming spot

that worked for us. But before I was able to sign the lease, I received a call from the landlord, and he spoke slowly. He seemed concerned, and for good reason: After running a tenant screening on me using a service provided by the credit-reporting behemoth TransUnion, a clutch of criminal offenses appeared, including two felony firearms convictions. He said it didn't seem to square with what he had expected from a public-radio reporter moving from one trendy neighborhood to another.

It didn't. I have never owned nor fired a weapon in my life. The other charges the agency listed were equally as baffling, since they were just as made up. A case of mistaken identity, I thought, should be easy to clear up.

I was wrong. It took me more than a dozen phone calls, the handiwork of a county court clerk and six weeks to solve the problem. And that was only after I contacted the company's communications department as a journalist.

<https://www.washingtonpost.com/posteverything/wp/2016/09/08/how-the-careless-errors-of-credit-reporting-agencies-are-ruining-peoples-lives/>

NASDAQ: 3 Important Money Lessons For Youths

By Roslyn Lash, NASDAQ

I first learned about credit as a preteen. If I wanted my bike on Christmas Day, I'd have to get a store-brand bike. If I waited until after the holiday, I could get a Schwinn. I chose the store-brand bike, but as winter passed, I realized that it wasn't a very good bike and complained to my mother. I was shocked to learn that six months later she was still making payments on my Christmas gift.

That was my first lesson on two important issues: patience and credit. I understood that I should have waited and gotten the Schwinn. I also learned that when you buy something on credit, the attached interest means you'll pay more. These early life and money lessons matter a lot. Research has shown that kids form their money habits by age 7. Even at a young age, I knew there was something wrong with continually making payments, for what seemed like forever.

3 key lessons

<http://www.nasdaq.com/article/3-important-money-lessons-for-youths-cm676093>

Bankrate: 5 Ways To Get The Most From Your Credit Cards

By Dana Dratch, Bankrate

If you're going to carry a balance on a new credit card, look for a low interest rate.

"For many people, credit card annual percentage rates, or APRs, are around 15%, says credit expert John Ulzheimer, formerly of FICO and Equifax and founder of CreditExpertWitness. "But some issuers are going as deep as below 10% on their rates and even to zero on introductory balance transfer cards."

You can also use 0% introductory rates to your advantage.

http://www.bankrate.com/finance/credit-cards/get-most-from-your-credit-cards-1.aspx?ic_id=Top_Financial%20News%20Center_link_2

Business Insider: How To Manage Debt

By Mai Nguyen, Business Insider

Millions of Americans are struggling with debt. It's a scary metaphor, but not an unfair one: According to the latest statistics from the Federal Reserve, the average credit card balance among indebted households is \$16,140, while the average student loan debt is \$31,946. And this holiday season, shoppers will spend an average \$805.65 on gifts and other seasonal items, according to the National Retail Federation. Many of those purchases will be paid with a credit card, leaving them with bigger balances in the New Year.

Steve Rhode, a consumer debt professional in North Carolina, sees the country's debt issue as a simple math problem, with a simple solution. You should spend less than you earn. "People make it so complicated," Rhode says, "when all they need to do is take action." But even the idea of taking action can seem overwhelming. When you're ready to give it a shot, here are the five things you should consider. 1. Track your spending

As the "Get Out of Debt Guy," Rhode helps people overcome their debt woes. The first thing he tells clients to do is track their spending for three months before they start trying to change their habits. "People's knee-jerk reaction is to create a budget right away," Rhode says. "But a budget is nothing more than a page of lies if people are overestimating their income and underestimating their spending by \$400, which is usually the case." Instead, he says, take the time to form an accurate picture.

<http://www.businessinsider.com/sc/how-to-manage-debt-2016-9>

Go Banking Rates: 10 Things You Should Never Put On A Credit Card

By Go Banking Rates

Using a credit card is so convenient. These wonderful little pieces of plastic can make your life much easier. Plus, a credit card is an excellent way to build credit, which can help you secure the financing you need to buy a car, afford a home or take out any type of loan. But, you shouldn't use a credit card for every single purchase without analyzing the pros and cons first.

If you think it's OK to use your credit card for any and all purchases because of the perks and credit card rewards you'll get, think again. There are some purchases and scenarios where using a credit card is a bad idea because of fees, higher interest rates and the possibility of falling into credit card debt.

Here is a detailed list of some of the things you should never pay for with a credit card, along with why it might be a terrible idea to do. Granted, there might be some caveats and situations where using a credit card for these purchases actually makes the most financial sense. Still, consider the following arguments before deciding to whip out the credit card for these 10 purchases. 1. Mortgage Payments

<http://www.nasdaq.com/article/10-things-you-should-never-put-on-a-credit-card-cm676087>

U.S. News & World Report: How Your Age Matters: Questions Every Generation Asks A

Financial Advisor

By Debbie Carlson, U.S. News & World Report

Financial advisors can help people reach their monetary goals, but the type of advice people need depends on their age and present life situation.

Not surprisingly, the needs of a single 25-year-old are different from a married 40-year-old with two kids in high school, as are the needs of someone who is 65.

There are a few questions everyone seeking advice from a financial planner should ask, such as inquiring if the advisor is a fiduciary, how are fees calculated and if the advisor can help with an entire financial plan or just investments, but some queries will be unique to certain life stages.

<http://money.usnews.com/investing/articles/2016-09-08/how-your-age-matters-questions-every-generation-asks-a-financial-advisor>

Housing, Mortgages and Foreclosure

Mortgage Orb: New Mortgage Loan Defect Report Shows That TRID Is A Major Source Of Defects*

By Patrick Barnard, Mortgage Orb

ARMCO, a provider of risk management solutions to the mortgage industry, recently released its inaugural Loan Defect Trends report, a quarterly report that uses data from ACES Analytics, the company's quality control benchmarking platform.

Because ACES Analytics was released in September 2014, the firm now has more than two years of data on which to base this new report.

The report will only become more accurate as the company collects more loan defect data from customers and non-customers.

<http://www.mortgageorb.com/new-mortgage-loan-defect-report-shows-that-trid-is-a-major-source-of-defects>

South Bend (IN) Tribune: TRID Responsible For More Mortgage Defects*

By South Bend (IN) Tribune

Last October, the Consumer Financial Protection Bureau introduced the TILA-RESPA Integrated Disclosure (TRID) rule. TRID was designed to make it easier for borrowers to understand the loans they are being offered and compare them to other loans in order to get the best deal. However, almost a year later, it appears that TRID has had the opposite effect, causing more mortgage defects instead of making loans easier and less error-prone.

Following TRID's implementation in 2015, Moody's produced a report in which more than 90 percent of the mortgages reviewed had at least one TRID violation, although most of these errors were simply technical mistakes that did not affect the amount of the loan or the borrower's qualifying status. Now another report produced by ACES Risk Management (ARMCO) shows that the number of errors is increasing, and they are no longer harmless defects. Instead, more and more mortgages include serious TRID violations that must be addressed.

The ARMCO report looked at more than 50,000 mortgages made by over 60 lenders. The analysis shows that in the two quarters following TRID's implementation, serious mortgage defects rose. By the fourth quarter of 2015, the mortgage defect rate was 1.21 percent, up from 0.77 percent in the previous quarter. The first quarter of this year saw a defect rate of 1.92 percent. Almost all of these defects fall into the areas that TRID is designed to cover.

http://www.southbendtribune.com/news/business/moneytips/trid-responsible-for-more-mortgage-defects/article_ed25abe9-1f0c-54b4-ac04-77b3d1afe451.html

Inside Mortgage Finance: Title Agents Bash TRID Clarification Proposal, Real Estate Agents Love Getting Access To Docs

By Inside Mortgage Finance

Title Agents Bash TRID Clarification Proposal, Real Estate Agents Love Getting Access to Docs

http://www.insidemortgagefinance.com/issues/imfpubs_imf/2016_34/news/Title-Agents-Bash-TRID-Clarification-Proposal-Real-Estate-1000038153-1.html

Credit: Women Are Better Than Men At Paying Their Mortgages

By Christine Giordano, Credit

Women pay more for mortgages than men, but that doesn't mean that they're a higher risk when it comes to missing mortgage payments. In fact, a new study from the Urban Institute says that women actually are less likely to miss a payment, compared to men.

The recent study looked at all types of borrowers, including single men, single women and couples. They compared data from 13 million women and 17 million men across a vast range of socioeconomic factors. They found that "if a male-only (most likely a single man) borrower has a 6% probability of default, a female-only (most likely a single woman) borrower with the same characteristics would be expected to default at a 5.8% rate," according to the study. That means women are .2% better at not missing payments.

"This is the first step in saying the barometer is consistently not accurately predicting whether women are able to pay their mortgages," Sheryl Pardo, a spokesperson for the Housing Finance Policy Center at the Urban Institute, said.

<http://finance.yahoo.com/news/women-better-men-paying-mortgages-113000778.html>

Older Americans

Business Insider: Confidence Gap Between Younger And Older Americans All-Time High

By Business Insider

Younger Americans are way more optimistic than older ones.

In fact, those under 35 have never been more optimistic about the future than those over 55.

According to a chart shared by a Bank of America Merrill Lynch team led by equity strategist Sarbjit Nahal, the difference in the Conference Board's consumer-confidence index between the young and the old has been widening for years and hit a record high of 58.8 points in June 2016.

<http://www.businessinsider.com/confidence-gap-between-younger-and-older-americans-all-time-high-2016-9>

Students

Consumer Reports: Student Loan Servicers Put Borrowers At Risk*

By Donna Rosato, Consumer Reports

The most recent target: Wells Fargo, the second largest processor of student loan payments. The CFPB in late August fined the bank \$3.6 million for a host of problems, including failing to provide important payment information to consumers, charging consumers late fees when payments were on time, and failing to update or correct inaccurate information supplied to credit reporting agencies. Though Wells Fargo didn't admit or deny the allegations, the bank also agreed to pay \$410,000 to refund those late fees to customers and improve disclosures on billing statements about the way it credits payments to outstanding balances.

"We do not agree with the CFPB's assertions and have voluntarily agreed to resolve the Bureau's concerns so that we can put the matter behind us," says Wells Fargo spokesman Jason Vasquez. Some of the problems identified had already been resolved or done away with, says Vasquez.

Last July the CFPB hit Discover Bank with a \$2.5 million fine for what is said were illegal education loan servicing practices. It ordered the bank to pay \$16 million in refunds to borrowers for problems such as overstating minimum payments and to cease practices such as repeatedly calling consumers behind on payments early in the morning and late at night.

<http://www.consumerreports.org/student-debt/student-loan-servicers-put-borrowers-at-risk/>

Bloomberg News: What's Next For ITT Tech's Students And Their Half A Billion In Debt?*

By Polly Mosendz, Bloomberg News

When ITT Technical Institute shut down this week, Tim Noufer was just a quarter away from earning his bachelor's degree.

The Army veteran, now 26, had enrolled in 2012, using the GI Bill to get an associate's degree. He stuck around at the for-profit college for his bachelor's, pleased with its night schedule and online class options.

On Tuesday, his dad texted him with the news that his school, with its 29,000 indebted students across at least 39 states, had imploded.

<http://finance.yahoo.com/news/whats-next-itt-techs-students-100021217.html>

Nerd Wallet: How To Live On An Entry-Level Salary When You Have Student Loans

By Devon Delfino, Nerd Wallet

When Catherine Richard graduated from college in May, she was in for a reality check. She owes the federal government \$24,000 in student loans and another \$14,000 to her parents, who are giving her until she turns 26 to start making payments. On top of that, she has about \$13,000 in credit card debt.

Richard earns \$37,500 a year working as an assistant account executive at a public relations firm in Milwaukee and lives with her parents to cut down on rent. But she doesn't let her entry-level salary keep her from pursuing her financial goals: She's been saving money and is on track to buy a house early next year.

Richard's financial situation isn't ideal, she admits, but she shows that it's possible to achieve financial goals on an entry-level salary — even if you have student loans. Keep your budget simple and realistic

<http://www.ajc.com/feed/business/consumer-advice/how-to-live-on-an-entry-level-salary-when-you-have/fCRgK9/>

Youngstown (OH) Vindicator: ITT Victims Deserve Help; Public Is Seeking Answers*

By Youngstown (OH) Vindicator

Some 40,000 students attending ITT Technical Institute across the country no doubt entered the institution with grand dreams of earning a life-changing higher education degree. Today, many of those dreams have shattered into nightmares, and many of those students have received little more than the boot.

Earlier this week, administrators at ITT, one of America's largest networks of for-profit colleges, shuttered their doors at their 130 campuses in 39 states, including the Mahoning Valley campus on Meridian Road in Austintown. In addition to the tens of thousands of students who were harmed, more than 8,000 ITT employees now find themselves in unemployment lines.

In this immediate aftermath of the ITT closing, all energies must be channeled toward assisting the primary victims — the students. In the long term, oversight of such money-making institutions ought to be strengthened and broadened to avoid a repeat of the calamity that befell many helpless students just as the new academic year was to begin.

<http://www.vindy.com/news/2016/sep/09/itt-victims-deserve-help-public-is-seeking/>

Policy and Regulatory

NPR: House Republicans Divided Over Impeachment Of IRS Commissioner

By Npr

House Republicans are debating whether to move forward with trying to impeach IRS Commissioner John Koskinen. The debate is a fallout from the 2013 IRS scandal, in which conservative groups were unfairly targeted for seeking tax-exempt status. Conservatives are pushing reluctant GOP party leaders to move forward, but there is skepticism that this is a smart move so close to Election Day.

<http://www.npr.org/2016/09/08/493157987/house-republicans-divided-over-impeachment-of-irs-commissioner>

New York Times: Private Equity Tries To Chip Away At Dodd-Frank With House Bill

By Ben Protess And Danielle Ivory

In the wake of the 2008 financial crisis, private equity suffered a rare setback on Capitol Hill.

The Dodd-Frank Act, the sweeping legislation passed in response to the crisis, saddled the industry with new regulations. The largest private equity firms, which had operated for decades with relatively little federal oversight, suddenly faced regulatory exams and reporting obligations.

But the industry did not give up.

[http://www.nytimes.com/2016/09/09/business/dealbook/private-equity-tries-to-chip-away-at-dodd-frank-with-house-bill.html?](http://www.nytimes.com/2016/09/09/business/dealbook/private-equity-tries-to-chip-away-at-dodd-frank-with-house-bill.html?gwh=3968E53D73C17C6E98CEDB0B345CF4A2)

[gwh=3968E53D73C17C6E98CEDB0B345CF4A2](http://www.nytimes.com/2016/09/09/business/dealbook/private-equity-tries-to-chip-away-at-dodd-frank-with-house-bill.html?gwh=3968E53D73C17C6E98CEDB0B345CF4A2)

New York Times: Regulators Seek Tighter Curbs On Investments By Big Banks

By Nathaniel Popper

Regulators are seeking to impose further restrictions on the ability of Wall Street banks to make risky investments with their own money.

If the new rules proceed, banks will be prohibited from buying and selling commodities, like copper, and would have to shut down what remains of their in-house private equity operations.

The biggest banks have already been scaling back these businesses, but Goldman Sachs continues to have significant operations in these areas.

[http://www.nytimes.com/2016/09/09/business/dealbook/regulators-seek-tighter-curbs-on-investments-by-big-banks.html?](http://www.nytimes.com/2016/09/09/business/dealbook/regulators-seek-tighter-curbs-on-investments-by-big-banks.html?gwh=A095C2593F2424809E41039A3F414854)

[gwh=A095C2593F2424809E41039A3F414854](http://www.nytimes.com/2016/09/09/business/dealbook/regulators-seek-tighter-curbs-on-investments-by-big-banks.html?gwh=A095C2593F2424809E41039A3F414854)

The Big Picture

Headlines From Today's Front Pages.

Wall Street Journal:

[Wells Fargo To Pay \\$185 Million Fine, Fires Thousands Over Sales Tactics](#)

[Hunt For Holiday Workers Heats Up, Giving Wages A Boost](#)

[North Korea Conducts Fifth Nuclear Test](#)

[Chinese Billionaire Linked To Giant Aluminum Stockpile In Mexican Desert](#)

New York Times:

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[Matt Lauer Loses The War In A Battle Between The Candidates](#)

[North Korea Tests A Nuclear Device, South Says](#)

[Wells Fargo Fined For Fraudulently Opening Accounts For Customers](#)

[Airbnb Adopts Rules To Fight Discrimination By Its Hosts](#)

[Venus Williams Loses In Third-Set Tiebreaker And Serena Williams Moves On](#)

Washington Post:

[Prosecutors Won't Retry McDonnells](#)

[In ITT Closure, Many See Regulators Targeting For-Profit Schools](#)

[US Hits Militants In Six Countries](#)

[The Quiet One: Melania Trump](#)

[Democrats Lock Arms Around Clinton](#)

[N. Korea Carries Out Nuclear Test, Experts Say](#)

Financial Times:

[Draghi Stands Firm Despite Downgrades](#)

[Record Fine For Wells After Staff Set Up Secret Accounts To Hit Goals](#)

[World Economy Chokes On \\$5tn Cost Of Pollution As Premature Deaths Soar](#)

Washington Times:

[Visa Security Loophole Exploited By 9/11 Attackers Still Open 15 Years Later](#)

[Donald Trump, Hillary Clinton Step Out Of Character As Tight Race Enters Home Stretch](#)
[Hillary Clinton's Foreign Financial Entanglements Unprecedented For Presidential Nominee](#)
['Religious Freedom,' 'Liberty' Just 'Code Words' For Intolerance, US Civil Rights Chairman Says](#)
[Seoul Condemns North Korea's 5th Nuclear Test, Calls It 'Fanatic Recklessness'](#)

Story Lineup From Last Night's Network News:

ABC: 2016 Politics-Trump; 2016 Politics-Clinton; Gary Johnson-Aleppo Comment; Texas-School Shooting; Severe Weather; Zika-Florida Cases; Wells Fargo-Bank Account Fraud; Las Vegas-Murder Suspect Escapes; Samsung-Galaxy Note 7 Recall; Allergan-Price Hike Limit; Ryan Lochte-Olympic Suspension.

CBS: 2016 Politics-Clinton; 2016 Politics-Trump; Commander-In-Chief Forum; Commander-In-Chief Forum Analysis; Gary Johnson-Aleppo Comment; North Dakota-Native American Tribes Protest Pipeline; Credit Card Contracts; Wells Fargo-Bank Account Fraud; Ryan Lochte-Olympic Suspension; Dabney Montgomery-Death.

NBC: Wells Fargo-Bank Account Fraud; 2016 Politics-Trump; 2016 Politics-Clinton; 2016 Politics-Ohio Voters; Gary Johnson-Aleppo Comment; French Alps-Cable Car Rescue; Chicago-Street Violence; Ryan Lochte-Olympic Suspension; 9/11 Ground Zero Flag Found; African-American History And Culture Museum.

Network TV At A Glance:

2016 Politics-Trump – 8 minutes, 5 seconds

2016 Politics-Clinton – 8 minutes

Gary Johnson-Aleppo Comment – 6 minutes, 5 seconds

Wells Fargo-Bank Account Fraud – 4 minutes, 35 seconds

Ryan Lochte-Olympic Suspension – 1 minute, 15 seconds

Story Lineup From This Morning's Radio News Broadcasts:

ABC: North Korea-Nuclear Test; 2016 Politics-Clinton; Wells Fargo-Bank Account Fraud; US Open-Serena Williams.

CBS: North Korea-Nuclear Test; FAA Flight Warning-Galaxy 7 Phones; Wells Fargo-Bank Account Fraud; Federal Investigation-Hacked Election Computers; NASA-Asteroid Mission; 2017 Guinness World Records.

FOX: North Korea-Nuclear Test; 2016 Politics-Trump; 2016 Politics-Clinton; Wisconsin-Flooding; Montana-Abducted Woman Found Dead; Pew Research Center-Population Statistics; Texas-Mattress Company 9/11 Ad; Football.

NPR: North Korea-Nuclear Test; 2016 Politics-Trump; 2016 Politics-Clinton; French Alps-Cable Car Rescue; Wall Street; McDonnells Retrial Denied; Paralympics-US Gold Medal; Tim Tebow Contract.

Washington's Schedule

Today's Events In Washington.

White House:

PRESIDENT OBAMA — Returns to Washington, DC, following trip to China and Laos.

VICE PRESIDENT BIDEN — Departs Washington, DC en route St. Louis, Missouri; participates in a roundtable on creating affordable, accelerated education and training opportunities so that more Americans obtain the skills they need to get middle class jobs in high growth fields such as technology; delivers remarks at an event for Jason Kander for Senate; departs St. Louis, Missouri en route Los Angeles, California; delivers remarks at the Stand Up to Cancer Live Event; departs Los Angeles, California en route Wilmington, Delaware.

US Senate: Not in session.

US House: 8:30 AM House Oversight subcommittee hearing on FEMA response to Louisiana flooding – Transportation and Public Assets Subcommittee hearing on 'Oversight of the Federal Emergency Management Agency's Response to the Baton Rouge Flood Disaster'.

Invited witnesses include FEMA Regional Administrator Tony Robinson; Central, LA, Mayor Jr. Shelton; Denham Springs, LA, Mayor Gerard Landry; and Walker, LA, Mayor Rick Ramsey. Location: Rm 2154, Rayburn House Office Bldg., Washington, DC <http://oversight.house.gov/>. Contacts: House Committee on Oversight and Government Reform 1 202 225 5074.

9:00 AM House Commerce subcommittee hearing on federal mental health parity laws and regulations – Health Subcommittee hearing on 'An Examination of Federal Mental Health Parity Laws and Regulations', with testimony from HealthPartners Medical Group Behavioral Health Division Senior Medical Director Michael Trangle, Association for Behavioral Health and Wellness President and CEO Pamela Greenberg, and Health Law Advocates Executive Director Matt Selig. Location: Rm 2322, Rayburn House Office Bldg., Washington, DC <http://energycommerce.house.gov/> <https://twitter.com/HouseCommerce>. Contacts: House Energy and Commerce Committee 1 202 225 2927.

9:00 AM House meets for legislative business – House of Representatives meets for legislative business, with agenda for the week including 'H.R. 2357 – Accelerating Access to Capital Act of 2016' and 'H.R. 5424 – Investment Advisers Modernization Act of 2016' * Administration has expressed its strong opposition to both bills, and said that President Barack Obama would likely veto either if they reached his desk, saying the former would 'undermine the health and integrity of the markets' and the latter would 'weaken oversight of the financial system'. Location: Washington, DC <http://www.house.gov/>. Contacts: House of Representatives Press Gallery 1 202 225 3945. Last votes expected no later than 3:00 p.m.

9:15 AM POSTPONED: House Financial Services subcommittee hearing on corporate governance – POSTPONED: Capital Markets and Government Sponsored Enterprises Subcommittee hearing on 'Corporate Governance: Fostering a System that Promotes Capital Formation and Maximizes Shareholder Value'. Location: Rm 2128, Rayburn House Office Bldg., Washington, DC <http://financialservices.house.gov> <https://twitter.com/FinancialCmte>. Contacts: House Committee on Financial Services press 1 202 226

0471.

10:30 AM House ceremony marks 15th anniversary of 9/11 – House of Representatives holds ceremony to mark the 15th anniversary of 9/11 and remember the thousands of men and women killed that day. House Speaker Paul Ryan and Minority Leader Nancy Pelosi deliver remarks, and Members participate in a rendition of 'God Bless America'. Location: House Steps, US Capitol, Washington, DC <http://speaker.house.gov/> <https://twitter.com/SpeakerBoehner>. Contacts: AshLee Strong House Speaker press ashlee.strong@mail.house.gov 1 202 225 0600. Media may access the plaza no earlier than 8:30 a.m. ET. All crews with equipment must be set by 9:30 a.m. ET for the security sweep. All TV crews must contact the House Radio-TV gallery to sign up for coverage at 202-225-5214.

11:00 AM Tom Lantos Human Rights Commission hearing on human rights in Bahrain – Tom Lantos Human Rights Commission hearing on 'Human Rights in Bahrain: Next Steps, examining recent developments in the country and their implications for Bahrain and the US, and offering policy recommendations to Congress, in the context of the global effort to counter violent extremism. Panelists include Human Rights First Human Rights Defenders Director Brian Dooley, Human Rights Watch Washington Director Sarah Margon, Bahrain MP Matar Ebrahim Matar, and Project on Middle East Democracy Deputy Director for Policy Cole Bockenfeld. Location: HVC-210, US Capitol Visitor Center, Washington, DC <http://tlhrc.house.gov/> <https://twitter.com/TLHRCCommission>. Contacts: Kimberly Stanton Tom Lantos Human Rights Commission Kimberly. Stanton@mail.house.gov 1 202 225 3599. This hearing will be open to members of Congress, congressional staff, the interested public and the media.

Other: 7:00 AM Values Voter Summit with Donald Trump among day one speakers – Values Voter Summit – annual meeting of social conservative activists hosted by the Family Research Council. Day one speakers include 2016 Republican presidential nominee Donald Trump, Republican National Committee Chairman Reince Priebus, Republicans Sens. Tim Scott and James Lankford and Reps. Marsha Blackburn, John Fleming, Louie Gohmert, James Bridenstine, and Diane Black, Kentucky Governor Matt Bevin, North Carolina Lt. Governor Dan Forest, Family Research Council President Tony Perkins, former Sen. Rick Santorum, 'The Dana Show' host Dana Loesch, 'The Laura Ingraham Show' host Laura Ingraham, 'Family Talk' founder and host Dr James Dobson, Lt. Col. (Ret.) Allen West, 'Duck Dynasty's Phil Robertson, Wallbuilders founder and President David Barton, The Benham Companies co-founders David and Jason Benham, and Center for Urban Renewal and Education founder Star Parker. Location: Omni Shoreham Hotel, Washington, DC <http://www.valuesvotersummit.org> [#VVS16](https://twitter.com/FRCAction). Contacts: J.P. Duffy Family Research Council media jpd@frc.org 1 202 637 4679 FRC Media Office media@frc.org 1 866 372 6397. Donald Trump speaks at 3:30 PM.

9:00 AM Department of Justice moment of silence and Survivor Tree plaque unveiling – Attorney General Loretta Lynch leads a moment of silence as part of a commemoration ceremony with Department of Justice employees to recognize the 15th anniversary of the 9/11 terrorist attack. Following the moment of silence, the Attorney General delivers remarks and dedicates a commemorative plaque for the 'Survivor Tree' seedling that was planted in the Department of Justice's courtyard on the anniversary last year. Location: US Department of Justice Courtyard, 950 Pennsylvania Ave., N.W., Washington, DC www.justice.gov <https://twitter.com/TheJusticeDept>. Contacts: DoJ press press@usdoj.gov 1 202 514 2007.

12:00 PM Heritage Foundation Annual B.C. Lee Lecture on US Policy in the Asia-Pacific – Heritage Foundation Annual B.C. Lee Lecture on US Policy in the Asia-Pacific: Republican Sen. John McCain interviewed on 'US-Asia Policy: Prospects during a Critical Time of Change' * Lecture previously given by officials including Henry Kissinger, Jesse Helms, Donald Rumsfeld, Colin Powell, Condoleezza Rice, Joe Lieberman, Ed Royce, and Robert Zoellick * South Korea Ambassador to the US Amb. Ahn Ho-Young hosts post-lecture reception. Location: Heritage Foundation, 214 Massachusetts Ave NE, Washington, DC www.heritage.org <https://twitter.com/Heritage>. Contacts: Heritage Foundation media HeritagePress@heritage.org 1 202 675 1761. Attendance will be limited for this function, so your prompt RSVP is very much appreciated.

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From: [Gordon, Donald \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: FW: [PRESS]: CFPB News Summary for Friday, September 9, 2016
Date: Friday, September 09, 2016 10:43:35 AM
Attachments: [CFPBNewsSummary160909.doc](#)

That is the most incredible set of clips I've seen in five years here. Well done, all!

Donald R. Gordon
Senior Litigation Counsel
Consumer Financial Protection Bureau

T: 212 328 7011

C: (b) (6)

consumerfinance.gov

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Consumer Financial Protection Bureau News Summary



An asterisk at the end of a headline signifies a CFPB mention.

TO: THE DIRECTOR AND SENIOR STAFF

DATE: FRIDAY, SEPTEMBER 9, 2016

TODAY'S TABLE OF CONTENTS

Banking

- [New York Times: Wells Fargo Fined For Years Of Harm To Customers*](#)
- [Washington Post: Wells Fargo Boots 5,300 Employees For Creating Accounts Its Customers Didn't Ask For*](#)
- [Wall Street Journal: Wells Fargo To Pay \\$185 Million Fine Over Account Openings](#)
- [Wall Street Journal: CFPB Levies Its Largest Fine Ever: \\$100 Million Against Wells Fargo*](#)
- [Los Angeles Times: Wells Fargo To Pay \\$185 Million To Settle Allegations Its Workers Opened Fake Accounts*](#)
- [Associated Press: Wells Fargo Fined \\$185M Over Creation Of Fake Accounts For Bonuses*](#)
- [Associated Press: Business Highlights*](#)
- [AFP: Wells Fargo To Pay \\$185mn Over Unauthorized Accounts*](#)
- [Reuters: Wells Fargo Settles Fraud Case With State, Federal Officials](#)
- [Reuters: UPDATE 1-Wells Fargo Will Pay \\$190 Mln To Settle Customer Fraud Case](#)
- [McClatchy: Wells Fargo Is Fined \\$185M For 'Widespread Illegal Practices' In Account Openings*](#)
- [UPI: Wells Fargo Fined \\$185M For Bonus Scam: 5,300 Employees Fired*](#)
- [USA Today: Wells Fargo Fined \\$185M Over Unauthorized Accounts*](#)
- [TIME: Wells Fargo Fined \\$185 Million For Creating Fake Accounts*](#)
- [CNN Money: 5,300 Wells Fargo Employees Fired Over 2 Million Phony Accounts*](#)
- [American Banker: Wells Fargo To Pay \\$187.5M For Wrongfully Opening Customer Accounts](#)
- [Fortune: Wells Fargo Has Been Fined \\$185M For Opening Unauthorized Accounts*](#)
- [ABC News: Wells Fargo Fires About 5,300 Workers In Unauthorized Account Scandal, Officials Say*](#)
- [NBC News: Wells Fargo Created Millions Of Unauthorized Accounts, Regulators Say](#)
- [NBC News: Wells Fargo Fined \\$185 Million On Phony Accounts, Fires 5,300 Staff*](#)
- [ABC: Wells Fargo Bank Account Fraud-Transcript](#)
- [CBS: Wells Fargo Bank Account Fraud-Transcript](#)
- [NBC: Wells Fargo Bank Account Fraud-Transcript.*](#)
- [CBS News: Wells Fargo Fined For Opening Millions Of Fake Accounts*](#)

- [NPR: Wells Fargo Ordered To Pay \\$185 Million Fine Over Unauthorized Accounts*](#)
- [PBS NewsHour: Wells Fargo Fined For Creating Fake Accounts, Other Illegal Practices*](#)
- [Bloomberg News: Wells Fargo Is Fined \\$185 Million Over Unapproved Accounts*](#)
- [Boston Globe: Wells Fargo To Pay \\$185m Fine For Sham Accounts*](#)
- [NPR: Wells Fargo Fined \\$185 Million Over Creation Of Fake Accounts For Bonuses*](#)
- [Financial Times: Wells Fargo: Magic Tricks](#)
- [Financial Times: Wells Fargo Fined \\$185m Over Account Openings*](#)
- [Financial Times: Wells Fargo Hit With Record Fine Over Secret Accounts](#)
- [Mic: Wells Fargo Gets A Record-setting Fine For Roping Customers Into Fake Accounts*](#)
- [The Hill: Overnight Finance: Wells Fargo Fined \\$185M For Fake Accounts*](#)
- [The Hill: Wells Fargo Slapped With \\$185M Fine For Opening Unauthorized Accounts*](#)
- [BuzzFeed: Wells Fargo Pays Record Fine For "Widespread Illegal Practice" By Sales Staff*](#)
- [Consumerist: Wells Fargo On The Hook For \\$185 Million For Opening Unauthorized Accounts*](#)
- [Yahoo! Finance: Wells Fargo Fined \\$185 Million For Creating Fake Accounts*](#)
- [Money Talks News: Wells Fargo To Pay \\$190 Million For Illegally Opened Accounts*](#)
- [Consumer Reports: Wells Fargo On The Hook For \\$185 Million For Opening Unauthorized Accounts*](#)
- [Yahoo! News: Wells Fargo To Pay \\$190M After Creating Sham Accounts For Customers*](#)
- [Vanity Fair: Wells Fargo Fires 5,300 Employees For Opening Millions Of Phony Account*](#)
- [Inc. Magazine: Why Wells Fargo Fired 5,300 Employees \(Hint: Always Check Your Bank Statement\)*](#)
- [Slate: Wells Fargo To Pay \\$185 Million For Account-opening Scandal. That's Not Enough.*](#)
- [Los Angeles Business Journal: Wells Fargo Slapped With \\$50 Million Fines In L.A. Settlement*](#)
- [Birmingham \(AL\) Business Journal: No Word On Whether Wells Fargo Scandal Affected Birmingham Customers*](#)
- [St. Louis Business Journal: Regulators Hit Wells Fargo With \\$185 Million Fine, The Largest In Consumer Financial Protection Bureau History*](#)
- [BBC News \(UK\): US Bank Wells Fargo Fined \\$185m For Opening Illegal Accounts*](#)
- [New York Post: Feds Slap Wells Fargo With Record Fine Over Fake Accounts*](#)
- [ConsumerAffairs: Feds Fine Wells Fargo \\$100 Million For Secretly Opening Customer Accounts*](#)
- [Daily Caller: Wells Fargo Just Got Hit With The Biggest Fine In CFPB History*](#)
- [VIBE: Wells Fargo Fined \\$185 Million For Fake Accounts*](#)
- [Inquisitr: Wells Fargo Fires 5,300 Employees For Creating Millions Of Fake Accounts Using Customer's Names Without Consent](#)
- [Fusion: Wells Fargo Fined \\$185 Million For Sales Abuse*](#)
- [Bankrate: Wells Fargo To Pay \\$185 Million To Settle Allegations Against Employee Practices*](#)
- [Fiscal Times: Wells Fargo Hit With \\$185 Million Fine For Creating Sham Accounts*](#)
- [Complex Magazine \(UK\): Wells Fargo Fined \\$185M After Employees Open Millions Of Fake Accounts*](#)
- [Law360: CFPB Wells Fargo Fine A Red Flag On Pay, Sales Plans*](#)
- [WRC-TV Washington: Wells Fargo Fined \\$185M For Opening Millions Of Unauthorized Accounts*](#)
- [WUSA-TV Washington: Wells Fargo Fined \\$185M Over Unauthorized Accounts*](#)
- [KCAL-TV Los Angeles: Settlement Reached With Wells Fargo Over Unauthorized Accounts*](#)
- [Nerd Wallet: What Wells Fargo's \\$185 Million Settlement May Mean For You*](#)
- [Allentown \(PA\) Morning Call: Wells Fargo Fined For Employees 'Enriching' Themselves At Customers' Expense*](#)
- [Harrisburg \(PA\) Patriot-News: 'A Violation Of Trust': Thousands Of Wells Fargo Employees Created Fake Accounts At Customers' Expense*](#)
- [Pay Before: CFPB Levees Record \\$100 Million Fine On Wells Fargo*](#)
- [Clark County \(WA\) Columbian: Wells Fargo Fined For Unauthorized Accounts*](#)
- [Investopedia: Wells Fargo Draws \\$185M Fine For Fake Accounts \(WFC\)*](#)
- [Finance Magnates: U.S. Regulators Levies \\$185 Million Fine On Wells Fargo Over Fake Credit Cards*](#)
- [Telegraph \(UK\): Wells Fargo Fires 5,300 Employees Over 'Phony Account' Schemes That Led To \\$185 Million Fine*](#)
- [Brisbane \(AUS\) Times: Wells Fargo To Pay \\$240m For Unauthorised Accounts*](#)
- [Daily Intelligence \(NY\): Wells Fargo Fined \\$185 Million For Screwing Customers*](#)
- [Sioux Falls \(SD\) Argus Leader: 5,300 Wells Fargo Workers Fired For Conduct: Local Impact Not Released*](#)
- [New Jersey Local News: Wells Fargo Fined \\$185M Over Fake Bank Accounts*](#)
- [Credit Union Times: CFPB Fines Wells Fargo \\$100 Million For Unauthorized Account Openings*](#)
- [Alabama Live: Wells Fargo Fires 5,300 For Illegally Opening Accounts, Credit Cards*](#)
- [Inland Valley \(CA\) Daily Bulletin: Wells Fargo To Pay \\$185 Million In Fines Over Unauthorized Accounts*](#)
- [Benzinga: Wells Fargo & Company \(NYSE:WFC\)*](#)
- [SC Magazine: Wells Fargo Bank Fined \\$185M, Fires 5,300 Staffers Over Fake Account Scam*](#)
- [CBC \(CAN\): Wells Fargo Fined \\$185M For Creating Unauthorized Accounts*](#)
- [Talking New Media: Wells Fargo Dinged \\$185 Million For Creating Fake Accounts, LA Times Investigation Began Case*](#)
- [Washington Examiner: Wells Fargo Fined \\$100 Million For Illegally Creating Accounts To Soak Customers*](#)
- [Atlanta Business Chronicle: Regulators Hit Wells Fargo With Record \\$185M Fine*](#)
- [Corporate Crime Reporter: CFPB Fines Wells Fargo \\$100 Million*](#)
- [Seeking Alpha: Wells Fargo To Pay \\$185M Over Shady Account Openings*](#)
- [SNL Financial: SNL: UPDATE: Regulators Fine Wells Fargo \\$185M For Secretly Opening Accounts*](#)
- [Palm Beach \(FL\) Post: Feds Order Wells Fargo To Pay \\$100 Million Fine For Shady Sales Practices SWFC*](#)
- [Huffington Post \(CAN\): Wells Fargo Fined For Opening MILLIONS Of Unauthorized Accounts*](#)
- [Atlanta Journal-Constitution: Wells Fargo Fined \\$185M: Things To Know*](#)
- [Charlotte \(NC\) Observer: Wells Fargo Fined \\$185M For 'widespread Illegal Practices' That Hurt Customers*](#)
- [International Business Times \(UK\): Wells Fargo Fined \\$185m For Creating Millions Of Fake Accounts*](#)
- [Daily Mail: Wells Fargo Is Fined Record-Breaking \\$190million And Fires 5,300 Staff After 'Widespread' Customer Fraud Scheme Is Uncovered](#)
- [Ars Technica: 5,300 Wells Fargo Employees Fired After 2 Million Fake Accounts Discovered*](#)

- [Finextra: Wells Fargo Fined \\$185m For Opening Millions Of Accounts Without Customers' Knowledge*](#)
- [The Guardian \(UK\): Wells Fargo To Pay \\$185m For Aggressive, Illegal Sales Tactics*](#)
- [Credit: Wells Fargo Fined \\$185 Million Over Fake Credit Card & Deposit Accounts*](#)
- [WLNE-TV Providence \(RI\): Wells Fargo Accused Of Fraudulent Practices*](#)
- [Bloomberg Business: Wells Fargo Opened A Couple Million Fake Accounts*](#)
- [Digital Look: Wells Fargo Fined \\$185m For Opening Fake Accounts*](#)
- [The Verge: Wells Fargo Fined \\$185 Million For Creating 2 Million Fake Bank Accounts*](#)
- [International Business Times: Wells Fargo Fined \\$185 Million For Creating Over 1 Million Fake Accounts*](#)
- [Housing Wire: CFPB Levies \\$100 Million Fine Against Wells Fargo*](#)
- [KESQ-TV Palm Springs \(CA\): Wells Fargo Hit With \\$185 Million In Fines*](#)
- [Washington Examiner: House Panel Schedules Vote On Dodd-Frank Replacement*](#)
- [Housing Wire: Congress Set To Consider Republican Plan To Abolish Dodd-Frank*](#)
- [American Banker: Banks Learn The Price Of 'Satisfactory' CRA Grades*](#)
- [The Hill: House Panel To Consider Dodd-Frank Replacement](#)
- [CNBC: Bank Of America's Moynihan: I'm Bullish On The US Consumer](#)
- [Bankrate: 7 Tips To Resolve Complaints Against Banks*](#)

[Consumer Financial Protection Bureau](#)

- [My Customer \(UK\): CFPB And Beyond: How Big Data Is Improving Customer Service*](#)
- [National Law Review: California Court Weighs In On "True Lender" Issue As CFPB Expands Its UDAAP Enforcement Authority*](#)
- [Huffington Post: A New Consumer Protection Agenda For Working Families*](#)

[Consumer Credit](#)

- [CNBC: Many Americans Still Struggle To Understand Card Agreements*](#)
- [ConsumerAffairs: Have You Ever Read Your Credit Card Agreement?*](#)
- [KDKA-TV Pittsburgh: Credit Card Agreements Too Long And Hard To Understand*](#)
- [CBS News: Credit Card Agreements Confusing Customers](#)
- [Wall Street Journal: Rise In July U.S. Consumer Credit Reflects Steady Household Spending](#)
- [Associated Press: Consumer Borrowing Grows By \\$17.7 Billion In July](#)
- [Business Insider: US Consumer Credit, July 2016](#)
- [CBS News: Count 'Em: 2 Simple Rules For Reducing Credit Card Debt](#)
- [Washington Post: How The Careless Errors Of Credit Reporting Agencies Are Ruining People's Lives*](#)
- [NASDAQ: 3 Important Money Lessons For Youths](#)
- [Bankrate: 5 Ways To Get The Most From Your Credit Cards](#)
- [Business Insider: How To Manage Debt](#)
- [Go Banking Rates: 10 Things You Should Never Put On A Credit Card](#)
- [U.S. News & World Report: How Your Age Matters: Questions Every Generation Asks A Financial Advisor](#)

[Housing, Mortgages and Foreclosure](#)

- [Mortgage Orb: New Mortgage Loan Defect Report Shows That TRID Is A Major Source Of Defects*](#)
- [South Bend \(IN\) Tribune: TRID Responsible For More Mortgage Defects*](#)
- [Inside Mortgage Finance: Title Agents Bash TRID Clarification Proposal, Real Estate Agents Love Getting Access To Docs](#)
- [Credit: Women Are Better Than Men At Paying Their Mortgages](#)

[Older Americans](#)

- [Business Insider: Confidence Gap Between Younger And Older Americans All-Time High](#)

[Students](#)

- [Consumer Reports: Student Loan Servicers Put Borrowers At Risk*](#)
- [Bloomberg News: What's Next For ITT Tech's Students And Their Half A Billion In Debt?*](#)
- [Nerd Wallet: How To Live On An Entry-Level Salary When You Have Student Loans](#)
- [Youngstown \(OH\) Vindicator: ITT Victims Deserve Help: Public Is Seeking Answers*](#)

[Policy and Regulatory](#)

- [NPR: House Republicans Divided Over Impeachment Of IRS Commissioner](#)
- [New York Times: Private Equity Tries To Chip Away At Dodd-Frank With House Bill](#)
- [New York Times: Regulators Seek Tighter Curbs On Investments By Big Banks](#)

[The Big Picture](#)

- [Headlines From Today's Front Pages.](#)

[Washington's Schedule](#)

- [Today's Events In Washington.](#)

Banking

New York Times: Wells Fargo Fined For Years Of Harm To Customers*

By Michael Corkery, New York (NY) Times

Credit cards issued secretly without a customer's consent. Bank employees creating fake email accounts to sign up customers for online banking services. Customers accumulating late fees on accounts they never even knew they had.

Those illegal banking practices were widespread and pervasive at Wells Fargo, which on Thursday was fined \$185 million, including a \$100 million penalty from the Consumer Financial Protection Bureau, the largest such penalty the agency has ever issued.

Federal banking regulators said the practices reflected serious flaws in the internal culture and oversight at Wells Fargo, one of the nation's largest banks.

<http://www.nytimes.com/2016/09/09/business/dealbook/wells-fargo-fined-for-years-of-harm-to-customers.html>

Washington Post: Wells Fargo Boots 5,300 Employees For Creating Accounts Its Customers Didn't Ask For*

By Renae Merle, Washington (DC) Post

Wells Fargo agreed to pay the largest fine ever collected by the federal government's new consumer protection agency after an investigation found its staff opened more than 2 million fake checking, credit card and other accounts for customers in order to meet sales targets and earn bonuses. The bank, one of the largest in the country, said it has fired 5,300 over the last five years for the conduct.

The case exposes a potential vulnerability in the nation's banking system that has gone largely unrecognized. Banks have spent millions in recent years strengthening their security systems to fight cybercriminals seeking customer data and hackers attempting to exploit weaknesses in the financial world's online tapestry. But the Wells Fargo scheme is striking because those accused included thousands of ordinary workers inside one of the country's largest banks.

Chasing "compensation incentives," employees went as far as to create phony email addresses to enroll existing customers in online-banking services and issued them debit cards they didn't request, government regulators alleged. Some even created fake personal identification numbers.

<https://www.washingtonpost.com/news/business/wp/2016/09/08/wells-fargo-fined-185-million-for-creating-accounts-its-customers-didnt-ask-for/>

Wall Street Journal: Wells Fargo To Pay \$185 Million Fine Over Account Openings

By Emily Glazer, Wall Street Journal

The Wall Street Journal reports Wells Fargo has been fined \$185 million for charges listed as widespread illegal practice in the account openings and other related fields.

<http://www.wsj.com/articles/wells-fargo-to-pay-185-million-fine-over-account-openings-1473352548>

Wall Street Journal: CFPB Levies Its Largest Fine Ever: \$100 Million Against Wells Fargo*

By Yuka Hayashi, Wall Street Journal

The Wall Street Journal reports the fine the CFPB has levied against Wells Fargo is the largest in the agency's history.

<http://www.wsj.com/articles/cfpb-levies-its-largest-fine-ever-100-million-against-wells-fargo-1473373739>

Los Angeles Times: Wells Fargo To Pay \$185 Million To Settle Allegations Its Workers Opened Fake Accounts*

By James Rufus Koren, Los Angeles (CA) Times

City and federal officials have reached a \$185-million settlement with Wells Fargo over allegations that the bank's employees, driven by strict sales quotas, regularly opened new accounts for customers without their knowledge.

The settlement, announced Thursday morning, calls for the San Francisco banking giant to pay \$100 million in penalties to the Consumer Financial Protection Bureau — the largest fine the federal agency has ever imposed — and \$35 million to the Office of the Comptroller of the Currency, another federal regulator.

It also will pay \$50 million in penalties to local officials and to compensate account holders for fees related to bogus accounts.

<http://www.latimes.com/la-fi-wells-fargo-settlement-20160907-snap-story.html>

Associated Press: Wells Fargo Fined \$185M Over Creation Of Fake Accounts For Bonuses*

By Ken Sweet, Associated Press

NEW YORK — California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago, \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

<http://www.startribune.com/business/392758801.html>

Associated Press: Business Highlights*

NEW YORK (AP) — California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

<http://www.chron.com/business/article/Business-Highlights-9211238.php>

AFP: Wells Fargo To Pay \$185mn Over Unauthorized Accounts*

By AFP

Retail and commercial banking giant Wells Fargo will pay more than \$185 million in fines after US regulators accused the bank of secretly opening accounts without customers' knowledge, officials said Thursday.

The Consumer Financial Protection Bureau said employees at Wells Fargo, the world's largest bank by market value, had illegally boosted sales figures by opening unauthorized deposit and credit accounts and then covertly funding them with customers' money, sometimes creating phony email addresses to enroll them.

This resulted in fees and other charges for customers and improperly helped bank employees meet sales targets and receive bonuses, according to the CFPB.

<http://www.dailymail.co.uk/wires/afp/article-3780260/Wells-Fargo-pay-185mn-unauthorized-accounts.html>

Reuters: Wells Fargo Settles Fraud Case With State, Federal Officials

By Reuters

Reuters reports Wells Fargo has agreed to pay \$185 million in fines and restitution to customers for "pushing customers into multiple, fee-generating accounts that they never requested."

<http://www.reuters.com/article/wells-fargo-settlement-idUSL1N1BK11F>

Reuters: UPDATE 1-Wells Fargo Will Pay \$190 Mln To Settle Customer Fraud Case

By Patrick Rucker And Dan Freed, Reuters

Reuters reports regulators have ordered Wells Fargo to pay "\$185 million in penalties and \$5 million to customers that regulators say were pushed into fee-generating accounts that they never requested."

<http://www.reuters.com/article/wells-fargo-settlement-idUSL1N1BK18U>

McClatchy: Wells Fargo Is Fined \$185M For 'Widespread Illegal Practices' In Account Openings*

By McClatchy

Wells Fargo will pay \$185 million to settle allegations of "widespread illegal practices" in which employees secretly opened accounts to meet sales targets and receive bonuses, federal regulators announced Thursday.

Employees for the San Francisco-based bank opened more than 2 million deposit and credit card accounts that may not have been authorized by consumers, the bank's own analysis shows, regulators said. The civil settlement is a black eye for a company that has long touted its employee culture and its ability to sell more products to its customer base.

Wells Fargo's violations resulted in the Consumer Financial Protection Bureau imposing a \$100 million fine, the regulator's largest penalty ever. Wells will also pay a \$35 million penalty to the U.S. Office of the Comptroller of the Currency, which regulates national banks, and another \$50 million to the City and County of Los Angeles, which had filed suit over the practices.

<http://www.sacbee.com/news/nation-world/national/article100670802.html#storylink=rss>

UPI: Wells Fargo Fined \$185M For Bonus Scam; 5,300 Employees Fired*

By Doug G. Ware, UPI

WASHINGTON, Sept. 8 (UPI) – Federal regulators on Thursday fined Wells Fargo Bank nearly \$200 million for a widespread scam run by some employees to open millions of bogus accounts to meet quotas and generate sales bonuses, officials said.

The federal Consumer Financial Protection Bureau announced the penalties against the bank after an investigation uncovered rampant illegal activity by thousands of employees.

According to regulators, employees at Wells Fargo opened more than 2 million fake deposit accounts in real customers' names and even transferred money in and out of them, without authorization, from those unsuspecting customers.

http://www.upi.com/Business_News/2016/09/08/Wells-Fargo-fined-185M-for-bonus-scam-5300-employees-fired/7961473355994/

USA Today: Wells Fargo Fined \$185M Over Unauthorized Accounts*

By Kevin McCoy, USA Today

Wells Fargo Bank, N.A., one of the nation's largest banks, has been with \$185 million in civil penalties for secretly opening millions of unauthorized deposit and credit card accounts in a bid to boost its finances, federal and state officials said Thursday.

Employees of Wells Fargo (WFC) boosted sales figures by covertly opening the accounts and funding them by transferring money from customers' authorized accounts without permission, the Consumer Financial Protection Bureau, Office of the Comptroller of the Currency and Los Angeles officials said.

An analysis by the San Francisco-headquartered bank found that its employees opened more than two million deposit and credit card accounts that may not have been authorized by consumers, the officials said. Many of the transfers ran up fees or other charges for the customers.

<http://www.usatoday.com/story/money/2016/09/08/wells-fargo-fined-185m-over-unauthorized-accounts/90003212/>

TIME: Wells Fargo Fined \$185 Million For Creating Fake Accounts*

By TIME

(NEW YORK) — California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago; \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

<http://time.com/4484479/wells-fargo-fined-unauthorized-accounts/>

CNN Money: 5,300 Wells Fargo Employees Fired Over 2 Million Phony Accounts*

By Matt Egan, CNN Money

That's exactly what happened to Wells Fargo customers nationwide.

On Thursday, federal regulators said Wells Fargo employees secretly created millions of unauthorized bank and credit card accounts – without their customers knowing it – since 2011.

The phony accounts earned the bank unwarranted fees and allowed Wells Fargo employees to boost their sales figures and make more money.

<http://money.cnn.com/2016/09/08/investing/wells-fargo-created-phony-accounts-bank-fees/index.html>

American Banker: Wells Fargo To Pay \$187.5M For Wrongfully Opening Customer Accounts

By American Banker

American Banker reports Wells Fargo agreed to a settlement of \$187.5 million for claims it falsely opened customer bank and credit card accounts.

<http://www.americanbanker.com/news/law-regulation/wells-fargo-to-pay-1875m-for-illegally-opening-customer-accounts-1091175-1.html>

Fortune: Wells Fargo Has Been Fined \$185M For Opening Unauthorized Accounts*

By Fortune

Wells Fargo wfc has been ordered to pay \$185 million to settle charges that employees had fraudulently signed customers up for deposit and credit card accounts to hit sales targets and receive bonuses, according to regulators.

The Office of the Comptroller of the Currency, the Consumer Financial Protection Bureau (CFPB), and the Los Angeles City Attorney each announced settlements with Wells Fargo on Thursday. Los Angeles first filed a lawsuit against the bank in May 2015.

"Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed," bureau director Richard Cordray said in a statement.

<http://fortune.com/2016/09/08/wells-fargo-credit-card/>

ABC News: Wells Fargo Fires About 5,300 Workers In Unauthorized Account Scandal, Officials Say*

By ABC News

Wells Fargo has fired about 5,300 workers after an investigation found that "hundreds of thousands of unauthorized deposit accounts" had been opened on behalf of customers as well as "tens of thousands of credit cards" without consent, according to the Los Angeles City Attorney's office.

The bank was slapped with \$185 million in fines and civil penalties by city, county and federal authorities.

The Consumer Financial Protection Bureau, a federal agency created in the wake of the financial crisis last decade, estimates that more than 1.5 million deposit accounts may not have been authorized.

<http://abcnews.go.com/US/wells-fargo-fires-5300-workers-unauthorized-account-scandal/story?id=41956019>

NBC News: Wells Fargo Created Millions Of Unauthorized Accounts, Regulators Say

By NBC News

Wells Fargo Created Millions of Unauthorized Accounts, Regulators Say

<http://www.nbcnews.com/nightly-news/video/wells-fargo-created-millions-of-unauthorized-accounts-regulators-say-760819267562>

NBC News: Wells Fargo Fined \$185 Million On Phony Accounts, Fires 5,300 Staff*

By NBC News


California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

A staggering 5,300 employees at Wells Fargo were fired in connection with this behavior, according to the Los Angeles City Attorney's office.


The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago; \$35 million to the Office of the Comptroller of the Currency, and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

<http://www.nbcnews.com/business/business-news/wells-fargo-fined-185-million-improper-account-openings-n645031>


ABC: Wells Fargo Bank Account Fraud-Transcript.

[ABC World News Tonight](#)  reported, "This evening, thousands of employees at the nation's largest bank are accused of using customers' information to open up new bank accounts for millions of Americans without you even knowing. And putting some of the customers' money into new accounts, and then allegedly charging overdraft fees for the initial account. Well, tonight here, a landmark fine, \$185 million, and Rebecca Jarvis is tracking your money." ABC (Jarvis) added, "Tonight, Wells Fargo under fire. Thousands of employees at the bank accused of secretly using customer information and illegally opening more than two million savings and credit card accounts. To meet sales goals, bankers at branches across the country would temporarily siphon money from real bank accounts into those secret accounts, keeping customers in the dark. Even creating phony email addresses and fake PINs to cover their tracks. Customers, who had no idea the money was gone, were then charged overdraft fees. Wells Fargo firing 5,300 employees in connection with the widespread, illegal scheme that spans at least five years. Telling ABC News, 'While we regret every interaction that was not handled properly, the number of instances and team members involved represent a very small portion of our business.'" Muir: "Wow, this is still stunning. Rebecca with us now. And how do customers get their money back if they were overcharged?" Jarvis: "David, Wells Fargo expects to pay back as much as \$5 million to customers, and they say it will automatically go back in your account if you were affected by this scam." Muir: "All right, Rebecca Jarvis on your money tonight. Rebecca, thanks."

CBS: Wells Fargo Bank Account Fraud-Transcript.

The [CBS Evening News](#)  reported, "Well it was clear today that one bank's employees were committing fraud on an astonishing scale. More than 5,000 employees at Wells Fargo have been fired for opening unauthorized accounts that the customers knew nothing about — 1.5 million bogus checking accounts, about half a million credit cards in the names of real customers. It was a scheme to win bonuses for drumming up business. Wells Fargo was fined \$185 million today."

NBC: Wells Fargo Bank Account Fraud-Transcript.*

[NBC Nightly News](#)  reported, "Good evening. Wells Fargo, one of the nation's largest banks, is in serious trouble tonight, admitting that for years it signed up customers for credit cards and online banking services without their knowledge, even creating fake email addresses for enrollment. The company says it has fired thousands of employees who were involved in the scheme, but its admission raises worrisome questions about the bank's culture. Tonight, regulators are hitting Wells Fargo with massive fines. Tom Costello starts us off with what customers should know." NBC (Costello) added, "It was fraud on a scale that matched the size and influence of the world's largest bank. Wells Fargo employees opened roughly one and a half million bank accounts and applied for more than half a million credit cards that in many cases the customers never requested or agreed to. Thousands of employees were in on it, motivated, say regulators, by promises of higher compensation for generating new business." Richard Cordray, Consumer Financial Protection Bureau: "Money might be moved from your accounts into some of these accounts without your knowledge. That might have cost you fees, late fees, rewards fees, overdraft charges and the like." Costello: "Now Wells Fargo has been hit with \$185 million in total fines, including the biggest ever by the Consumer Financial Protection Bureau. It was the city of Los Angeles that originally sued Wells Fargo. Now, Wells is paying LA \$50 million in fines." Mike Feuer, Los Angeles City Attorney: "If I were a consumer in this case, I would be outraged if my bank opened an account for me using my personal data and never told me." Costello: "Today, Wells Fargo told NBC News it has fired 5,300 employees over the past five years. In a statement saying, 'We regret and take responsibility for any instances where customers may have received a product that they did not request.' The takeaway for all bank customers?" Sue Herera, CNBC: "Regardless of where you bank, Wells Fargo or any other bank, you need to really monitor your bank account, watch for unauthorized transfers and unauthorized withdrawals from your account, or payments that you have not authorized." Costello: "Tonight, Wells tells me it will refund an average of \$25 to every affected customer. It says it's already identified those people and will put that money automatically in their account, no action required. We asked Wells Fargo, do they have a problem with ethics or training at their bank? They insist no, but they concede some managers were among the employees fired. Lester?" Holt: "All right, Tom Costello. Tom, thank you."

CBS News: Wells Fargo Fined For Opening Millions Of Fake Accounts*

By Kathy Kristof, CBS News

Wells Fargo (WFC) has long touted its commitment to customers, with CEO John Stumpf noting a few years ago that it wants people to "see us as trusted financial advisers." But that reputation could be in jeopardy given the bank's recent financial penalties for abusive business practices.

On Thursday, Wells was hit with a record fine for covertly opening some 2 million unauthorized customer credit card and deposit accounts, draining real accounts to fund them, and charging fees for services the customers didn't request.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," said Richard Cordray, Director of the Consumer Financial Protection Bureau. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed."

<http://www.cbsnews.com/news/wells-fargo-pays-record-fine-for-customer-abuse/>

NPR: Wells Fargo Ordered To Pay \$185 Million Fine Over Unauthorized Accounts*

By NPR

Wells Fargo will pay \$185 million in penalties following accusations the bank opened deposit accounts and credit cards for customers without their permission. The Consumer Financial Protection Bureau says bank employees opened more than 2 million accounts that may not have been authorized. The motive, according to regulator, was to hit sales targets and compensation incentives.

<http://www.npr.org/2016/09/08/493157959/wells-fargo-ordered-to-pay-185-million-fine-over-unauthorized-accounts>

PBS NewsHour: Wells Fargo Fined For Creating Fake Accounts, Other Illegal Practices*

By Kristen Doerer, PBS NewsHour

The Consumer Financial Protection Bureau fined Wells Fargo \$100 million for illegal banking practices on Thursday.

Another \$85 million will be paid to California and federal regulators, according to the Charlotte Observer.

Since 2011, Wells Fargo employees have created bank and credit card accounts without customers' consent.

<http://www.pbs.org/newshour/rundown/wells-fargo-fined-creating-fake-accounts-illegal-practices/>

Bloomberg News: Wells Fargo Is Fined \$185 Million Over Unapproved Accounts*

By Jesse Hamilton, Bloomberg News

Wells Fargo & Co. will pay \$185 million to resolve claims that bank employees opened deposit and credit-card accounts without customers' approval to satisfy sales goals and earn financial rewards, U.S. regulators said.

The lender opened more than 2 million accounts that consumers may not have known about, the Consumer Financial Protection Bureau said in a statement Thursday. Wells Fargo, which fired 5,300 employees over the improper sales practices, agreed to pay a \$100 million fine to the CFPB, \$35 million to the Office of the Comptroller of the Currency and \$50 million to the Los Angeles city attorney to settle the matter. The San Francisco-based bank also will compensate customers who incurred fees or charges, the agencies said.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," CFPB Director Richard Cordray said in his agency's statement. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed."

<http://www.bloomberg.com/news/articles/2016-09-08/wells-fargo-fined-185-million-over-unwanted-customer-accounts>

Boston Globe: Well Fargo To Pay \$185m Fine For Sham Accounts*

By Michael Corkery, Boston (MA) Globe

NEW YORK — For years, Wells Fargo employees secretly issued credit cards without a customer's consent. They created fake e-mail accounts to sign up customers for online banking services. They set up sham accounts that customers learned about only after they started accumulating fees.

On Thursday, these illegal banking practices cost Wells Fargo \$185 million in fines, including a \$100 million penalty from the Consumer Financial Protection Bureau, the largest such penalty the agency has issued.

Federal banking regulators said the practices, which date to 2011, reflected serious flaws in the internal culture and oversight at Wells Fargo, one of the nation's largest banks. The bank has fired at least 5,300 employees who were involved.

<http://www.bostonglobe.com/business/2016/09/08/wells-fargo-fined-for-years-harm-customers/7pKVBUtVCN1y6GoLaXsM/story.html>

NPR: Wells Fargo Fined \$185 Million Over Creation Of Fake Accounts For Bonuses*

By NPR

Wells Fargo Bank has been ordered to pay \$185 million in fines and penalties to settle what the Consumer Financial Protection Bureau calls "the widespread illegal practice of secretly opening unauthorized deposit and credit card accounts."

Thousands of Wells Fargo employees opened the accounts in secret so they would get bonuses for hitting their sales targets, according to investigators. More than 2 million deposit and credit card accounts may have been created without customer authorization.

The bank must pay \$100 million to the CFPB — the largest fine ever levied by the federal consumer watchdog. It also will pay \$50 million to the City and County of Los Angeles, along with a \$35 million penalty to the Office of the Comptroller of the Currency.

<http://www.npr.org/sections/thetwo-way/2016/09/08/493130449/wells-fargo-to-pay-around-190-million-over-fake-accounts-that-sparked-bonuses>

Financial Times: Wells Fargo: Magic Tricks

By Financial Times

The Financial Times reports Wells Fargo has fired 5,300 employees following a fine from government regulators.

<http://www.ft.com/cms/s/047cfb84-75fb-11e6-b60a-de4532d5ea35.html>

Financial Times: Wells Fargo Fined \$185m Over Account Openings*

By Alistair Gray, Financial Times

The Financial Times reports the CFPB has implemented its largest fine yet on Wells Fargo.

<http://www.ft.com/fastft/2016/09/08/wells-fargo-fined-185m-over-account-openings/>

Financial Times: Wells Fargo Hit With Record Fine Over Secret Accounts

By Alistair Gray, Financial Times

The Financial Times reports Wells Fargo has been fined for opening customer accounts without approval.

<http://www.ft.com/cms/s/b665e862-75c7-11e6-b60a-de4532d5ea35.html>

Mic: Wells Fargo Gets A Record-setting Fine For Roping Customers Into Fake Accounts*

By James Dennin, Mic

Wells Fargo, the largest bank in the world in terms of market capitalization, was just handed the largest fine in the history of the Consumer Financial Protection Bureau, a government watchdog set up in the wake of the 2008-09 financial crisis, according to a statement from the CFPB.

According to the CFPB, Wells Fargo employees illegally opened up accounts on behalf of clients without their knowledge in order to meet sales targets.

At \$100 million, it's the agency's largest fine ever, CFPB President Richard Cordray said in a prepared statement, and Wells Fargo has other liabilities as well.

<https://mic.com/articles/153743/the-consumer-financial-protection-bureau-just-handed-wells-fargo-its-biggest-fine-ever>

The Hill: Overnight Finance: Wells Fargo Fined \$185M For Fake Accounts*

By Sylvan Lane, The Hill

Wells Fargo slapped with \$185M fine for opening unauthorized accounts: Thousands of Wells Fargo employees secretly opened deposit and credit card accounts to boost their sales numbers, racking up millions in fees and other charges for consumers, a regulator said Thursday.

The Consumer Financial Protection Bureau (CFPB) fined Wells Fargo \$185 million, including a \$100 million penalty the bank will pay to the CFPB's Civil Penalty Fund – the largest fine ever levied by the regulator.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," said CFPB Director Richard Cordray.

<http://thehill.com/policy/finance/overnights/295108-overnight-finance-wells-fargo-fined-185m-for-fake-accounts-warren>

The Hill: Wells Fargo Slapped With \$185M Fine For Opening Unauthorized Accounts*

By Vicki Needham, The Hill

Thousands of Wells Fargo employees secretly opened deposit and credit card accounts to boost their sales numbers, racking up millions in fees and other charges for consumers, a regulator said Thursday.

The Consumer Financial Protection Bureau (CFPB) fined Wells Fargo \$185 million, including a \$100 million penalty the bank will pay to the CFPB's Civil Penalty Fund – the largest fine ever levied by the regulator.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," said CFPB Director Richard Cordray.

<http://thehill.com/policy/finance/295060-wells-fargo-slapped-with-185-million-fine-for-opening-unauthorized-accounts>

BuzzFeed: Wells Fargo Pays Record Fine For "Widespread Illegal Practice" By Sales Staff*

By Matthew Zeitlin, BuzzFeed

Wells Fargo will pay \$185 million in penalties after admitting its employees set up unauthorized credit and debit accounts for customers, even on occasion transferring money between the accounts without the customer's knowledge and permission.

Of the \$185 million to be paid to regulators and local authorities, \$100 million will go to the Consumer Financial Protection Bureau — the largest such fine ever levied by the CFPB.

Bank employees opened over 1.5 million accounts "that may not have been authorized and that may have been funded through simulated funding or transferring funds from consumers' existing accounts without their knowledge or consent," according to data collected by a consultancy hired by the bank.

<https://www.buzzfeed.com/matthewzeitlin/wells-fargo-pays-record-fine-for-widespread-illegal-practice>

Consumerist: Wells Fargo On The Hook For \$185 Million For Opening Unauthorized Accounts*

By Consumerist

More than a year after the city of Los Angeles sued Wells Fargo for alleged customer account abuses, including pushing employees into opening unauthorized accounts to make sales quotas, the banking giant has been ordered to pay more than \$185 million in refunds and penalties.

The Consumer Financial Protection Bureau, along with the Office of the Comptroller of the Currency and the Los Angeles city attorney, announced the joint enforcement action Thursday, putting an end to the years-long probe into Wells Fargo's practices involving cross-selling products to customers – for example, coaxing a checking account holder to open a credit card.

The consent order [PDF] notes that, since Jan. 2011, Wells Fargo employees regularly misused customers' personal information, opening nearly two million unwanted accounts and failing to close the unauthorized accounts despite complaints from customers.

<https://consumerist.com/2016/09/08/wells-fargo-on-the-hook-for-185-million-for-opening-unauthorized-accounts/>

Yahoo! Finance: Wells Fargo Fined \$185 Million For Creating Fake Accounts*

By Yahoo! Finance

The Consumer Financial Protection Bureau announced on Thursday that it was fining Wells Fargo \$100 million for secretly opening up bank and credit card accounts for customers without their authorization, apparently all because employees were trying to reach aggressive sales goals set by the bank.

"Spurred by sales targets and compensation incentives, employees boosted sales figures by covertly opening accounts and funding them by transferring funds from consumers' authorized accounts without their knowledge or consent, often racking up fees or other charges," a CFPB press release explained.

In addition to the \$100 million fine, Wells Fargo will pay \$50 million to the city and county of Los Angeles, and another \$35 million penalty to the Office of the Comptroller of the Currency.

<http://finance.yahoo.com/news/wells-fargo-fined-185-million-181314711.html>

Money Talks News: Wells Fargo To Pay \$190 Million For Illegally Opened Accounts*

By Money Talks News

Wells Fargo Bank must shell out \$190 million to settle claims over what federal regulators are calling a “widespread illegal practice.” Federal authorities say bank employees’ secretly opened unauthorized deposit and credit card accounts to meet Wells Fargo sales targets and earn financial incentives.

According to the Consumer Financial Protection Bureau, thousands of Wells Fargo workers opened more than 2 million accounts without customer knowledge or consent, leaving the unsuspecting account holder on the hook for fees and other charges associated with the new accounts.

The Wells Fargo bank workers allegedly opened the new accounts in an effort to meet sales targets and earn bonus money.

<http://finance.yahoo.com/news/wells-fargo-pay-190-million-062947573.html>

Consumer Reports: Wells Fargo On The Hook For \$185 Million For Opening Unauthorized Accounts*

By Consumer Reports

More than a year after the city of Los Angeles sued Wells Fargo for alleged customer account abuses, including pushing employees into opening unauthorized accounts to make sales quotas, the banking giant has been ordered to pay more than \$185 million in refunds and penalties.

The Consumer Financial Protection Bureau, along with the Office of the Comptroller of the Currency and the Los Angeles city attorney, announced the joint enforcement action Thursday, putting an end to the years-long probe into Wells Fargo’s practices involving cross-selling products to customers—for example, coaxing a checking account holder to open a credit card.

The consent order [PDF] notes that, since Jan. 2011, Wells Fargo employees regularly misused customers’ personal information, opening nearly two million unwanted accounts and failing to close the unauthorized accounts despite complaints from customers.

<http://finance.yahoo.com/news/wells-fargo-hook-185-million-212540617.html>

Yahoo! News: Wells Fargo To Pay \$190M After Creating Sham Accounts For Customers*

By Yahoo! News

Wells Fargo will pay \$185 million in penalties and \$5 million to customers after the bank’s employees allegedly opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals. The Consumer Financial Protection Bureau will receive \$100 million of the total penalties — the largest fine ever levied by the agency, which was conceived after the 2008 financial crisis.

Today’s action should serve notice to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences. CFPB Director Richard Cordray

In a complaint filed in May 2015, California prosecutors alleged that Wells Fargo opened some 2 million bank and credit card accounts that may have not been authorized by customers and later generated fees. In some cases, they even created fake email addresses to sign up customers for online banking services. Wells Fargo’s aggressive sales tactics were first disclosed by the Los Angeles Times in an investigation in 2013. Bank employees were told that the average customer tapped six financial tools but that they should push households to use eight products, according to the complaint, which was filed after the story ran. After the deal this week, the bank also took some late action, adding language to qualify its so-called “cross sale ratio,” which is the number of products the bank sells to each of its individual customers.

<https://www.yahoo.com/digest/20160908/wells-fargo-pay-190m-creating-sham-accounts-customers-10753027>

Vanity Fair: Wells Fargo Fires 5,300 Employees For Opening Millions Of Phony Account*

By Emily Jane Fox, Vanity Fair

Wells Fargo is paying up and laying off thousands of workers after it reached an agreement to settle allegations that, for years, its employees extracted millions in fees by regularly opening new accounts for customers without their knowledge.

Under the agreement, announced Thursday by the Consumer Financial Protection Bureau, Wells Fargo will pay a total of \$185 million: a \$100 million fine to the C.F.P.B.’s Civil Penalty Fund, \$35 million the Office of the Comptroller of the Currency, and an additional \$50 million to the City and County of Los Angeles. Richard Cordray, the bureau’s director, called it the “largest penalty the C.F.P.B. has ever imposed” because of “the severity of these violations.”

Federal regulators say that scheme, which allegedly began in 2011, involved Wells Fargo employees secretly creating millions of unauthorized credit-card and bank accounts, without customer consent. Incentivized by rigorous sales quotas and compensation, employees transferred money from existing customer accounts to surreptitiously opened new accounts, the C.F.P.B. explained in its statement. Unaware that their balances had changed, customers were then charged overdraft fees or penalties for insufficient funds.

<http://www.vanityfair.com/news/2016/09/wells-fargo-fine>

Inc. Magazine: Why Wells Fargo Fired 5,300 Employees (Hint: Always Check Your Bank Statement)*

By Minda Zetlin, Inc. Magazine

It’s like a scene out of the latest Wall Street-bashing Hollywood blockbuster. One of the most respected financial institutions in the United States, and the third largest bank in the world, just admitted to fleecing its customers on such a massive scale that at least 5,300 employees were involved in the scam which went on unabated for at least five years.

Wells Fargo has just been fined a record \$185 million by federal and California state regulators for widespread fraud, in which bank employees opened extra accounts for customers without their permission and signed them up for credit cards they didn’t want. To keep customers from catching on, bank employees routinely created false email addresses for customers where notices about these unwanted

accounts were sent. As a result, customers were hit with late fees on credit cards they didn't know they had, and overdraft fees because money in a legitimate account had been transferred to an unauthorized one. In all, Wells Fargo employees opened more than 2 million unauthorized bank and credit card accounts. The bank says it has fired 5,300 employees over their involvement in this widespread fraud.

It's a shocking story, but there are a few lessons smart leaders can draw from it: 1. Sales incentives can do more harm than good.

<http://www.inc.com/minda-zetlin/why-wells-fargo-fired-5300-employees-hint-always-check-your-bank-statement.html>

Slate: Wells Fargo To Pay \$185 Million For Account-opening Scandal. That's Not Enough.*

By Slate

Federal and California state authorities slammed Wells Fargo with \$185 million in fines on Thursday, after multiple investigations revealed employees of the bank had opened up millions of checking accounts and credit cards without the permission of their customers. As of result of that behavior, the company said it has fired more than 5,000 employees, or 1 percent of its workforce. As far as we know, none of those fired employees come from the C-suite.

Even if bank executives did not personally sign up customers for the fraudulent accounts, they bear as much—if not more—responsibility as the low-level employees who got caught holding the bag.

Wells Fargo's woes originate in a practice called cross-selling. That's when salespeople are urged to encourage existing bank customers to use multiple bank products. The practice has long been around, but many financial services firms got more aggressive about it after 2008, as a combination of regulatory changes and the low-interest rate environment put pressure on their bottom lines.

http://www.slate.com/blogs/moneybox/2016/09/08/wells_fargo_to_pay_185_million_for_account_opening_scandal_that_s_not_enough.html

Los Angeles Business Journal: Wells Fargo Slapped With \$50 Million Fines In L.A. Settlement*

By Hayley Fox, Los Angeles (CA) Business Journal

The L.A. City Attorney announced a record-breaking settlement on Thursday in which Wells Fargo Bank was ordered to pay customer restitution and \$50 million in civil penalties for opening unauthorized customer accounts.

This agreement is the result of a 2015 lawsuit filed against the bank, in which Wells Fargo is accused of not only starting accounts without customer consent, but failing to notify customers that these accounts had been opened, and causing "negative financial consequences" to customers, including unwanted fees.

"We're holding Wells Fargo accountable and assuring the violations we've alleged never happen in the future," said L.A. City Attorney Mike Feuer in a statement. "This extraordinary resolution sends a strong message – to big banks and consumers alike – that we'll be vigilant in protecting consumer rights."

<http://www.labusinessjournal.com/news/2016/sep/08/wells-fargo-slapped-50-million-fines-l-settlement/>

Birmingham (AL) Business Journal: No Word On Whether Wells Fargo Scandal Affected Birmingham Customers*

By Michael Seale, Birmingham (AL) Business Journal

The financial services industry took a huge hit with the announcement from the Consumer Financial Protection Bureau that Wells Fargo employees had secretly created millions of unauthorized bank and credit card accounts – without their customers knowing it – since 2011. The banking giant, which currently holds the third highest market share in Birmingham, was fined \$185 million by regulators, and 5,200 employees were fired. Thus far, the bank has not reported whether or not any of the 1.5 million fraudulent accounts or terminated employees have ties to the Birmingham metro area. "We do not have a geographic breakdown for these announcements," said Crystal Drake, the bank's regional communications manager for the southeast. "With respect to the terminations, it is important to understand the context, the 5 year period involved and the size of our workforce. The actions we have taken with respect to team members and managers reflect our commitment to monitoring and addressing any inappropriate sales conduct." She added, "On an annual basis, more than 100,000 team members worked in our stores, and the number terminated represents about one percent of this workforce over the five year period. While we regret every interaction that was not handled properly, the number of instances and team members involved represent a very small portion of our business." The effect the scandal will have on the bank or its local presence in the Birmingham area is still unknown. However, banking analyst Matt Schultz from Creditcards.com said it sends out a warning signal to consumers. "This is just further proof of how important it is to always, always check your credit report," Schultz said. "That's really the best way to know if someone has created an account in your name without you knowing about it."

<http://www.bizjournals.com/birmingham/news/2016/09/08/no-word-on-whether-wells-fargo-scandal-affected.html>

St. Louis Business Journal: Regulators Hit Wells Fargo With \$185 Million Fine, The Largest In Consumer Financial Protection Bureau History*

By Jeff Blumenthal, St. Louis (MO) Business Journal

The Consumer Financial Protection Bureau handed San Francisco-based Wells Fargo & Co. its largest fine to date after determining that employees of the bank created unauthorized deposit and credit-card accounts across the country in order to collect financial bonuses for themselves. The CFPB itself is levying a fine of \$100 million against Wells Fargo, although the bank will end up paying \$185 million in fines when factoring in the joint action from the Los Angeles City Attorney's office (\$50 million fine) and the Office of the Comptroller of the Currency (\$35 million). The penalty will be paid to the U.S. Treasury. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed," CFPB Director Richard Cordray said in a statement. "Today's action should serve notice to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences."

Regulators said Wells Fargo (NYSE: WFC) opened roughly 1.5 million deposit accounts and 565,000 credit-card accounts that may not have been authorized by consumers. The CFPB also said bank employees requested and issued debit cards without consumers' knowledge or consent, even creating PIN numbers without telling its customers.

Financially harmed customers are eligible for restitution. The OCC order requires Wells Fargo to take corrective action to establish an enterprise-wide sales practices risk management and oversight program to detect and prevent unsafe or unsound sales practices. In a statement, Wells Fargo said: "We regret and take responsibility for any instances where customers may have received a product that they did not request."

<http://www.bizjournals.com/stlouis/news/2016/09/08/wfc-wells-fargo-cfpb.html>

BBC News (UK): US Bank Wells Fargo Fined \$185m For Opening Illegal Accounts*

By BBC News

The US' biggest bank Wells Fargo has been fined \$185m for illegally opening accounts to boost sales targets.

The cash will go to regulators while the bank will also hand back \$5m to customers.

The regulator accused it of "widespread illegal practice" around account openings, sales targets and compensation incentives.

<http://www.bbc.com/news/business-37312720>

New York Post: Feds Slap Wells Fargo With Record Fine Over Fake Accounts*

By New York Post

NEW YORK — California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago; \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

<http://nypost.com/2016/09/08/feds-slap-wells-fargo-with-record-fine-over-fake-accounts/>

ConsumerAffairs: Feds Fine Wells Fargo \$100 Million For Secretly Opening Customer Accounts*

By ConsumerAffairs

Wells Fargo Bank is being fined \$100 million because its employees secretly opened unauthorized accounts for bank customers. The Consumer Financial Protection Bureau said the bank employees, driven by sales incentives, opened more than two million unauthorized deposit and credit card accounts.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," said CFPB Director Richard Cordray. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed. Today's action should serve notice to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences."

Wells Fargo has agreed to pay full restitution to all victims, as well as the \$100 million fine. It will pay another \$35 million to the Office of the Comptroller of the Currency and another \$50 million to the City and County of Los Angeles.

<https://www.consumeraffairs.com/news/feds-fine-wells-fargo-100-million-for-secretly-opening-customer-accounts-090816.html>

Daily Caller: Wells Fargo Just Got Hit With The Biggest Fine In CFPB History*

By Robert Donachie, Daily Caller

The government has fined Wells Fargo \$185 million for issuing hundreds of thousands of credit cards to customers without their knowledge and opening more than a million bank accounts without their consent.

The Consumer Financial Protection Bureau slapped the bank with the fine — the largest it has ever levied — after finding these practices were rampant throughout Wells Fargo since 2011, reports The New York Times.

Wells Fargo employees issued 565,000 lines of credit and opened 1.5 million bank accounts for customers without their consent, and sometimes created false email addresses to sign them up for banking services in order to pad their numbers. Some 14,000 of those credit accounts accrued over \$400,000 in fees, reports CNN Money, and the bank has promised to pay more than \$2 million back in fees customers were fraudulently charged.

<http://dailycaller.com/2016/09/08/wells-fargo-fined-185-million-for-opening-fake-accounts-credit-cards/>

VIBE: Wells Fargo Fined \$185 Million For Fake Accounts*

By Desire Thompson, VIBE

Wells Fargo is preparing to roll out a huge apology tour after an investigation uncovered 5,300 employees were the source of over 2 million fake accounts.

CNN Money reports a Los Angeles-based lawsuit from 2013 raised a red flag when a customer claimed they were targeted for unpaid credit cards they didn't sign up for. One by one more customers came forward, sparking an investigation by the Consumer Financial Protection Bureau and the Office of the Comptroller of the Currency. Discovered between 2011 and 2015 were millions of unauthorized bank and credit card accounts. It also showed employees transferred money from customer's accounts into fake ones, issued over 500,000 unauthorized credit card accounts and created fake email addresses to set up online banking. The investigation also showed 14,000 of accounts created were exposed to \$400,000 in annual fees and overdraft charges.

In a statement, Richard Cordray of the CFPB concluded that employees created the accounts in hopes of bonuses and other rewards. "Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," the statement read. "It reflects the severity of these violations, the breadth of the unfair and abusive practices and how seriously we take them. We found this conduct to be quite surprising."

<http://www.vibe.com/2016/09/wells-fargo-fined-185-million-for-fraudulent-accounts/>

Inquisitr: Wells Fargo Fires 5,300 Employees For Creating Millions Of Fake Accounts Using Customer's Names Without Consent

By Patricia Ramirez, Inquisitr

Wells Fargo customers across America have a reason to be concerned today. It was announced on Thursday that, over the course of at least the last few years, Wells Fargo employees had been creating fake bank accounts and credit card accounts using the names and personal information of Wells Fargo customers. The fake bank accounts were created without the knowledge or consent of the Wells Fargo customers in question, reports CNN, and since 2011, over 5,300 Wells Fargo employees have been fired for creating fraudulent bank accounts.

Reportedly, the reason that the Wells Fargo employees created the fake accounts in their customer's names was to ensure that they met their sales goals and received lucrative bonuses. They reportedly funded the phony accounts with money that they transferred from the existing accounts of customers. What's worse, the customers in question would often lose money themselves as they were charged bank fees on accounts that they didn't authorize and didn't even know about.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses."

<http://www.inquisitr.com/3494024/wells-fargo-fires-5300-employees-for-creating-millions-of-fake-accounts-using-customers-names-without-consent-video/>

Fusion: Wells Fargo Fined \$185 Million For Sales Abuse*

By Fusion

If you're a Wells Fargo bank customer, you might have had a bank account or credit card in your name that you never knew existed until the fines began to rack up.

For that and other supremely shady sales practices, Wells Fargo has agreed to pay a \$185 million fine and fired more than 5,300 employees — roughly 1% of its entire workforce.

The Consumer Financial Protection Bureau announced the settlement, saying that Wells Fargo employees had regularly signed customers up for services without their consent or knowledge in order to hit sales numbers and receive bonuses.

<http://fusion.net/story/345423/wells-fargo-fake-accounts-fine/>

Bankrate: Wells Fargo To Pay \$185 Million To Settle Allegations Against Employee Practices*

By Bankrate

Everyone who has visited a bank branch in recent years has probably experienced bank personnel trying to upsell them on other services.

"You want to make a withdrawal from your checking account? That's great. How about a credit card?"

But sometimes bank upselling can go horribly wrong, as it did for Frank Ahn, a small business owner in Venice Beach, California, who eventually ended up with 20 Wells Fargo accounts due to practices of Wells Fargo staff.

http://www.bankrate.com/finance/banking/wells-fargo-to-pay-185-million-to-settle-allegations.aspx?ic_id=Top_Financial%20News%20Center_link_1

Fiscal Times: Wells Fargo Hit With \$185 Million Fine For Creating Sham Accounts*

By Janna Herron, Fiscal Times

Wells Fargo will pay \$185 million in fines for the widespread practice of opening credit card and bank accounts under customers' names without their approval.

The Consumer Financial Protection Bureau said thousands of employees of the bank enrolled consumers in unauthorized accounts, sometimes transferring funds without customer permission, to hit sales targets and receive bonuses for opening new accounts.

Bank employees opened 1.5 million deposit accounts, applied for 565,000 credit cards and issued an undisclosed number of debit cards, all without authorization from customers. Some employees used fake email addresses to enroll customers in online-banking services without consent.

<http://www.thefiscaltimes.com/2016/09/08/Wells-Fargo-Hit-185-Million-Fine-Creating-Sham-Accounts>

Complex Magazine (UK): Wells Fargo Fined \$185M After Employees Open Millions Of Fake Accounts*

By Debbie Encalada, Complex Magazine (UK)

Wells Fargo is being forced to pay \$185 million in fines after employees created over two million fake accounts, the Consumer Financial Protection Bureau said. The accounts date back as far as 2011.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," director of the Consumer Financial Protection Bureau Richard Cordray said in a press release Thursday. To meet sales numbers, employees opened deposit accounts while transferring money from existing accounts to fund them. They also applied for credit cards, issued debit cards, and enrolled customers in online banking with fake email addresses.

The CFPB reported Wells Fargo employees opened an astounding 1.5 million deposit accounts. "Employees then transferred funds from consumers' authorized accounts to temporarily fund the new, unauthorized accounts," wrote the CFPB. "This widespread practice gave the employees credit for opening the new accounts, allowing them to earn additional compensation and to meet the bank's sales goals." Because money was removed from customers accounts they were charged for overdraft fees or fees for insufficient funds.

<http://www.complex.com/life/2016/09/wells-fargo-workers-fired-creating-over-2-million-fake-accounts>

Law360: CFPB Wells Fargo Fine A Red Flag On Pay, Sales Plans*

By Evan Weinberger, Law360

Law360, New York (September 8, 2016, 8:19 PM ET) – The \$185 million penalty the Consumer Financial Protection Bureau and two other agencies handed to Wells Fargo & Co. on Thursday, following revelations that employees had opened over a million sham accounts to meet sales targets and qualify for additional pay, should serve as a warning to others to carefully monitor their employees and re-evaluate aggressive incentive plans, experts said.

Wells Fargo employees created 1.5 million bank accounts without customers' knowledge and transferred money from existing accounts to fund the new ones, according to the agencies. (Credit:...

To view the full article, register now.

<http://www.law360.com/articles/837931>

WRC-TV Washington: Wells Fargo Fined \$185M For Opening Millions Of Unauthorized Accounts*

By WRC-TV Washington (DC)

California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago; \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

<http://www.nbcwashington.com/news/national-international/Wells-Fargo-to-Pay-50-Million--392774951.html>

WUSA-TV Washington: Wells Fargo Fined \$185M Over Unauthorized Accounts*

By WUSA-TV Washington (DC)

Wells Fargo Bank, N.A., one of the nation's largest banks, has been with \$185 million in civil penalties for secretly opening millions of unauthorized deposit and credit card accounts in a bid to boost its finances, federal and state officials said Thursday.

Employees of Wells Fargo (WFC) boosted sales figures by covertly opening the accounts and funding them by transferring money from customers' authorized accounts without permission, the Consumer Financial Protection Bureau, Office of the Comptroller of the Currency and Los Angeles officials said.

An analysis by the San Francisco-headquartered bank found that its employees opened more than two million deposit and credit card accounts that may not have been authorized by consumers, the officials said. Many of the transfers ran up fees or other charges for the customers.

<http://www.wusa9.com/news/nation-now/wells-fargo-fined-185m-over-unauthorized-accounts/315627270>

KCAL-TV Los Angeles: Settlement Reached With Wells Fargo Over Unauthorized Accounts*

By KCAL-TV Los Angeles (CA)

LOS ANGELES (CBSLA.com) — Wells Fargo will pay \$50 million in penalties to the city of Los Angeles and restitution to customers as part of a settlement resolving litigation alleging the company opened up bank accounts without customers' permission, prosecutors said Thursday.

In addition to the settlement reached with Los Angeles City Attorney Mike Feuer's office, the bank also reached settlements with two federal agencies in which it agreed to pay at least \$135 million in penalties over similar claims, Feuer's office said.

The U.S. Consumer Financial Protection Bureau (CFPB) and the Office of the Comptroller of the Currency (OCC) will also require the bank to enact "broad changes to its sales practices and internal oversight", according to Feuer.

<http://losangeles.cbslocal.com/2016/09/08/settlement-reached-with-wells-fargo-over-unauthorized-accounts/>

Nerd Wallet: What Wells Fargo's \$185 Million Settlement May Mean For You*

By Jeanne Lee, Nerd Wallet

Who would expect a bank, rather than some shadowy hacker, to misuse your personal information?

Wells Fargo reached a \$185 million settlement Thursday for what federal officials called a widespread illegal practice among employees of creating fake customer accounts, PIN numbers and emails in order to meet sales targets and earn bonuses. What Wells Fargo did

Wells Fargo employees opened roughly 1.5 million bank accounts and about 565,000 credit card accounts that may not have been authorized by consumers, according to the Consumer Financial Protection Bureau, which cited figures from the bank's own investigation that reviewed accounts from 2011 to 2015.

<http://www.ajc.com/feed/business/consumer-advice/what-wells-fargos-185-million-settlement-may-mean/fCRgZ/>

Allentown (PA) Morning Call: Wells Fargo Fined For Employees 'Enriching' Themselves At Customers' Expense*

By Allentown (PA) Morning Call

Banks have been accused of doing a lot of nasty things, but what Wells Fargo was accused of Thursday is particularly offensive.

Federal regulators said Wells Fargo employees trying to hit sales targets and earn bonuses opened bank and credit card accounts in customers' names without their consent, resulting in some customers being charged fees.

Employees opened more than 2 million accounts that may not have been authorized, according to the Consumer Financial Protection Bureau, which fined the bank \$100 million, the largest penalty it ever has levied.

<http://www.mcall.com/mc-wells-fargo-fine-watchdog-20160908-column.html>

Harrisburg (PA) Patriot-News: 'A Violation Of Trust': Thousands Of Wells Fargo Employees Created Fake Accounts At Customers' Expense*

By Harrisburg (PA) Patriot-News

Wells Fargo has been fined \$185 million after federal regulators found that employees created millions of unauthorized bank and credit card accounts without customers knowledge in order to collect financial bonuses for themselves.

The Consumer Financial Protection Bureau said Thursday that thousands of bank employees found ways to game Wells Fargo's incentive-compensation program by secretly signing up existing clients for new services that were never requested.

CNN has reported that Wells Fargo has fired 5,300 employees for creating 2 million fake accounts.

http://www.pennlive.com/news/2016/09/a_violation_of_trust_thousands.html

Pay Before: CFPB Levees Record \$100 Million Fine On Wells Fargo*

By Pay Before

The CFPB on Sept. 8 announced a \$100 million fine against Wells Fargo for what the agency called "widespread unlawful sales practices." The agency said the fine is the largest such penalty it has ever issued.

According to the CFPB, Wells Fargo employees secretly opened new accounts, into which they shifted funds from existing accounts without consumers' knowledge or permission—often racking up fees and other charges. The employees' actions were motivated by Wells Fargo compensation policies that rewarded employees for signing up existing clients for new accounts, according to the consent order. The illegally created new accounts were temporarily funded by transfers from existing accounts, enabling employees to meet new account creation sales targets, the agency said. The agency added that "thousands" of employees were involved in the activity, which dates back at least five years and resulted in the creation of more than 2 million deposit and credit card accounts that may not have been authorized by consumers, in violation of Dodd-Frank regulations barring unfair, deceptive and abusive acts.

"Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed," CFPB Director Richard Cordray said in an announcement. "Today's action should serve notice to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences."

<http://paybefore.com/pay-gov/cfpb-levees-record-100-million-fine-on-wells-fargo/>

Clark County (WA) Columbian: Wells Fargo Fined For Unauthorized Accounts*

By Clark County (WA) Columbian

NEW YORK — California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago; \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

<http://www.columbian.com/news/2016/sep/08/wells-fargo-fined-for-unauthorized-accounts/>

Investopedia: Wells Fargo Draws \$185M Fine For Fake Accounts (WFC)*

By Rebecca Darst, Investopedia

Banking giant Wells Fargo & Co (WFC) shares traded higher late Thursday against news of an \$185 million settlement with the nation's Consumer Financial Protection Bureau, the Office of the Comptroller of the Currency, and the Los Angeles City Attorney's Office.

In a prepared statement delivered to the media on Thursday, Richard Cordray, Director of the Consumer Financial Protection Bureau, said the enforcement action was levied after an agency investigation found Wells Fargo employees across the United States had created fraudulent deposit and credit card accounts in order to generate sales bonuses for themselves. (For more, see: Wells Fargo Profit Slides Despite Higher Loans.)

"Thousands of bank employees found ways to game the system by secretly signing up existing clients for new services that were never requested," Cordray said.

<http://www.investopedia.com/news/wells-fargo-draws-185m-fine-fake-accounts-wfc/?partner=mediated>

Finance Magnates: U.S. Regulators Levies \$185 Million Fine On Wells Fargo Over Fake Credit Cards*

By Finance Magnates

California and federal regulators today fined Wells Fargo Bank (WFC), one of the U.S. largest banks, \$185 million in civil penalties to resolve claims that bank employees secretly opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

Thousands of employees at Wells Fargo opened roughly two million bank accounts and applied for 565,000 credit cards without customers' knowledge or consent. In some cases, bank employees created fake email addresses to sign up customers for online banking services, accumulating late fees on accounts they never even knew they had.

The Consumer Financial Protection Bureau (CFPB) blamed Wells Fargo's aggressive sales tactics. The federal consumer watchdog said employees at the world's most valuable bank, which serves around 40 million retail customers, had been motivated to open the unauthorized accounts by compensation policies that rewarded them for drumming up new business.

<http://www.financemagnates.com/forex/regulation/u-s-regulators-levies-185-million-fine-on-wells-fargo-over-fake-credit-cards/>

Telegraph (UK): Wells Fargo Fires 5,300 Employees Over 'Phony Account' Schemes That Led To \$185 Million Fine*

By David Lawler, Telegraph (UK)

Wells Fargo has fired 5,300 people after government regulators discovered that employees of the US bank had created millions of phony bank and credit card accounts to boost their sales figures.

The US Consumer Financial Protection Bureau (CFPB) fined the bank \$185 million (£139 million) on Thursday as a result of the illegal practices, the largest fine ever imposed by the agency.

Employees had opened 1.5 million bank accounts and applied for more than 500,000 credit cards over the past five years, doing so at the expense of existing consumers, the CFPB said.

<http://www.telegraph.co.uk/news/2016/09/08/wells-fargo-fires-5300-employees-over-phony-account-schemes-that/>

Brisbane (AUS) Times: Wells Fargo To Pay \$240m For Unauthorised Accounts*

By Jesse Hamilton, Brisbane (AUS) Times

Wells Fargo will pay \$US185 million (\$240 million) to resolve claims that bank employees opened deposit and credit-card accounts without customers' approval to satisfy sales goals and earn financial rewards, US regulators said.

The lender opened more than 2 million accounts that consumers may not have known about, the Consumer Financial Protection Bureau said in a statement on Thursday. Wells Fargo, which fired 5300 employees over the improper sales practices, agreed to pay a \$US100 million fine to the CFPB, \$US35 million to the Office of the Comptroller of the Currency and \$US50 million to the Los Angeles city attorney to settle the matter. The San Francisco-based bank also will compensate customers who incurred fees or charges, the agencies said.

"Wells Fargo employees secretly opened unauthorised accounts to hit sales targets and receive bonuses," CFPB director Richard Cordray said in his agency's statement. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed."

<http://www.brisbanetimes.com.au/business/banking-and-finance/wells-fargo-to-pay-240m-for-unauthorised-accounts-20160908-grcc6f.html>

Daily Intelligencer (NY): Wells Fargo Fined \$185 Million For Screwing Customers*

By Adam K. Raymond, Daily Intelligencer (NY)

Wells Fargo has fired 5,300 employees and incurred \$185 million in fines for a massive pattern of fraud that saw millions of accounts opened on behalf of customers without their knowledge.

Bank employees opened around 1.5 million checking accounts and applied for just over a half-million credit cards using real names and fake email addresses of existing customers. To create some of those accounts, employees essentially stole from customers. They would take money from a customer's real account to satisfy the requirements of the new account, which left customers vulnerable to overdraft fees and with less money in their bank account than there should have been.

Employees say they were motivated to screw customers by both pressure to increase the number of accounts and incentives that rewarded them for doing so.

<http://nymag.com/daily/intelligencer/2016/09/wells-fargo-fined-usd185-million-for-screwing-customers.html>

Sioux Falls (SD) Argus Leader: 5,300 Wells Fargo Workers Fired For Conduct; Local Impact Not Released*

By Sioux Falls (SD) Argus Leader

Wells Fargo Bank has been fined \$185 million for opening millions of unauthorized deposit and credit card accounts, and has fired 5,300 employees and managers over a five-year period for their involvement.

A Wells Fargo spokeswoman in Sioux Falls said the company is not providing a "geographic breakdown" of where the inappropriate sales conduct and firings occurred.

"It is important to understand the context, the five-year period involved and the size of our workforce," said Staci Schiller, a communications consultant and vice president.

<http://www.argusleader.com/story/news/business-journal/2016/09/08/5300-wells-fargo-workers-fired-conduct-local-impact-not-released/90090022/>

New Jersey Local News: Wells Fargo Fined \$185M Over Fake Bank Accounts*

By Paul Milo, New Jersey Local News

WASHINGTON — A federal banking industry regulator has fined Wells Fargo after its employees were found to have secretly opened deposit and credit card accounts in order to meet sales quotas.

The Consumer Financial Protection Bureau announced Thursday that workers at the banking giant, which has 294 branches in New Jersey, opened up to 2 million deposit and credit card accounts without consumers' permission. The Sioux Falls, S.D. -based bank faces fines totaling \$185 million, including \$100 million to the bureau, \$35 million to the U.S. Comptroller of the Currency and \$50 million to the city and county of Los Angeles.

Bamboozled: She got someone else's bank statements

http://www.nj.com/news/index.ssf/2016/09/wells_fargo_bank_fined_185_million_fires_thousands.html

Credit Union Times: CFPB Fines Wells Fargo \$100 Million For Unauthorized Account Openings*

By Roy Urrico, Credit Union Times

California and federal regulators fined Wells Fargo a combined \$185 million for the widespread illegal practice of secretly opening unauthorized deposit and credit card accounts.

The CFPB fined Wells Fargo Bank, N.A. \$100 million for the widespread illegal practice of secretly opening unauthorized deposit and credit card accounts.

Wells Fargo, headquartered in Sioux Falls, S.D., is one of the biggest banks in the country and offers many consumer financial products and services, including savings and checking accounts, credit cards, debit and ATM cards, and online-banking services.

<http://www.cutimes.com/2016/09/08/cfpb-fines-wells-fargo-100-million-for-unauthorize?ref=rss>

Alabama Live: Wells Fargo Fires 5,300 For Illegally Opening Accounts, Credit Cards*

By Alabama Live

Wells Fargo has fired 5,300 employees for illegally opening accounts in order to get financial compensation for meeting sales targets without the knowledge or consent of customers, according to the Consumer Financial Protection Bureau.

The San Francisco-headquartered bank will pay full restitution to all victims and a \$100 million fine to the CFPB'S Civil Penalty Fund.

Wells Fargo employees applied for 565,000 credit card accounts that customers might not have authorized, according to the bank's analysis.

http://www.al.com/business/index.ssf/2016/09/wells_fargo_fires_5300_for_ill.html

Inland Valley (CA) Daily Bulletin: Wells Fargo To Pay \$185 Million In Fines Over Unauthorized Accounts*

By Inland Valley (CA) Daily Bulletin

Wells Fargo will pay more than \$185 million in fines following allegations it secretly opened accounts for its customers in order to rake in banking fees, federal and local officials announced Thursday.

The San Francisco-based bank may have opened up to 1.5 million accounts and initiated 565,000 credit card applications without first obtaining customers' consent, officials said. The alleged fraud took place nationwide.

Under terms of the settlement, Wells Fargo must pay a total of \$50 million in penalties to the city and county of Los Angeles. The bank must also pay a \$100 million fee to the Consumer Financial Protection Bureau — a record fine imposed by the agency — and a \$35 million fine to the Office of the Comptroller of the Currency, an independent bureau of the U.S. Department of Treasury. Additionally, Wells Fargo will pay \$5 million for customer remediation.

<http://www.dailybulletin.com/business/20160908/wells-fargo-to-pay-185-million-in-fines-over-unauthorized-accounts>

Benzinga: Wells Fargo & Company (NYSE:WFC)*

By Javier Hasse, Benzinga

Earlier Thursday, U.S. regulators said Wells Fargo & Co (NYSE: WFC) would have to pay \$190 million to settle claims of its employees having created deposit and credit card accounts without the approval of its customers.

Apparently, the employees used this tactic to reach sales goals and gain monetary bonuses and rewards.

According to a statement from the Consumer Financial Protection Bureau, the bank opened more than 2 million without consent — more than 1.5 million deposit accounts and 565,443 credit card accounts.

<http://www.benzinga.com/news/16/09/8439028/well-fargo-fires-5-300-employees-after-fake-account-scandal>

SC Magazine: Wells Fargo Bank Fined \$185M, Fires 5,300 Staffers Over Fake Account Scam*

By Doug Olenick, SC Magazine

Wells Fargo Bank was fined a total of \$185 million as punishment for a five-year long scam that saw bank employees using bank customer information to illegally create accounts and email addresses and apply for credit and debit cards all in order to meet assigned sales goals and earn commissions.

About 5,300 workers were fired over the incident, according to CNNMoney.

Acting in most cases without any authority from the account holders, Wells Fargo workers opened an estimated 1.5 million deposit accounts and applied for roughly 565,000 credit card accounts, according to the Consumer Financial Protection Bureau (CFPB). Once the accounts were opened the employees transferred money to temporarily fund the new accounts which allowed them to meet sales goals and earn extra compensation.

<http://www.scmagazine.com/wells-fargo-bank-fined-185m-fires-5300-staffers-over-fake-account-scam/article/521318/>

CBC (CAN): Wells Fargo Fined \$185M For Creating Unauthorized Accounts*

By CBC (CAN)

U.S. bank Wells Fargo has fired more than 5,000 of its employees and been fined a total of \$185 million US for making up millions of unauthorized bank accounts on their customers' behalf — often without the customers' knowledge.

The California-based bank will pay \$100 million US to the Consumer Financial Protection Bureau (CFPB), \$35 million US to the Office of the Comptroller of the Currency and \$50 million US to the City and County of Los Angeles along with restitution to customers for a scam dating back to 2011 that allowed the bank to rack up millions in bank fees and meet aggressive growth targets.

The consumer agency says the bank opened 1.5 million bank accounts and more than 500,000 credit cards without the expressed permission of their existing customers. Money in customers' accounts was transferred to these new accounts without authorization. Debit cards were issued and activated, as well as PINs created, all without telling customers what they were doing.

<http://www.cbc.ca/news/business/wells-fargo-bank-1.3753705?cmp=rss>

Talking New Media: Wells Fargo Dinged \$185 Million For Creating Fake Accounts, LA Times Investigation Began Case*

By Talking New Media

The bank said that they have fired 5,300 employees who were somehow connected to the scheme to create fake bank and credit card accounts in order to reach sales goals

The Wells Fargo Bank, N.A was ordered to pay \$185 million in fines and penalties by the Consumer Financial Protection Bureau after the bank was accused of secretly opening unauthorized deposit and credit card accounts. The scheme resulted in more than 2 million deposit and credit card accounts being created without the customer's authorization.

Wells Fargo told CNNMoney that it had fired 5,300 employees related to the scheme.

<http://www.talkingnewmedia.com/2016/09/08/wells-fargo-dinged-185-million-for-creating-fake-accounts-la-times-investigation-began-case/>

Washington Examiner: Wells Fargo Fined \$100 Million For Illegally Creating Accounts To Soak Customers*

By Washington (DC) Examiner

Wells Fargo will pay \$100 million to the Consumer Financial Protection Bureau for illegally opening accounts for customers without their permission to overcharge them, the agency announced Thursday. The fine is the largest yet levied by the five-year-old agency.

The bureau said the bank's employees opened up to 2 million credit card and debit accounts that may not have been authorized by customers to meet sales targets, transferring funds from existing accounts and then racking up charges and fees on those accounts.

The bank will have to pay restitution to customers as well as a \$35 million penalty to the Office of the Comptroller of the Currency, which is a federal bank regulatory agency, and a \$50 million fine to the city and county of Los Angeles, where the agencies' enforcement action was filed in court.

http://www.washingtonexaminer.com/wells-fargo-fined-100-million-for-illegally-creating-accounts-to-soak-customers/article/2601284?custom_click=rss

Atlanta Business Chronicle: Regulators Hit Wells Fargo With Record \$185M Fine*

By Jeff Blumenthal, Atlanta (GA) Business Chronicle

The Consumer Financial Protection Bureau handed Wells Fargo its largest fine to date after determining that employees of the bank created unauthorized deposit and credit card accounts across the country in order to collect financial bonuses for themselves. The CFPB itself is levying a fine of \$100 million against Wells Fargo, although the bank will end up paying \$185 million in fines when factoring in the joint action from the Los Angeles City Attorney's office (\$50 million fine) and the Office of the Comptroller of the Currency (\$35 million). The penalty will be paid to the U.S. Treasury. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed," CFPB Director Richard Cordray said in a statement. "Today's action should serve notice to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences."

Regulators said Wells Fargo (NYSE: WFC) opened roughly 1.5 million deposit accounts and 565,000 credit card accounts that may not have been authorized by consumers. The CFPB also said bank employees also requested and issued debit cards without consumers' knowledge or consent, even creating PIN numbers without telling its customers. Financially harmed customers are eligible for restitution. The OCC order also requires Wells Fargo to take corrective action to establish an enterprise-wide sales practices risk management and oversight program to detect and prevent unsafe or unsound sales practices. In a statement, Wells Fargo said: "We regret and take responsibility for any instances where customers may have received a product that they did not request."

Wells Fargo said it has set aside \$5 million for customer remediation. After a review by a third party consulting firm, the bank said \$2.6 million has been refunded to customers for any fees associated with products received by customers they may not have requested. Refunds averaged \$25.

<http://www.bizjournals.com/atlanta/news/2016/09/08/cfpb-wells-fargo-bank-wfc-fake-accounts-credit-car.html>

Corporate Crime Reporter: CFPB Fines Wells Fargo \$100 Million*

By Corporate Crime Reporter

The Consumer Financial Protection Bureau (CFPB) has fined Wells Fargo Bank \$100 million for the widespread illegal practice of secretly opening unauthorized deposit and credit card accounts.

Wells Fargo was represented by Anand Raman of Skadden, Arps in Washington, D.C.

Spurred by sales targets and compensation incentives, employees boosted sales figures by covertly opening accounts and funding them by transferring funds from consumers' authorized accounts without their knowledge or consent, often racking up fees or other charges.

<http://www.corporatecrimereporter.com/news/200/cfpb-fines-wells-fargo-100-million/>

Seeking Alpha: Wells Fargo To Pay \$185M Over Shady Account Openings*

By Seeking Alpha

At issue are "widespread illegal practices" in which bank employees secretly opened more than 2M deposit and credit card accounts to meet sales targets and collect bonuses, say regulators.

The CFPB's part of the settlement is \$100M, the largest-ever penalty for that agency.

Naturally, Wells Fargo (NYSE:WFC) neither denies nor admits to the allegations.

<http://seekingalpha.com/news/3207704-wells-fargo-pay-185m-shady-account-openings>

SNL Financial: SNL: UPDATE: Regulators Fine Wells Fargo \$185M For Secretly Opening Accounts*

By Kiah Haslett, SNL Financial

Bank employees opened more than 2 million deposit and credit card accounts that may not have been authorized by consumers, the Consumer Financial Protection Bureau said.

<https://www.snl.com/interactivex/article.aspx?KPLT=7&id=37654439>

Palm Beach (FL) Post: Feds Order Wells Fargo To Pay \$100 Million Fine For Shady Sales Practices SWFC*

By Palm Beach (FL) Post

Yikes: Wells Fargo, the second-biggest bank in Florida and third-largest in the nation, created hundreds of thousands of phony accounts on behalf of its customers, the U.S. Consumer Financial Protection Bureau said Thursday.

The CFPB ordered Wells Fargo (NYSE: WFC) to pay a \$100 million fine, the largest ever imposed by the agency. Wells Fargo also must cough up \$2.6 million in refunds. In all, Wells Fargo said the episode will cost it \$185 million.

According to the CFPB, Wells Fargo:

<http://realtime.blog.palmbeachpost.com/2016/09/08/feds-order-wells-fargo-to-pay-100-million-fine-for-shady-sales-practices-wfc/>

Huffington Post (CAN): Wells Fargo Fined For Opening MILLIONS Of Unauthorized Accounts*

By Huffington Post (CAN)

NEW YORK — California and federal regulators fined Wells Fargo a combined \$185 million on Thursday, alleging the bank's employees illegally opened millions of unauthorized accounts for their customers in order to meet aggressive sales goals.

The San Francisco-based bank will pay \$100 million to the Consumer Financial Protection Bureau, a federal agency created five years ago; \$35 million to the Office of the Comptroller of the Currency and \$50 million to the City and County of Los Angeles. It will also pay restitution to affected customers.

It is the largest fine the CFPB has levied against a financial institution and the largest fine in the history of the Los Angeles City Attorney's office.

http://www.huffingtonpost.ca/2016/09/08/wells-fargo-fake-accounts_n_11918274.html

Atlanta Journal-Constitution: Wells Fargo Fined \$185M: Things To Know*

By Atlanta (GA) Journal-Constitution

Wells Fargo has been fined \$185 million by the Consumer Financial Protection Bureau after 5300 employees created phony accounts which customers ended up paying fees for, according to USA Today. The company said in a statement that those employees have been fired.

CNN Money reported that federal regulators said the employees secretly created millions of bank and credit card accounts that were not authorized by customers since 2011. According to the Los Angeles Times, employees opened the accounts to meet strict sales goals.

Here is what customers need to know:

<http://www.myajc.com/news/business/wells-fargo-fined-185m-things-know/nsTSF/>

Charlotte (NC) Observer: Wells Fargo Fined \$185M For 'widespread Illegal Practices' That Hurt Customers*

By Deon Roberts And Rick Rothacker, Charlotte (NC) Observer

Wells Fargo will pay \$185 million to settle allegations of "widespread illegal practices" in which employees secretly opened accounts to meet sales targets and receive bonuses, federal regulators announced Thursday.

Employees for the San Francisco-based bank opened more than 2 million deposit and credit card accounts that may not have been authorized by consumers, regulators said, citing the bank's own analysis. The civil settlement is a black eye for a company that has long touted its corporate values as well as its ability to sell more products to its customer base.

Wells Fargo's violations resulted in the Consumer Financial Protection Bureau imposing a \$100 million fine, the regulator's largest penalty ever. Wells will also pay a \$35 million penalty to the U.S. Office of the Comptroller of the Currency, which regulates national banks, and another \$50 million to the City and County of Los Angeles, which had filed suit over the practices.

<http://www.charlotteobserver.com/news/business/banking/bank-watch-blog/article100499067.html>

International Business Times (UK): Wells Fargo Fined \$185m For Creating Millions Of Fake Accounts*

By Mary Papenfuss, International Business Times (UK)

Wells Fargo has been fined a record \$185m (£139m) for creating two million fake bank and credit card accounts in a scheme to collect extra fees and bonuses. In the wake of the scandal, the bank which is one of the biggest in the US, has fired 5,300 employees.

The banking scam has been going on since 2011 with consumers being hit with fees linked to accounts that they never agreed to open. Employees even created fake passwords and email addresses to enrol customers in online banking services for which they had not registered, said regulators.

"Wells Fargo employees secretly opened unauthorised accounts to hit sales targets and receive bonuses," said Richard Cordray, director of the Consumer Financial Protection Bureau (CFPB), who said the widespread practice was motivated by a driven Wells money-making culture.

<http://www.ibtimes.co.uk/wells-fargo-fined-185m-illegal-sales-tactics-involving-millions-fake-accounts-1580433>

Daily Mail: Wells Fargo Is Fined Record-Breaking \$190million And Fires 5,300 Staff After 'Widespread' Customer Fraud Scheme Is Uncovered

By Chris Pleasance, Daily Mail

Wells Fargo has been fined \$185million, told to repay \$5million to customers, and has fired 5,300 staff after they were caught creating phony accounts to fix sales figures

Of that money, \$2.6million is in refunds for fees applied to products that customers may not have requested, according to the bank.

http://www.dailymail.co.uk/news/article-3780625/Wells-Fargo-fined-record-breaking-190million-fires-5-300-staff-widespread-customer-fraud-scheme-uncovered.html?ITO=1490&ns_mchannel=rss&ns_campaign=1490

Ars Technica: 5,300 Wells Fargo Employees Fired After 2 Million Fake Accounts Discovered*

By Ars Technica

Since at least 2011, Wells Fargo employees have been creating fake accounts using customers' identities to boost their sales numbers, federal regulators said on Thursday.

The Consumer Financial Protection Bureau (CFPB) fined the bank \$100 million after a third-party consulting firm found that 2 million fake deposit and credit card accounts had been made without the consent of the person whose name was on the account. According to CNN Money, the bank fired 5,300 employees for taking part in the scheme, which constitutes about 1 percent of the bank's payroll.

In order to boost their sales numbers, employees opened 1.5 million deposit accounts and 565,000 credit card accounts on customers' behalf but without authorization from those customers. "Employees then transferred funds from consumers' authorized accounts to temporarily fund the new, unauthorized accounts," the CFPB wrote. "This widespread practice gave the employees credit for opening the new accounts, allowing them to earn additional compensation and to meet the bank's sales goals."

<http://arstechnica.com/tech-policy/2016/09/wells-fargo-staff-made-2-million-fake-accounts-with-customer-ids-to-goose-sales/>

Finextra: Wells Fargo Fined \$185m For Opening Millions Of Accounts Without Customers' Knowledge*

By Finextra

Wells Fargo has been fined \$185 million for opening up to two million unauthorised deposit and credit card accounts, issuing and activating debit cards without consent and creating phony email addresses to enrol people in online services.

The bank says that it has fired 5300 staffers over the scandal, which according to the Consumer Financial Protection Bureau (CFPB) was driven by sales targets and compensation incentives.

The CFPB has levied a \$100 million fine, with the Office of the Comptroller of the Currency slapping Wells with another \$35 million penalty and the City and County of Los Angeles \$50 million.

<https://www.finextra.com/newsarticle/29413/wells-fargo-fined-185m-for-opening-millions-of-accounts-without-customers-knowledge>

The Guardian (UK): Wells Fargo To Pay \$185m For Aggressive, Illegal Sales Tactics*

By Jana Kasperkevic, The Guardian (UK)

Wells Fargo will pay \$185m in a settlement over illegal sales practices that included the opening of unauthorized duplicate accounts and credit cards by employees in order to meet sales quotas, it was announced on Thursday.

The settlement includes a \$100m fine paid to the Consumer Financial Protection Bureau (CFPB) – the largest ever levied by the five-year-old bureau – a \$35m penalty paid to the Office of the Comptroller of the Currency (OCC) and a \$50m penalty paid to the City and County of Los Angeles.

"Wells Fargo employees secretly opened unauthorized accounts to hit sales targets and receive bonuses," said CFPB director Richard Cordray. "Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed."

<https://www.theguardian.com/business/2016/sep/08/wells-fargo-settlement-illegal-sales-accounts>

Credit: Wells Fargo Fined \$185 Million Over Fake Credit Card & Deposit Accounts*

By Credit

Thousands of Wells Fargo bank employees seeking sales bonuses participated in a scheme that led to the opening of roughly 2 million

unauthorized accounts, federal regulators said Thursday. For failing to monitor an incentive program that spun out of control, leading to “widespread” abuse of consumers’ information, Wells Fargo must now pay the biggest-ever penalty levied by the Consumer Financial Protection Bureau (CFPB), the agency said.

At the root of the scheme was a program that gave bonuses to employees who convinced existing customers to give more of their business to Wells Fargo — cross-selling checking account customers on new credit cards, for example.

But back in 2011, Wells employees started opening accounts for consumers — and moving account-holders’ money into them — without their consent or knowledge.

<http://www.ajc.com/feed/business/personal-finance/wells-fargo-fined-185-million-over-fake-credit/fCRgTq/>

WLNE-TV Providence (RI): Wells Fargo Accused Of Fraudulent Practices*

By WLNE-TV Providence (RI)

One of the nation’s biggest banks is accused of fraudulent practices over a 5-year period and it is a scandal that involves thousands of employees, and hundreds of thousands of bank accounts.

“...the largest such payment in the history of the city attorney’s office,” says Mike Feuer, Los Angeles City Attorney.

A 185 million dollar fine.

<http://www.abc6.com/story/33056124/wells-fargo-accused-of-fraudulent-practices>

Bloomberg Business: Wells Fargo Opened A Couple Million Fake Accounts*

By Matt Levine, Bloomberg Business

Two basic principles of management, and regulation, and life, are:

You get what you measure.

The thing that you measure will get gamed.

<http://www.bloomberg.com/view/articles/2016-09-09/wells-fargo-opened-a-couple-million-fake-accounts>

Digital Look: Wells Fargo Fined \$185m For Opening Fake Accounts*

By Digital Look

One of the US’ biggest banks, Wells Fargo, has been fined \$185m by regulators for allegedly creating fake accounts in order to meet sales targets.

The bank has reportedly fired over 5,000 employees for the practice, which involved the issuing of debit cards without the knowledge of customers, according to the US Consumer Financial Protection Bureau.

Wells Fargo did not explicitly accept responsibility for the incident, but have agreed to pay the fine associated with the investigation. In a press release, the lender said that “consistent with our commitment to customers and in the interest of putting this matter behind us” it would accept the decision.

<http://www.digitallook.com/news/international-companies/wells-fargo-fined-185m-for-opening-fake-accounts--1701790.html>

The Verge: Wells Fargo Fined \$185 Million For Creating 2 Million Fake Bank Accounts*

By Amar Toor, The Verge

Employees at Wells Fargo created millions of fake bank accounts and credit card numbers over the past five years, federal regulators announced this week, in an illegal bid to boost their sales figures. The bank was fined \$185 million for the practices on Thursday, including a record \$100 million by the Consumer Financial Protection Bureau (CFPB). Wells Fargo has fired at least 5,300 employees who were involved in the scam, according to The New York Times.

According to the regulators, employees created more than 2 million accounts that may not have been authorized by Wells Fargo customers, and covertly transferred funds to them from authorized accounts, racking up fees and other charges. They also created fake email accounts and PIN numbers to sign customers up for new accounts, most of which were unnoticed or closed shortly after opening. The scheme, which dates back to 2011, allowed employees to earn extra compensation and meet their sales targets.

“Today’s action should serve notice to the entire industry.”

<http://www.theverge.com/2016/9/9/12859740/wells-fargo-fake-account-scam-fine>

International Business Times: Wells Fargo Fined \$185 Million For Creating Over 1 Million Fake Accounts*

By International Business Times

Wells Fargo was fined a total of \$185 million by California and federal regulators Thursday for allegedly opening millions of unauthorized accounts for customers in order to meet its aggressive sales goals.

Employees, since 2011, had created millions of fake bank and credit card accounts without the customer’s knowledge. This resulted in the bank earning unwarranted fees not to mention employees boosting their sales figures and consequently earning higher pay checks.

Wells Fargo confirmed to CNNMoney that it had fired as many as 5,300 employees in the last few years in relation to these practices.

<http://www.ibtimes.com/wells-fargo-fined-185-million-creating-over-1-million-fake-accounts-2413564>

Housing Wire: CFPB Levies \$100 Million Fine Against Wells Fargo*

By Sarah Wheeler, Housing Wire

The Consumer Financial Protection Bureau levied the largest fine in its history — \$100 million — against Wells Fargo Thursday for the “widespread unlawful” practices of employees who opened more than 2 million fake accounts to get sales bonuses.

“Because of the severity of these violations, Wells Fargo is paying the largest penalty the CFPB has ever imposed,” said CFPB

Director Richard Cordray. "Today's action should serve notice to the entire industry that financial incentive programs, if not monitored carefully, carry serious risks that can have serious legal consequences."

According to a CFPB press release, Wells Fargo employees secretly opened deposit and credit accounts under existing customers' names without their knowledge, which often racked up fees or other charges. From the release:

<http://www.housingwire.com/articles/37993-cfpb-levies-100-million-fine-against-wells-fargo>

KESQ-TV Palm Springs (CA): Wells Fargo Hit With \$185 Million In Fines*

By KESQ-TV Palm Springs (CA)

Everyone hates paying bank fees. But imagine paying fees on a ghost account you didn't even sign up for.

That's exactly what happened to Wells Fargo customers nationwide.

On Thursday, federal regulators said Wells Fargo employees secretly created millions of unauthorized bank and credit card accounts – without their customers knowing it – since 2011.

<http://www.kesq.com/news/wells-fargo-hit-with-185-million-in-fines/41588840>

Washington Examiner: House Panel Schedules Vote On Dodd-Frank Replacement*

By Al Weaver, Washington (DC) Examiner

The House Financial Services Committee will meet Tuesday to debate and vote on the Republican replacement for President Obama's financial reform law, committee Chairman Jeb Hensarling of Texas announced Thursday.

Previously, Hensarling had suggested that he aimed for a September mark-up of his legislation, the Financial CHOICE (Creating Hope and Opportunity for Investors, Consumers and Entrepreneurs) Act, but that events could prevent that.

Yet to be determined is what amendments might be added to the bill, a sweeping conservative reform that touches on almost every aspect of the financial system's architecture and contains many provisions sure to prove controversial.

http://www.washingtonexaminer.com/house-panel-schedules-vote-on-dodd-frank-replacement/article/2601307?custom_click=rss

Housing Wire: Congress Set To Consider Republican Plan To Abolish Dodd-Frank*

By Ben Lane, Housing Wire

House Financial Services Committee Chairman Rep. Jeb Hensarling, R-TX made waves earlier this year when he announced a Republican-crafted plan to repeal the Dodd-Frank Wall Street Reform and Consumer Protection Act and replace it with a "pro-growth, pro-consumer" alternative.

Many of the tenets of the Republican plan, called the Financial CHOICE Act, were later echoed by the Republican Party's national platform, adopted during its convention in July.

Included in the Financial CHOICE Act ("CHOICE" in this instance stands for "Creating Hope and Opportunity for Investors, Consumers and Entrepreneurs") is an end to "too-big-to-fail bailouts, dramatic reforms to the Consumer Financial Protection Bureau, and an overhaul of a financial regulatory system that is choking the country's economic recovery.

<http://www.housingwire.com/articles/37991-congress-set-to-consider-republican-plan-to-abolish-dodd-frank>

American Banker: Banks Learn The Price Of 'Satisfactory' CRA Grades*

By Kenneth H. Thomas, American Banker

Watching Michael Phelps, Simone Biles and other U.S. Olympians win multiple gold medals at the Summer Games in Rio de Janeiro reminded us of popular sports catchphrases such as "Winning isn't everything, it's the only thing."

But even though going for the gold drives so many athletes, businesses and other organizations, it is for the most part absent from banks' performance on Community Reinvestment Act exams. Not only have some notable banks received failing "Needs to Improve" CRA grades of late – mostly recently Associated Banc-Corp in Green Bay, Wis. – but over 90% of institutions are happy with a passing "Satisfactory" CRA rating. Fewer than 10% get an "Outstanding" grade – the gold medal of CRA.

In analyzing CRA exam performance, I have found that banks engage in a deliberate strategy of what I call "Satisficing." I have concluded that there are few if any real incentives for banks to go for CRA gold. Bankers tend to be happy with the middle ground along with over 90% of their brethren and indicate sound reasons to get a Satisfactory rating. They say things such as: "When you are at the top, there is only one way to go," or, "An Outstanding rating brings unwanted community groups asking for donations and wanting us to do more."

<http://www.americanbanker.com/bankthink/banks-learn-the-price-of-satisfactory-cra-grades-1091171-1.html>

The Hill: House Panel To Consider Dodd-Frank Replacement

By Peter Schroeder, The Hill

A House committee is set to consider a Republican alternative to the Dodd-Frank financial reform law.

Chairman Jeb Hensarling (R-Texas) on Thursday announced that his House Financial Services Committee will debate his legislation, known as the Financial CHOICE Act, on Sept. 13.

With just weeks left in the current Congress and Democrats fiercely opposed to the bill, it faces long odds. But if Donald Trump wins the White House, many observers believe Hensarling's plan could serve as a starting point for GOP efforts to overhaul Wall Street regulations.

<http://thehill.com/business-a-lobbying/295012-house-panel-to-consider-gop-dodd-frank-replacement-sept-13>

CNBC: Bank Of America's Moynihan: I'm Bullish On The US Consumer

By CNBC

Bank of America CEO Brian Moynihan is bullish on the state of the U.S. consumer, he told CNBC in an exclusive interview Thursday.

"As you look at the month of August, which we just got the final details on, it'll be the strongest consumer spending growth in debit and credit cards year-over-year this year," Moynihan said, adding that "the year-to-date consumers on our debit and credit cards are spending 4.7 percent more than they did last year, and the pace is accelerating. So, the consumer is in very good shape credit-quality-wise, spending-wise."

That positive outlook comes after the pace of consumer loan growth across the financial sector in the second quarter had caused concern for some investors, but Moynihan was upbeat.

<http://www.cnbc.com/2016/09/08/bank-of-america-ceo-brian-moynihan-im-bullish-on-the-us-consumer.html>

Bankrate: 7 Tips To Resolve Complaints Against Banks*

By Allison Ross, Bankrate

It's certainly not a good idea to try to resolve your complaint while you're hopping mad.

"If you are upset, calm down. Talk to a friend. Rant. Rave. Punch a pillow. Eat chocolate in slow motion like they do on commercials," says Meg Marco, executive editor of Consumer Reports' Consumerist website.

It's understandable why you may be upset, says Adrian Swinscoe, a business consultant who advises on strategy, marketing and team performance issues.

http://www.bankrate.com/finance/banking/resolve-complaints-against-banks-1.aspx?ic_id=Top_Financial%20News%20Center_link_3

Consumer Financial Protection Bureau

My Customer (UK): CFPB And Beyond: How Big Data Is Improving Customer Service*

By My Customer (UK)

We may have put the subprime mortgage crisis behind us and the housing market has certainly begun to rebound, but the financial sector is still dealing with an issue of its own: a diminished reputation. Simply put, subprime lending and other troubling practices have resulted in a real lack of trust between finance professionals and their clients. The industry is in need of a facelift – and big data can help.

Improved data collection practices make it easier than ever for companies to provide top-notch customer service, and that includes the finance industry. If your company is looking to regain its standing as a brand customers can believe in, here are three steps you can take today.

Offer Help Upfront

<http://www.mycustomer.com/community/blogs/annajo/cfpb-and-beyond-how-big-data-is-improving-customer-service>

National Law Review: California Court Weighs In On "True Lender" Issue As CFPB Expands Its UDAAP Enforcement Authority*

By National Law Review

David Monteiro focuses his practice on counseling companies facing government investigations and enforcement litigation. A former enforcement attorney with the Federal Trade Commission's Bureau of Consumer Protection, Division of Financial Practices, David guides financial institutions and other companies in complying with state and federal consumer protection laws and regulations, responding to examinations and investigations, and defending litigation against the government.

<http://www.natlawreview.com/article/california-court-weighs-true-lender-issue-cfpb-expands-its-udaap-enforcement>

Huffington Post: A New Consumer Protection Agenda For Working Families*

By Rep. John K. Delaney, Huffington Post

For too many Americans it can be expensive just to spend their own money. Daily drains on purchasing power caused by high fees, exorbitant rates and limited access to affordable credit and basic banking services are making it more difficult for millions of Americans to enter the middle class and making the foothold that many have feel tenuous. The very people who can least afford to do so often pay some of the highest rates and fees in the marketplace.

Far from the headlines or cable news, this is an everyday financial crisis that is limiting economic opportunity and dragging down the creation of more good jobs by limiting demand and stifling new business creation. This hidden crisis is keeping the economic recovery from being enjoyed more widely. As a member of the House Committee on Financial Services and a former entrepreneur who helped small and medium sized businesses grow by providing them access to capital, this is unacceptable to me.

While the reforms and protections passed after the financial crisis of 2008 addressed structural problems related to large financial institutions, more work needs to be done to help protect individual consumers and underserved communities. Even here in Maryland, which is one of the wealthiest states in the country, there are areas with high concentrations of consumers who are subjected to costly services and a lack of mainstream banking options.

http://www.huffingtonpost.com/john-k-delaney/a-new-consumer-protection_b_11910482.html

Consumer Credit

CNBC: Many Americans Still Struggle To Understand Card Agreements*

By CNBC

Ever take a look at the terms and conditions when you sign up for a credit card? If you're like a lot of Americans, you probably haven't. And even if you have, it's likely you couldn't figure out what it said.

It turns out the average credit card agreement in the U.S. is written at an 11th-grade reading level, far higher than many consumers can understand. The average reading level is around a seventh-grade level. That gap can lead consumers to ruin their credit and rack up merciless hidden fees, according to a study out Thursday from CreditCards.com.

"Most credit card agreements are so confusingly written that the average person — even if they took the time to read it all the way through — probably won't be able to understand it," said Matt Schulz, senior industry analyst at CreditCards.com.

<http://www.cnbc.com/2016/09/08/credit-cards-many-americans-cant-understand-their-card-agreements.html>

ConsumerAffairs: Have You Ever Read Your Credit Card Agreement?*

By Mark Huffman, ConsumerAffairs

A credit card is like a loan, and when you borrow money, there's usually a long and all-encompassing agreement that goes along with it.

Ever read your credit card agreement? A study by CreditCards.com found 46% of cardholders "never" or "hardly ever" peruse the legal agreements that come with credit cards. When researchers asked consumers who had read the agreements to describe them in one word, 71% chose a negative adjective. The top choices were "lengthy," "long," and "verbose."

Matt Schulz, CreditCards.com's senior industry analyst, says unreadable contracts are a hazard because in many cases, consumers are unaware of what they're signing up for.

<https://www.consumeraffairs.com/news/have-you-ever-read-your-credit-card-agreement-090816.html>

KDKA-TV Pittsburgh: Credit Card Agreements Too Long And Hard To Understand*

By KDKA-TV Pittsburgh (PA)

PITTSBURGH (KDKA) — Most of us use credit cards, but have you read the fine print of the agreements that govern those credit cards?

"No. Like I said, too long, too muddled. I don't understand a lot of that," said Katherine Haywood of Canonsburg.

It's a common complaint.

<http://pittsburgh.cbslocal.com/2016/09/08/study-credit-card-agreements-too-long-and-hard-to-understand/>

CBS News: Credit Card Agreements Confusing Customers

By CBS News

The average American household has about \$6,000 in credit card debt. Many people are getting hammered by high interest rates, partly because they couldn't read or understand the credit card agreement. Jericka Duncan reports.

<http://www.cbsnews.com/videos/credit-card-agreements-confusing-customers/>

Wall Street Journal: Rise In July U.S. Consumer Credit Reflects Steady Household Spending

By Jeffrey Sparshott, Wall Street Journal

The Wall Street Journal reports US consumer credit balances increased in July, indicating steady household spending.

<http://www.wsj.com/articles/u-s-consumer-credit-increased-17-71-billion-in-july-1473361611>

Associated Press: Consumer Borrowing Grows By \$17.7 Billion In July

By Paul Wiseman, Associated Press

WASHINGTON (AP) — American consumers increased their borrowing in July, though the category that includes credit cards grew at the slowest pace since February.

The Federal Reserve said Thursday that consumer borrowing rose by \$17.7 billion in July, up from a \$14.5 billion increase in June.

Revolving credit, which covers credit cards, rose by \$2.8 billion, down from \$9.2 billion in June and least since February's \$2.2 billion.

The category that includes auto and student loans increased by \$14.9 billion, up sharply from June's \$5.4 billion gain.

<http://www.chron.com/news/article/Consumer-borrowing-grows-by-17-7-billion-in-July-9210737.php>

Business Insider: US Consumer Credit, July 2016

By Business Insider

US consumer credit balances rose by \$17.71 billion in July, according to the Federal Reserve.

Economists had estimated that credit balances increased to \$16 billion, according to Bloomberg.

Outstanding revolving credit, which includes credit-card purchases, rose at a 3.4% annual rate to \$969 billion.

<http://www.businessinsider.com/us-consumer-credit-july-2016-2016-9>

CBS News: Count 'Em: 2 Simple Rules For Reducing Credit Card Debt

By Aimee Picchi, CBS News

There are two types of credit card users: Those who pay off their balances every month, and those who don't.

The average U.S. family with debt owes more than \$15,000 on their credit cards, an amount that can take years to pay off while also leading to stress and guilt. So-called revolvers, or people who keep balances on their cards, may be simply trying to keep up with expenses that are outpacing their income, which has grown more common as households cope with stagnant pay and rising costs.

Keeping two rules of thumb in mind can help revolvers reduce their debt, according to a new study from the Urban Institute. The first rule asks consumers to turn to cash rather than plastic if the purchase is less than \$20. The second is to keep in mind that charging with a card can add about 20 percent to the total cost of an item because of the interest on plastic.

<http://www.cbsnews.com/news/count-em-two-simple-rules-for-cutting-back-credit-card-debt/>

Washington Post: How The Careless Errors Of Credit Reporting Agencies Are Ruining People's Lives*

By Bobby Allyn, Washington (DC) Post

Apartment hunting in Philadelphia is already hectic enough. So relief washed over me when my girlfriend and I found a charming spot that worked for us. But before I was able to sign the lease, I received a call from the landlord, and he spoke slowly. He seemed concerned, and for good reason: After running a tenant screening on me using a service provided by the credit-reporting behemoth TransUnion, a clutch of criminal offenses appeared, including two felony firearms convictions. He said it didn't seem to square with what he had expected from a public-radio reporter moving from one trendy neighborhood to another.

It didn't. I have never owned nor fired a weapon in my life. The other charges the agency listed were equally as baffling, since they were just as made up. A case of mistaken identity, I thought, should be easy to clear up.

I was wrong. It took me more than a dozen phone calls, the handiwork of a county court clerk and six weeks to solve the problem. And that was only after I contacted the company's communications department as a journalist.

<https://www.washingtonpost.com/posteverything/wp/2016/09/08/how-the-careless-errors-of-credit-reporting-agencies-are-ruining-peoples-lives/>

NASDAQ: 3 Important Money Lessons For Youths

By Roslyn Lash, NASDAQ

I first learned about credit as a preteen. If I wanted my bike on Christmas Day, I'd have to get a store-brand bike. If I waited until after the holiday, I could get a Schwinn. I chose the store-brand bike, but as winter passed, I realized that it wasn't a very good bike and complained to my mother. I was shocked to learn that six months later she was still making payments on my Christmas gift.

That was my first lesson on two important issues: patience and credit. I understood that I should have waited and gotten the Schwinn. I also learned that when you buy something on credit, the attached interest means you'll pay more. These early life and money lessons matter a lot. Research has shown that kids form their money habits by age 7. Even at a young age, I knew there was something wrong with continually making payments, for what seemed like forever.

3 key lessons

<http://www.nasdaq.com/article/3-important-money-lessons-for-youths-cm676093>

Bankrate: 5 Ways To Get The Most From Your Credit Cards

By Dana Dratch, Bankrate

If you're going to carry a balance on a new credit card, look for a low interest rate.

"For many people, credit card annual percentage rates, or APRs, are around 15%, says credit expert John Ulzheimer, formerly of FICO and Equifax and founder of CreditExpertWitness. "But some issuers are going as deep as below 10% on their rates and even to zero on introductory balance transfer cards."

You can also use 0% introductory rates to your advantage.

http://www.bankrate.com/finance/credit-cards/get-most-from-your-credit-cards-1.aspx?ic_id=Top_Financial%20News%20Center_link_2

Business Insider: How To Manage Debt

By Mai Nguyen, Business Insider

Millions of Americans are struggling with debt. It's a scary metaphor, but not an unfair one: According to the latest statistics from the Federal Reserve, the average credit card balance among indebted households is \$16,140, while the average student loan debt is \$31,946. And this holiday season, shoppers will spend an average \$805.65 on gifts and other seasonal items, according to the National Retail Federation. Many of those purchases will be paid with a credit card, leaving them with bigger balances in the New Year.

Steve Rhode, a consumer debt professional in North Carolina, sees the country's debt issue as a simple math problem, with a simple solution. You should spend less than you earn. "People make it so complicated," Rhode says, "when all they need to do is take action." But even the idea of taking action can seem overwhelming. When you're ready to give it a shot, here are the five things you should consider. 1. Track your spending

As the "Get Out of Debt Guy," Rhode helps people overcome their debt woes. The first thing he tells clients to do is track their spending for three months before they start trying to change their habits. "People's knee-jerk reaction is to create a budget right away," Rhode says. "But a budget is nothing more than a page of lies if people are overestimating their income and underestimating their spending by \$400, which is usually the case." Instead, he says, take the time to form an accurate picture.

<http://www.businessinsider.com/sc/how-to-manage-debt-2016-9>

Go Banking Rates: 10 Things You Should Never Put On A Credit Card

By Go Banking Rates

Using a credit card is so convenient. These wonderful little pieces of plastic can make your life much easier. Plus, a credit card is an excellent way to build credit, which can help you secure the financing you need to buy a car, afford a home or take out any type of loan. But, you shouldn't use a credit card for every single purchase without analyzing the pros and cons first.

If you think it's OK to use your credit card for any and all purchases because of the perks and credit card rewards you'll get, think again. There are some purchases and scenarios where using a credit card is a bad idea because of fees, higher interest rates and the possibility of falling into credit card debt.

Here is a detailed list of some of the things you should never pay for with a credit card, along with why it might be a terrible idea to do. Granted, there might be some caveats and situations where using a credit card for these purchases actually makes the most financial sense. Still, consider the following arguments before deciding to whip out the credit card for these 10 purchases.¹

1. Mortgage Payments
<http://www.nasdaq.com/article/10-things-you-should-never-put-on-a-credit-card-cm676087>

U.S. News & World Report: How Your Age Matters: Questions Every Generation Asks A Financial Advisor

By Debbie Carlson, U.S. News & World Report

Financial advisors can help people reach their monetary goals, but the type of advice people need depends on their age and present life situation.

Not surprisingly, the needs of a single 25-year-old are different from a married 40-year-old with two kids in high school, as are the needs of someone who is 65.

There are a few questions everyone seeking advice from a financial planner should ask, such as inquiring if the advisor is a fiduciary, how are fees calculated and if the advisor can help with an entire financial plan or just investments, but some queries will be unique to certain life stages.

<http://money.usnews.com/investing/articles/2016-09-08/how-your-age-matters-questions-every-generation-asks-a-financial-advisor>

Housing, Mortgages and Foreclosure

Mortgage Orb: New Mortgage Loan Defect Report Shows That TRID Is A Major Source Of Defects*

By Patrick Barnard, Mortgage Orb

ARMCO, a provider of risk management solutions to the mortgage industry, recently released its inaugural Loan Defect Trends report, a quarterly report that uses data from ACES Analytics, the company's quality control benchmarking platform.

Because ACES Analytics was released in September 2014, the firm now has more than two years of data on which to base this new report.

The report will only become more accurate as the company collects more loan defect data from customers and non-customers.

<http://www.mortgageorb.com/new-mortgage-loan-defect-report-shows-that-trid-is-a-major-source-of-defects>

South Bend (IN) Tribune: TRID Responsible For More Mortgage Defects*

By South Bend (IN) Tribune

Last October, the Consumer Financial Protection Bureau introduced the TILA-RESPA Integrated Disclosure (TRID) rule. TRID was designed to make it easier for borrowers to understand the loans they are being offered and compare them to other loans in order to get the best deal. However, almost a year later, it appears that TRID has had the opposite effect, causing more mortgage defects instead of making loans easier and less error-prone.

Following TRID's implementation in 2015, Moody's produced a report in which more than 90 percent of the mortgages reviewed had at least one TRID violation, although most of these errors were simply technical mistakes that did not affect the amount of the loan or the borrower's qualifying status. Now another report produced by ACES Risk Management (ARMCO) shows that the number of errors is increasing, and they are no longer harmless defects. Instead, more and more mortgages include serious TRID violations that must be addressed.

The ARMCO report looked at more than 50,000 mortgages made by over 60 lenders. The analysis shows that in the two quarters following TRID's implementation, serious mortgage defects rose. By the fourth quarter of 2015, the mortgage defect rate was 1.21 percent, up from 0.77 percent in the previous quarter. The first quarter of this year saw a defect rate of 1.92 percent. Almost all of these defects fall into the areas that TRID is designed to cover.

http://www.southbendtribune.com/news/business/moneytips/trid-responsible-for-more-mortgage-defects/article_ed25abe9-1f0c-54b4-ac04-77b3d1afe451.html

Inside Mortgage Finance: Title Agents Bash TRID Clarification Proposal, Real Estate Agents Love Getting Access To Docs

By Inside Mortgage Finance

Title Agents Bash TRID Clarification Proposal, Real Estate Agents Love Getting Access to Docs

http://www.insidemortgagefinance.com/issues/imfpubs_imf/2016_34/news/Title-Agents-Bash-TRID-Clarification-Proposal-Real-Estate-1000038153-1.html

Credit: Women Are Better Than Men At Paying Their Mortgages

By Christine Giordano, Credit

Women pay more for mortgages than men, but that doesn't mean that they're a higher risk when it comes to missing mortgage payments. In fact, a new study from the Urban Institute says that women actually are less likely to miss a payment, compared to men.

The recent study looked at all types of borrowers, including single men, single women and couples. They compared data from 13

million women and 17 million men across a vast range of socioeconomic factors. They found that “if a male-only (most likely a single man) borrower has a 6% probability of default, a female-only (most likely a single woman) borrower with the same characteristics would be expected to default at a 5.8% rate,” according to the study. That means women are .2% better at not missing payments.

“This is the first step in saying the barometer is consistently not accurately predicting whether women are able to pay their mortgages,” Sheryl Pardo, a spokesperson for the Housing Finance Policy Center at the Urban Institute, said.

<http://finance.yahoo.com/news/women-better-men-paying-mortgages-113000778.html>

Older Americans

Business Insider: Confidence Gap Between Younger And Older Americans All-Time High

By Business Insider

Younger Americans are way more optimistic than older ones.

In fact, those under 35 have never been more optimistic about the future than those over 55.

According to a chart shared by a Bank of America Merrill Lynch team led by equity strategist Sarbjit Nahal, the difference in the Conference Board's consumer-confidence index between the young and the old has been widening for years and hit a record high of 58.8 points in June 2016.

<http://www.businessinsider.com/confidence-gap-between-younger-and-older-americans-all-time-high-2016-9>

Students

Consumer Reports: Student Loan Servicers Put Borrowers At Risk*

By Donna Rosato, Consumer Reports

The most recent target: Wells Fargo, the second largest processor of student loan payments. The CFPB in late August fined the bank \$3.6 million for a host of problems, including failing to provide important payment information to consumers, charging consumers late fees when payments were on time, and failing to update or correct inaccurate information supplied to credit reporting agencies. Though Wells Fargo didn't admit or deny the allegations, the bank also agreed to pay \$410,000 to refund those late fees to customers and improve disclosures on billing statements about the way it credits payments to outstanding balances.

“We do not agree with the CFPB's assertions and have voluntarily agreed to resolve the Bureau's concerns so that we can put the matter behind us,” says Wells Fargo spokesman Jason Vasquez. Some of the problems identified had already been resolved or done away with, says Vasquez.

Last July the CFPB hit Discover Bank with a \$2.5 million fine for what is said were illegal education loan servicing practices. It ordered the bank to pay \$16 million in refunds to borrowers for problems such as overstating minimum payments and to cease practices such as repeatedly calling consumers behind on payments early in the morning and late at night.

<http://www.consumerreports.org/student-debt/student-loan-servicers-put-borrowers-at-risk/>

Bloomberg News: What's Next For ITT Tech's Students And Their Half A Billion In Debt?*

By Polly Mosendz, Bloomberg News

When ITT Technical Institute shut down this week, Tim Noufer was just a quarter away from earning his bachelor's degree.

The Army veteran, now 26, had enrolled in 2012, using the GI Bill to get an associate's degree. He stuck around at the for-profit college for his bachelor's, pleased with its night schedule and online class options.

On Tuesday, his dad texted him with the news that his school, with its 29,000 indebted students across at least 39 states, had imploded.

<http://finance.yahoo.com/news/whats-next-itt-techs-students-100021217.html>

Nerd Wallet: How To Live On An Entry-Level Salary When You Have Student Loans

By Devon Delfino, Nerd Wallet

When Catherine Richard graduated from college in May, she was in for a reality check. She owes the federal government \$24,000 in student loans and another \$14,000 to her parents, who are giving her until she turns 26 to start making payments. On top of that, she has about \$13,000 in credit card debt.

Richard earns \$37,500 a year working as an assistant account executive at a public relations firm in Milwaukee and lives with her parents to cut down on rent. But she doesn't let her entry-level salary keep her from pursuing her financial goals: She's been saving money and is on track to buy a house early next year.

Richard's financial situation isn't ideal, she admits, but she shows that it's possible to achieve financial goals on an entry-level salary — even if you have student loans. Keep your budget simple and realistic

<http://www.ajc.com/feed/business/consumer-advice/how-to-live-on-an-entry-level-salary-when-you-have/fCRgK9/>

Youngstown (OH) Vindicator: ITT Victims Deserve Help; Public Is Seeking Answers*

By Youngstown (OH) Vindicator

Some 40,000 students attending ITT Technical Institute across the country no doubt entered the institution with grand dreams of earning a life-changing higher education degree. Today, many of those dreams have shattered into nightmares, and many of those students have received little more than the boot.

Earlier this week, administrators at ITT, one of America's largest networks of for-profit colleges, shuttered their doors at their 130 campuses in 39 states, including the Mahoning Valley campus on Meridian Road in Austintown. In addition to the tens of thousands of students who were harmed, more than 8,000 ITT employees now find themselves in unemployment lines.

In this immediate aftermath of the ITT closing, all energies must be channeled toward assisting the primary victims – the students. In the long term, oversight of such money-making institutions ought to be strengthened and broadened to avoid a repeat of the calamity that befell many helpless students just as the new academic year was to begin.

<http://www.vindy.com/news/2016/sep/09/itt-victims-deserve-help-public-is-see/i/>

Policy and Regulatory

NPR: House Republicans Divided Over Impeachment Of IRS Commissioner

By Npr

House Republicans are debating whether to move forward with trying to impeach IRS Commissioner John Koskinen. The debate is a fallout from the 2013 IRS scandal, in which conservative groups were unfairly targeted for seeking tax-exempt status. Conservatives are pushing reluctant GOP party leaders to move forward, but there is skepticism that this is a smart move so close to Election Day.

<http://www.npr.org/2016/09/08/493157987/house-republicans-divided-over-impeachment-of-irs-commissioner>

New York Times: Private Equity Tries To Chip Away At Dodd-Frank With House Bill

By Ben Protess And Danielle Ivory

In the wake of the 2008 financial crisis, private equity suffered a rare setback on Capitol Hill.

The Dodd-Frank Act, the sweeping legislation passed in response to the crisis, saddled the industry with new regulations. The largest private equity firms, which had operated for decades with relatively little federal oversight, suddenly faced regulatory exams and reporting obligations.

But the industry did not give up.

[http://www.nytimes.com/2016/09/09/business/dealbook/private-equity-tries-to-chip-away-at-dodd-frank-with-house-bill.html?](http://www.nytimes.com/2016/09/09/business/dealbook/private-equity-tries-to-chip-away-at-dodd-frank-with-house-bill.html?gwh=3968E53D73C17C6E98CEDB0B345CF4A2)

[gwh=3968E53D73C17C6E98CEDB0B345CF4A2](http://www.nytimes.com/2016/09/09/business/dealbook/private-equity-tries-to-chip-away-at-dodd-frank-with-house-bill.html?gwh=3968E53D73C17C6E98CEDB0B345CF4A2)

New York Times: Regulators Seek Tighter Curbs On Investments By Big Banks

By Nathaniel Popper

Regulators are seeking to impose further restrictions on the ability of Wall Street banks to make risky investments with their own money.

If the new rules proceed, banks will be prohibited from buying and selling commodities, like copper, and would have to shut down what remains of their in-house private equity operations.

The biggest banks have already been scaling back these businesses, but Goldman Sachs continues to have significant operations in these areas.

[http://www.nytimes.com/2016/09/09/business/dealbook/regulators-seek-tighter-curbs-on-investments-by-big-banks.html?](http://www.nytimes.com/2016/09/09/business/dealbook/regulators-seek-tighter-curbs-on-investments-by-big-banks.html?gwh=A095C2593F2424809E41039A3F414854)

[gwh=A095C2593F2424809E41039A3F414854](http://www.nytimes.com/2016/09/09/business/dealbook/regulators-seek-tighter-curbs-on-investments-by-big-banks.html?gwh=A095C2593F2424809E41039A3F414854)

The Big Picture

Headlines From Today's Front Pages.

Wall Street Journal:

[Wells Fargo To Pay \\$185 Million Fine, Fires Thousands Over Sales Tactics](#)

[Hunt For Holiday Workers Heats Up, Giving Wages A Boost](#)

[North Korea Conducts Fifth Nuclear Test](#)

[Chinese Billionaire Linked To Giant Aluminum Stockpile In Mexican Desert](#)

New York Times:

[Donald Trump's Campaign Stands By Embrace Of Putin](#)

[Donald Trump's Remarks Show He's Mistaken On Sexual Assault In Military](#)

[Matt Lauer Loses The War In A Battle Between The Candidates](#)

[North Korea Tests A Nuclear Device, South Says](#)

[Wells Fargo Fined For Fraudulently Opening Accounts For Customers](#)

[Airbnb Adopts Rules To Fight Discrimination By Its Hosts](#)

[Venus Williams Loses In Third-Set Tiebreaker And Serena Williams Moves On](#)

Washington Post:

[Prosecutors Won't Retry McDonnells](#)

[In ITT Closure, Many See Regulators Targeting For-Profit Schools](#)

[US Hits Militants In Six Countries](#)

[The Quiet One: Melania Trump](#)

[Democrats Lock Arms Around Clinton](#)
[N. Korea Carries Out Nuclear Test. Experts Say](#)

Financial Times:

[Draghi Stands Firm Despite Downgrades](#)
[Record Fine For Wells After Staff Set Up Secret Accounts To Hit Goals](#)
[World Economy Chokes On \\$5tn Cost Of Pollution As Premature Deaths Soar](#)

Washington Times:

[Visa Security Loophole Exploited By 9/11 Attackers Still Open 15 Years Later](#)
[Donald Trump, Hillary Clinton Step Out Of Character As Tight Race Enters Home Stretch](#)
[Hillary Clinton's Foreign Financial Entanglements Unprecedented For Presidential Nominee](#)
['Religious Freedom,' 'Liberty' Just 'Code Words' For Intolerance, US Civil Rights Chairman Says](#)
[Seoul Condemns North Korea's 5th Nuclear Test. Calls It 'Fanatic Recklessness'](#)

Story Lineup From Last Night's Network News:

ABC: 2016 Politics-Trump; 2016 Politics-Clinton; Gary Johnson-Aleppo Comment; Texas-School Shooting; Severe Weather; Zika-Florida Cases; Wells Fargo-Bank Account Fraud; Las Vegas-Murder Suspect Escapes; Samsung-Galaxy Note 7 Recall; Allergan-Price Hike Limit; Ryan Lochte-Olympic Suspension.

CBS: 2016 Politics-Clinton; 2016 Politics-Trump; Commander-In-Chief Forum; Commander-In-Chief Forum Analysis; Gary Johnson-Aleppo Comment; North Dakota-Native American Tribes Protest Pipeline; Credit Card Contracts; Wells Fargo-Bank Account Fraud; Ryan Lochte-Olympic Suspension; Dabney Montgomery-Death.

NBC: Wells Fargo-Bank Account Fraud; 2016 Politics-Trump; 2016 Politics-Clinton; 2016 Politics-Ohio Voters; Gary Johnson-Aleppo Comment; French Alps-Cable Car Rescue; Chicago-Street Violence; Ryan Lochte-Olympic Suspension; 9/11 Ground Zero Flag Found; African-American History And Culture Museum.

Network TV At A Glance:

2016 Politics-Trump – 8 minutes, 5 seconds
2016 Politics-Clinton – 8 minutes
Gary Johnson-Aleppo Comment – 6 minutes, 5 seconds
Wells Fargo-Bank Account Fraud – 4 minutes, 35 seconds
Ryan Lochte-Olympic Suspension – 1 minute, 15 seconds

Story Lineup From This Morning's Radio News Broadcasts:

ABC: North Korea-Nuclear Test; 2016 Politics-Clinton; Wells Fargo-Bank Account Fraud; US Open-Serena Williams.

CBS: North Korea-Nuclear Test; FAA Flight Warning-Galaxy 7 Phones; Wells Fargo-Bank Account Fraud; Federal Investigation-Hacked Election Computers; NASA-Asteroid Mission; 2017 Guinness World Records.

FOX: North Korea-Nuclear Test; 2016 Politics-Trump; 2016 Politics-Clinton; Wisconsin-Flooding; Montana-Abducted Woman Found Dead; Pew Research Center-Population Statistics; Texas-Mattress Company 9/11 Ad; Football.

NPR: North Korea-Nuclear Test; 2016 Politics-Trump; 2016 Politics-Clinton; French Alps-Cable Car Rescue; Wall Street; McDonnells Retrial Denied; Paralympics-US Gold Medal; Tim Tebow Contract.

Washington's Schedule

Today's Events In Washington.

White House:

PRESIDENT OBAMA — Returns to Washington, DC, following trip to China and Laos.

VICE PRESIDENT BIDEN — Departs Washington, DC en route St. Louis, Missouri; participates in a roundtable on creating affordable, accelerated education and training opportunities so that more Americans obtain the skills they need to get middle class jobs in high growth fields such as technology; delivers remarks at an event for Jason Kander for Senate; departs St. Louis, Missouri en route Los Angeles, California; delivers remarks at the Stand Up to Cancer Live Event; departs Los Angeles, California en route Wilmington, Delaware.

US Senate: Not in session.

US House: 8:30 AM House Oversight subcommittee hearing on FEMA response to Louisiana flooding – Transportation and Public Assets Subcommittee hearing on 'Oversight of the Federal Emergency Management Agency's Response to the Baton Rouge Flood Disaster'.

Invited witnesses include FEMA Regional Administrator Tony Robinson; Central, LA, Mayor Jr. Shelton; Denham Springs, LA, Mayor Gerard Landry; and Walker, LA, Mayor Rick Ramsey. Location: Rm 2154, Rayburn House Office Bldg., Washington, DC
<http://oversight.house.gov/>. Contacts: House Committee on Oversight and Government Reform 1 202 225 5074.

9:00 AM House Commerce subcommittee hearing on federal mental health parity laws and regulations – Health Subcommittee hearing on 'An Examination of Federal Mental Health Parity Laws and Regulations', with testimony from HealthPartners Medical Group Behavioral Health Division Senior Medical Director Michael Trangle, Association for Behavioral Health and Wellness President and CEO Pamela Greenberg, and Health Law Advocates Executive Director Matt Selig. Location: Rm 2322, Rayburn House Office Bldg., Washington, DC
<http://energycommerce.house.gov/> <https://twitter.com/HouseCommerce>. Contacts: House Energy and Commerce Committee 1 202 225 2927.

9:00 AM House meets for legislative business – House of Representatives meets for legislative business, with agenda for the week including 'H.R. 2357 – Accelerating Access to Capital Act of 2016' and 'H.R. 5424 – Investment Advisers Modernization Act of 2016' * Administration has expressed its strong opposition to both bills, and said that President Barack Obama would likely veto either if they reached his desk, saying the former would 'undermine the health and integrity of the markets' and the latter would 'weaken oversight of the financial system'. Location: Washington, DC <http://www.house.gov/>. Contacts: House of Representatives Press Gallery 1 202 225 3945. Last votes expected no later than 3:00 p.m.

9:15 AM POSTPONED: House Financial Services subcommittee hearing on corporate governance – POSTPONED: Capital Markets and Government Sponsored Enterprises Subcommittee hearing on 'Corporate Governance: Fostering a System that Promotes Capital Formation and Maximizes Shareholder Value'. Location: Rm 2128, Rayburn House Office Bldg., Washington, DC <http://financialservices.house.gov> <https://twitter.com/FinancialCmte>. Contacts: House Committee on Financial Services press 1 202 226 0471.

10:30 AM House ceremony marks 15th anniversary of 9/11 – House of Representatives holds ceremony to mark the 15th anniversary of 9/11 and remember the thousands of men and women killed that day. House Speaker Paul Ryan and Minority Leader Nancy Pelosi deliver remarks, and Members participate in a rendition of 'God Bless America'. Location: House Steps, US Capitol, Washington, DC <http://speaker.house.gov/> <https://twitter.com/SpeakerBoehner>. Contacts: AshLee Strong House Speaker press ashlee.strong@mail.house.gov 1 202 225 0600. Media may access the plaza no earlier than 8:30 a.m. ET. All crews with equipment must be set by 9:30 a.m. ET for the security sweep. All TV crews must contact the House Radio-TV gallery to sign up for coverage at 202-225-5214.

11:00 AM Tom Lantos Human Rights Commission hearing on human rights in Bahrain – Tom Lantos Human Rights Commission hearing on 'Human Rights in Bahrain: Next Steps, examining recent developments in the country and their implications for Bahrain and the US, and offering policy recommendations to Congress, in the context of the global effort to counter violent extremism. Panelists include Human Rights First Human Rights Defenders Director Brian Dooley, Human Rights Watch Washington Director Sarah Margon, Bahrain MP Matar Ebrahim Matar, and Project on Middle East Democracy Deputy Director for Policy Cole Bockenfeld. Location: HVC-210, US Capitol Visitor Center, Washington, DC <http://tlhrc.house.gov/> <https://twitter.com/TLHRCCommission>. Contacts: Kimberly Stanton Tom Lantos Human Rights Commission Kimberly. Stanton@mail.house.gov 1 202 225 3599. This hearing will be open to members of Congress, congressional staff, the interested public and the media.

Other: 7:00 AM Values Voter Summit with Donald Trump among day one speakers – Values Voter Summit – annual meeting of social conservative activists hosted by the Family Research Council. Day one speakers include 2016 Republican presidential nominee Donald Trump, Republican National Committee Chairman Reince Priebus, Republicans Sens. Tim Scott and James Lankford and Reps. Marsha Blackburn, John Fleming, Louie Gohmert, James Bridenstine, and Diane Black, Kentucky Governor Matt Bevin, North Carolina Lt. Governor Dan Forest, Family Research Council President Tony Perkins, former Sen. Rick Santorum, 'The Dana Show' host Dana Loesch, 'The Laura Ingraham Show' host Laura Ingraham, 'Family Talk' founder and host Dr James Dobson, Lt. Col. (Ret.) Allen West, 'Duck Dynasty's Phil Robertson, Wallbuilders founder and President David Barton, The Benham Companies co-founders David and Jason Benham, and Center for Urban Renewal and Education founder Star Parker. Location: Omni Shoreham Hotel, Washington, DC <http://www.valuesvotersummit.org> [#VVS16](https://twitter.com/FRCAction). Contacts: J.P. Duffy Family Research Council media jpd@frc.org 1 202 637 4679 FRC Media Office media@frc.org 1 866 372 6397. Donald Trump speaks at 3:30 PM.

9:00 AM Department of Justice moment of silence and Survivor Tree plaque unveiling – Attorney General Loretta Lynch leads a moment of silence as part of a commemoration ceremony with Department of Justice employees to recognize the 15th anniversary of the 9/11 terrorist attack. Following the moment of silence, the Attorney General delivers remarks and dedicates a commemorative plaque for the 'Survivor Tree' seedling that was planted in the Department of Justice's courtyard on the anniversary last year. Location: US Department of Justice Courtyard, 950 Pennsylvania Ave., N.W., Washington, DC www.justice.gov <https://twitter.com/TheJusticeDept>. Contacts: DoJ press press@usdoj.gov 1 202 514 2007.

12:00 PM Heritage Foundation Annual B.C. Lee Lecture on US Policy in the Asia-Pacific – Heritage Foundation Annual B.C. Lee Lecture on US Policy in the Asia-Pacific: Republican Sen. John McCain interviewed on 'US-Asia Policy: Prospects during a Critical Time of Change' * Lecture previously given by officials including Henry Kissinger, Jesse Helms, Donald Rumsfeld, Colin Powell, Condoleezza Rice, Joe Lieberman, Ed Royce, and Robert Zoellick * South Korea Ambassador to the US Amb. Ahn Ho-Young hosts post-lecture reception. Location: Heritage Foundation, 214 Massachusetts Ave NE, Washington, DC www.heritage.org <https://twitter.com/Heritage>. Contacts: Heritage Foundation media HeritagePress@heritage.org 1 202 675 1761. Attendance will be limited for this function, so your prompt RSVP is very much appreciated.

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From: Steven Son
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Michael Bostrom](#); [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells Fargo - common interest agreement and access letter.
Date: Monday, March 14, 2016 1:49:01 PM
Attachments: [16.03.14 - CAO-CFPB re Access Letter.pdf](#)
[CFPB & LA County CIA - CAO redline.doc](#)

Lawrence,

It was nice speaking with you earlier today. Per our conversation, please find attached a red-line version of the common interest agreement and our office's access letter to the CFPB. If you have any questions in this regard, please do not hesitate to call.

Thanks,
Steve

--

Steven S. Son, Deputy City Attorney
Office of the Los Angeles City Attorney
200 N. Main St., 5th Floor CHE
Los Angeles, CA 90012
Telephone: (213) 978-8036
Facsimile: (213) 978-8112
E-mail: steven.son@lacity.org

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**MIKE FEUER
CITY ATTORNEY**

March 14, 2016

VIA E-MAIL

Consumer Financial Protection Bureau
Legal Division
c/o Enforcement Attorney Lawrence Brown
Lawrence.Brown@cfpb.gov

RE: Wells Fargo & Co. and Wells Fargo Bank, N.A.
Access Letter Submitted Pursuant to 12 C.F.R. § 1070.43(b)

Dear Ms. McLeod:

The Office of the Los Angeles City Attorney, through Steven S. Son, Deputy City Attorney, hereby requests, pursuant to 12 C.F.R. § 1070.43(b), access to certain confidential information held by the Consumer Financial Protection Bureau ("CFPB" or "Bureau").

The Office of the Los Angeles City Attorney specifically requests access to any confidential investigative information in the possession of or created by the CFPB Office of Enforcement relating to Wells Fargo & Co., Wells Fargo Bank, N.A., and California consumers.

The Office of the Los Angeles City Attorney certifies that it seeks this information for the purpose of investigating Wells Fargo & Co. and Wells Fargo Bank, N.A.'s potential violations of California laws and federal-consumer financial laws in the course of offering bank products to California consumers. The Office of the Los Angeles City Attorney further certifies that it will not use the information for any other purpose without the prior written permission of the CFPB. Moreover, the Office of the Los Angeles City Attorney certifies that it will maintain the information as required by the Bureau's rules on treatment of confidential information, 12 C.F.R. §§ 1070.40, *et seq.*, including that it will keep the information in confidence and will not further disclose it without the prior written permission of the CFPB, subject to the requirements and protections of 12 C.F.R. § 1070.47.

Wells Fargo & Co. and Wells Fargo Bank, N.A.

March 14, 2016

Page 2

The information sought is exempt from disclosure under the California Public Records Act, California Government Code §§ 6250, *et seq.*, due to the exemption codified at California Government Code § 6254, subdivisions (b) and (k).

The Office of the Los Angeles City Attorney certifies that it will maintain the requested confidential information in a manner that conforms to the standards that apply to federal agencies for the protection of the confidentiality of personally identifiable information and for data security and integrity.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steven S. Son", with a stylized flourish at the end.

Steven S. Son
Deputy City Attorney
Office of the Los Angeles City Attorney

From: [Reiferson, Barry \(CFPB\)](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: DRAFT WF Complaint
Date: Wednesday, June 29, 2016 8:53:04 PM
Attachments: [Wells Fargo-- Draft Complaint 20160629.docx](#)

Sorry all. Here's a slightly modified draft.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Hartmann, Leanne (CFPB)
Sent: Wednesday, June 29, 2016 8:51 PM
To: Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Wells, John (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: RE: DRAFT WF Complaint

Thanks all!

From: Ehrlich, Jeffrey (CFPB)
Sent: Wednesday, June 29, 2016 5:42 PM
To: Reiferson, Barry (CFPB); Wells, John (CFPB)
Cc: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: Re: DRAFT WF Complaint

This is fine---no one else has to review for now. John and I will get this to Tony tomorrow a.m.
Thanks!

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Reiferson, Barry (CFPB)
Sent: Wednesday, June 29, 2016 08:39 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: DRAFT WF Complaint

Jeff and John,

Here's a draft complaint. (b) (5), (b) (7)(A)

Lawrence is working feverishly (b) (6)

(b) [REDACTED], but wrote some and reviewed an earlier draft.

Thanks,
Barry

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6) [REDACTED]

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Wells, John \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Draft WFSP order
Date: Tuesday, July 12, 2016 3:39:18 PM

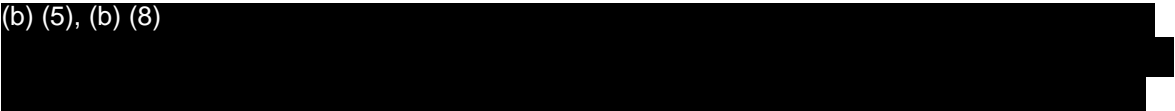
Sounds good. Thanks.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Wells, John (CFPB)
Sent: Tuesday, July 12, 2016 3:39 PM
To: Ehrlich, Jeffrey (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: Draft WFSP order

(b) (5), (b) (8)



I believe we're still waiting on comments from Legal.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: memo
Date: Wednesday, June 29, 2016 3:32:25 PM
Attachments: [WFSP Settle-Sue Memo---to Tony.docx](#)

Sorry! Still very much a draft.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, June 29, 2016 2:07 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: memo

Jeff,

Can you send us the latest version of the memo so we can start plugging in facts to the complaint?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: RE: Please review
Date: Tuesday, June 28, 2016 5:32:12 PM

Thanks! We will compile and send by email today.

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From: Ehrlich, Jeffrey (CFPB)
Sent: Tuesday, June 28, 2016 2:31 PM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: RE: Please review

Signed.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Hartmann, Leanne (CFPB)
Sent: Tuesday, June 28, 2016 4:58 PM
To: Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: RE: Please review

Thanks. I accepted your edits and will get it out today by email to Anand. (b) (5)

[REDACTED]

Anyone else who wants to weigh in – speak now or forever hold your peace!

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: Ehrlich, Jeffrey (CFPB)
Sent: Tuesday, June 28, 2016 1:48 PM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: RE: Please review

A couple of minor edits and the signed form. I'll sign the RFPA certificate when I get it.

Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Hartmann, Leanne (CFPB)
Sent: Tuesday, June 28, 2016 4:40 PM
To: Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Brown, Lawrence (CFPB); Wells, John (CFPB)
Subject: RE: Please review

I'll review now – (b) (5) Here's the draft for review/edits by the team, particularly if there is anything you want to add after today's hearing.
(Also [saved on the Z drive](#))

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: Ehrlich, Jeffrey (CFPB)
Sent: Tuesday, June 28, 2016 1:02 PM
To: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB); Guidorizzi, Melissa (CFPB)
Subject: Please review
Importance: High

Once we're all comfortable with this, we'll lock down the complaint (which LB has started to craft) and get everything to Tony by the end of the day tomorrow. If possible, please let me know your thoughts on this this evening. Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6) 2
Consumer Financial Protection Bureau
consumerfinance.gov

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Preparing for Skadden Submission--DRAFT Consent Order---jpe.doc
Date: Thursday, August 25, 2016 2:38:15 PM
Attachments: [Preparing for Skadden Submission--DRAFT Consent Order---jpe leh.doc](#)

Very few changes – take or leave.

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

www.consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Thursday, August 25, 2016 11:33 AM
To: Hartmann, Leanne (CFPB)
Subject: Preparing for Skadden Submission--DRAFT Consent Order---jpe.doc

Here is the most current version. It includes the edits Barry submitted that JW approved.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Williams, Monique \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Social Response to Wells
Date: Tuesday, September 20, 2016 9:57:35 AM
Attachments: [3. RC Info Memo - Social Response to Historic Wells Fargo Enforcement Ac....pdf](#)

FYI- Social Response to the Wells Fargo ENF Action.



September 15, 2016

Information memorandum for the Director

FROM	Gene Koo, Assistant Director for Consumer Engagement
THROUGH	Gail Hillebrand, Associate Director
SUBJECT	Social response to historic Wells Fargo enforcement action

Last week's Wells Fargo enforcement action generated some of the highest amount of social media attention in the Bureau's recent history. The Consumer Engagement team has been monitoring public response, which I summarize in the following pages. All data are as of 10am, September 13, 2016.

What we heard and learned

- Some who were directly affected asked whether they will be made whole and what they should do.

██████████ can I get money back. I am certain i am one of these people. I had huge debits that i would have never made attributed to my account. I don't think my earlier postings are on the page. This explains the last part of my money loss at Wells Fargo. Someone should pursue criminal charges against each bank manager that allowed this to happen. My local bank manager knew very weel what was happening and she refused to help me.

Like · Reply · Message · 3 · September 9 at 3:04pm · Edited

4 Replies

- Many called for bigger fines, criminal prosecution, and public boycotts.
- Some former employees of financial institutions shared their own insider perspective.

██████████ And we all can be sure that Wells Fargo wasn't the only one doing this. When I worked at ██████████ I literally received a call from the manager everyday to get me to go back through my customers and do this because I wasn't doing so when they opened the account.

Like · Reply · 5 · September 12 at 12:43pm

1 Reply

- Some commentators expressed gratitude for the work of the CFPB.

[REDACTED] I'm thankful for the hard work the CFPB does to investigate and hold the financial industry cheaters accountable. Thank you for your fine service to the American people!

[Like](#) · [Reply](#) · September 9 at 7:51pm

[REDACTED] I am so impressed with the CFPB. Finally someone is looking out for the consumer. Richard Cordray is a rock star!

[Like](#) · [Reply](#) ·  3 · September 9 at 3:47pm

(b) (5)



Social Media Metrics

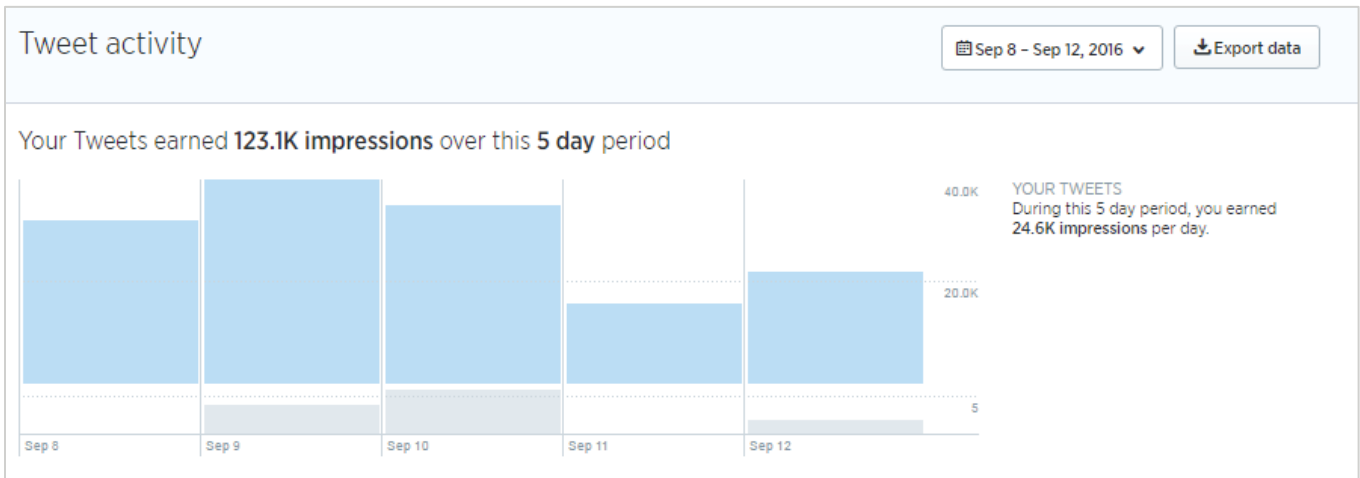
Facebook performance

129,060	Total reach (number of people on whose news feeds this story appeared)
7,424	Total engagement clicks (number of people who clicked on the image or story to read it)
3,549	Total reactions (number of people who clicked "like," "love," etc.)



Twitter performance

1,102	Total engagements
186	Retweets
151	Favorites



From: [McNamara, John \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: FW: Wells
Date: Wednesday, September 14, 2016 12:48:17 PM
Attachments: [voicemail-577.m4a](#)
[ATT00001.txt](#)

I thought you might enjoy this. John is dean of the political science department and Benedictine University.

Congrats!

John McNamara
Acting Assistant Director, Installment Lending and Collections Markets
Debt Collections Program Manager
Office of Installment Lending and Collections Markets
Division of Research, Markets & Regulations
Consumer Financial Protection Bureau
One Constitution Square
Washington, DC 20002
Office-202-435-7710
Blackberry (b) (6)

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-----Original Message-----

From: (b) (6)
Sent: Thursday, September 08, 2016 6:23 PM
To: McNamara, John (CFPB)
Subject: Wells

From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells Fargo - Confidential
Date: Thursday, April 07, 2016 3:05:32 PM
Attachments: [Letter to L. Brown BER comments.pdf](#)

My minimal comments in the attached.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Thursday, April 07, 2016 2:54 PM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: FW: Wells Fargo - Confidential

Lawrence D. Brown
Enforcement Attorney

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From: Raman, Anand S [<mailto:Anand.Raman@skadden.com>]
Sent: Thursday, April 07, 2016 12:18 PM
To: Brown, Lawrence (CFPB)
Cc: david.j.rice@wellsfargo.com
Subject: Wells Fargo - Confidential

Lawrence – as a follow-up to our recent meet and confer call, (b) (8), (b) (4). If you have a few minutes tomorrow or Monday, David and I would also like to connect with you regarding your recent letter and to answer any questions you may have (b) (4), (b) (8). Best regards -- Anand

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

=====

From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo - Confidential
Date: Friday, April 08, 2016 10:05:17 AM

Sure. And, ok with the trip to LA.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Friday, April 08, 2016 10:05 AM
To: Reiferson, Barry (CFPB)
Subject: RE: Wells Fargo - Confidential

Let me know if you're ok with me doing the call with Leanne and we give you a download afterwards.

Lawrence D. Brown
Enforcement Attorney

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From: Reiferson, Barry (CFPB)
Sent: Friday, April 08, 2016 9:55 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells Fargo - Confidential

3-3:30 Tuesday is the only time that day I'm unavailable.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Friday, April 08, 2016 8:41 AM
To: Reiferson, Barry (CFPB)
Subject: FW: Wells Fargo - Confidential

Does Tuesday at 3 sound ok to you?

Lawrence D. Brown
Enforcement Attorney

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From: Hartmann, Leanne (CFPB)
Sent: Thursday, April 07, 2016 4:04 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: FW: Wells Fargo - Confidential

Of these three times, I'd prefer 11am tomorrow or 3pm on Tuesday. Thanks.

From: Raman, Anand S [<mailto:Anand.Raman@skadden.com>]
Sent: Thursday, April 07, 2016 12:56 PM
To: Brown, Lawrence (CFPB)
Cc: david.j.rice@wellsfargo.com; Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Matthew.J.Hoefling@wellsfargo.com; Welch, Darren M
Subject: RE: Wells Fargo - Confidential

How about tomorrow at 11 a.m. or 3 p.m. or Tuesday at 3 p.m.?

From: Brown, Lawrence (CFPB) [<mailto:Lawrence.Brown@cfpb.gov>]
Sent: Thursday, April 07, 2016 2:59 PM
To: Raman, Anand S (WAS)
Cc: david.j.rice@wellsfargo.com; Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells Fargo - Confidential

My apologies for the late reply. I was a bit tied up today. Please send me a few dates and times that work for you both and I'll pick one.

Lawrence D. Brown
Enforcement Attorney

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From: Raman, Anand S [<mailto:Anand.Raman@skadden.com>]
Sent: Thursday, April 07, 2016 12:18 PM
To: Brown, Lawrence (CFPB)
Cc: david.j.rice@wellsfargo.com
Subject: Wells Fargo - Confidential

Lawrence – as a follow-up to our recent meet and confer call, (b) (4), (b) (8) If you have a few minutes tomorrow or Monday, David and I would also like to connect with you regarding your recent letter and to answer any questions you may have (b) (4), (b) (8). Best regards -- Anand

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

=====

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

=====

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells Fargo - Consent Order.
Date: Friday, July 15, 2016 8:35:33 AM
Attachments: [WFSP Draft Consent Order---DRAFT 7-11-16 CAO comments---jpe.doc](#)

(b) (5) I'll discuss with Tony ASAP. See attached.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Brown, Lawrence (CFPB)
Sent: Friday, July 15, 2016 7:57 AM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: FW: Wells Fargo - Consent Order.

Team,

Attached please find (b) (5)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: steven.son@lacity.org [<mailto:steven.son@lacity.org>]
Sent: Thursday, July 14, 2016 7:56 PM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells Fargo - Consent Order.

Lawrence,

As discussed earlier today, I've attached a red-line version of the Bureau's draft Consent Order (dated 7/11/16), which identifies our proposed changes thereto. If you have any questions about them, please don't hesitate to call.

Thanks,

Steve

This message was secured by [ZixCorp](#)^(R).

From: [Ledbetter, Roshonda](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo Bank N.A. <confidential>
Date: Monday, May 09, 2016 9:29:17 AM

Thank you!

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Brown, Lawrence (CFPB)
Sent: Monday, May 09, 2016 9:28 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Ledbetter, Roshonda; Lohr, Douglas (CFPB)
Subject: FW: Wells Fargo Bank N.A. <confidential>

Fyi, password for production.

Lawrence D. Brown
Enforcement Attorney

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From: Welch, Darren M [<mailto:Darren.Welch@skadden.com>]
Sent: Monday, May 09, 2016 9:27 AM
To: Brown, Lawrence (CFPB)
Subject: FW: Wells Fargo Bank N.A. <confidential>

Lawrence – The password for the disc, which I understand was delivered this morning, is: (b) (8), (b)

Darren

Darren M. Welch
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7804 | F: 202.661.8267
darren.welch@skadden.com

Skadden

From: Welch, Darren M (WAS)
Sent: Friday, May 06, 2016 5:30 PM
To: lawrence.brown@cfpb.gov
Cc: Raman, Anand S (WAS)
Subject: Wells Fargo Bank N.A. <confidential>

Lawrence – Please see the attached letter. I will transmit the password for the encrypted disc separately.
Best regards,
Darren

Darren M. Welch
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7804 | F: 202.661.8267

darren.welch@skadden.com

Skadden

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

=====

From: Ehrlich, Jeffrey (CFPB)
To: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB)
Subject: RE: Wells Fargo Enf Action Media Summary
Date: Monday, September 19, 2016 9:12:51 PM

Thanks. Like the NYT, I thought he was contrite. Coleman and others thought he didn't go far enough.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Reiferson, Barry (CFPB)
Sent: Monday, September 19, 2016 9:12 PM
To: Ehrlich, Jeffrey (CFPB); Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB)
Subject: Re: Wells Fargo Enf Action Media Summary

Thanks. If you haven't seen it, here is Stumpf's prepared testimony.

<http://www.nytimes.com/interactive/2016/09/19/business/dealbook/document-wells-fargo-stumpf-prepared-testimony.html>

From: Ehrlich, Jeffrey (CFPB)
Sent: Monday, September 19, 2016 07:38 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB)
Subject: Fw: Wells Fargo Enf Action Media Summary

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Van Dyke, Laura (CFPB) <Laura.VanDyke@cfpb.gov>
Sent: Monday, September 19, 2016 5:10 PM
To: _DL_CFPB_ExternalAffairs; Agarwal, Abhishek (CFPB); Alag, Sartaj (CFPB); Alexis, Anthony (CFPB); Auchterlonie, Sarah (CFPB); Blatnik, Edward (CFPB); Bleicken, David (CFPB); Block, Michael (CFPB); Boison, Elizabeth (CFPB); Borzekowski, Ron (CFPB); Brown, Amy (CFPB); 'Bulletin News'; Cameron, Matt (CFPB); Canan, Stacy (CFPB); Case, Whitney (CFPB); CFPB_Daily Briefing Book; Chandler, Jocelyn (CFPB); Chea, Keo (CFPB); Chieco, Gena (CFPB); Cochran, Kelly (CFPB); Conrad, Derek (CFPB); Corbett, Elizabeth (CFPB); Criado, Alicia (CFPB); Cumpiano, Flavio (CFPB); D'Angelo, Chris (CFPB); Deutsch, Rebecca (CFPB); Donoghue, Kristen (CFPB); Dully, Crystal (CFPB); Duong, Nhu-Han (CFPB); Ehrlich, Jeffrey (CFPB); Eisenhower, Nora (CFPB); Ellis, Elizabeth (CFPB); English, Leandra (CFPB); Erdmann, Craig (CFPB); Eskola, David (CFPB); Ficklin, Patrice (CFPB); France, Elizabeth (CFPB); Frotman, Seth (CFPB); Fulford, Martha (CFPB); Galicia, Catherine (CFPB); Gilford, Samuel (CFPB); Gragan, David (CFPB); Griffin, Mary (CFPB); Hand, Delicia (CFPB); Harper, Morgan (CFPB); Hassouni, Lauren (CFPB);

Hayes, Stephen (CFPB); Hillebrand, Gail (CFPB); Holland, Megan (CFPB); Howard, Jennifer (CFPB); Hrdy, Alice (CFPB); Hunt, Wanda (CFPB); Johnson, Christine (CFPB); Konwinski, Lisa (CFPB); Korn, Jonathan (CFPB); Kunapuli, Deepika (CFPB); Langer, Jeffrey (CFPB); Lee, Swan (CFPB); Limon, Noerena (CFPB); Lipsett, Christopher (CFPB); Logan, Amanda (CFPB); Manna, Meredith (CFPB); Markus, Kent (CFPB); Martin, Angela (CFPB); Martinez, Zixta (CFPB); Martinovich, Alicia (CFPB); Mayorga, David (CFPB); Molyneaux, Terri (CFPB); More, Isabella (CFPB); Morris, Deborah (CFPB); Mosena, Lea (CFPB); Muniz, Brenda (CFPB); Nakamura, Kent (CFPB); Nassar, Shaba (CFPB); O'Brien, Brian Patrick (CFPB); Olstad, Per (CFPB); Pandolfo, Anthony (CFPB); Parker Rose, Cheryl (CFPB); Pearl, Joanna (CFPB); Petersen, Cara (CFPB); Peterson, Christopher (Detailee)(CFPB); Petraeus, Hollister (CFPB); Pierce, Michael (CFPB); Pippin, Matthew (CFPB); Pitts, John (CFPB); Pope, David (CFPB); Quan, Dan (CFPB); Raso, Connor (CFPB); Raso, Jane (CFPB); RC; Rubenstein, David (CFPB); Russell, Jessica (CFPB); Sanford, Paul (CFPB); Sapir, Amanda (CFPB); Sheehan, Timothy (CFPB); Silberman, David (CFPB); Smith, Daniel (CFPB); Sokolov, Dan (CFPB); Standarowski, Derek (CFPB); Stern, Gena (CFPB); Stockett, Jennifer (CFPB); Stone, Bayard Corey (CFPB); Suskind, Walter (CFPB); Swartz, Jeff (CFPB); Szybala, Julia (CFPB); Thibos, Megan (CFPB); Thompson, Diane (CFPB); Thompson, Shelley (CFPB); Tindall, Anne (CFPB); Tosini, Suzanne (CFPB); Truong, To-Quyen (CFPB); Twohig, Peggy (CFPB); Vaeth, Chris (CFPB); Vahey, Moira (CFPB); Van Dyke, Laura (CFPB); VanMeter, Stephen (CFPB); Vasan, Ashwin (CFPB); Wade-Gery, William (CFPB); Welbeck, Katherine (CFPB); White, Evan (CFPB); Williams, Richard (CFPB); Winseck, Brian (CFPB); Young, Christopher (CFPB); Zorc, Anne (CFPB); Minor, John (CFPB); McNamara, John (CFPB); Ploch, Amanda (CFPB); McNamara, John (CFPB); Weldon, Lauren (CFPB); McPartland, Kristin (CFPB); Ober, James (Intern)(CFPB); Rainey, Zol (CFPB)

Subject: Wells Fargo Enf Action Media Summary

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- [Wall Street Journal](#): Lawmakers Intensify Pressure on Wells Fargo
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- [USA Today](#): Report: Wells Fargo exec of fined unit gets \$125M payday
- [USA Today](#): Wells Fargo cuts bank sales goals after \$185M fine for fake accounts
- [USA Today](#): Wells Fargo gets hit where it hurts: No longer most valuable
- [Washington Post](#): Wells Fargo boots 5,300 employees for creating accounts its customers didn't ask for
- [Washington Post](#): Wells Fargo settlement over phony accounts raises questions about oversight
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- [Washington Post](#): And now, a case of really bad Republican timing
- [Washington Post](#): Sen. Elizabeth Warren says Wells Fargo executives should give back bonuses

- [Washington Post](#): 'It goes beyond Wells Fargo': Concerns grow over sales tactics in banking industry
- [Reuters](#): Wells Fargo to pay \$190 mln to settle customer fraud case (AA interview)
- [Reuters](#): Wells Fargo settles fraud case with state, federal officials
- [Reuters](#): U.S. Treasury's Lew faults 'bad behavior' at Wells Fargo
- [Reuters](#): Wells Fargo may take more disciplinary action over sales abuses
- [Reuters](#): Here's What Wells Fargo Is Doing to Fix Its Fake Account Scandal
- [Reuters](#): In afterglow of Wells case, U.S. consumer agency faces fight for its life
- [Reuters](#): U.S. House committee to hold hearing on Wells Fargo sales practices
- [The Atlantic](#): Wells Fargo's Phony Accounts
- [Bloomberg](#): Wells Fargo Opened a Couple Million Fake Accounts
- [Bloomberg](#): Wells Fargo Fined \$185 Million for Phony Accounts
- [Bloomberg](#): Wells Fargo Cross-Sells Its Reputation
- [Bloomberg](#): Wells Fargo's CEO to Face Senate Panel in Cross-Selling Scandal
- [Bloomberg](#): Wells Fargo Drops Product Sales Goals for Retail Bankers
- [Bloomberg](#): Wells Fargo Can Make Pivot Needed in Wake of Scandal, CFO Says
- [Bloomberg](#): Wells Fargo CFPB Findings 'Highly Disturbing,' Moody's Says
- [Bloomberg](#): Bill to Scrap Dodd-Frank Advances Despite Wells Fargo Backlash
- [Bloomberg](#): Buffett's Deafening Silence on Wells Fargo
- [Bloomberg](#): That Scandal on Your Résumé Will Cost You—Even if It Isn't Yours
- [Bloomberg](#): Democrats Cite Wells Fargo in Voting Against Dodd-Frank Rollback
- [Bloomberg](#): Buffett Loses \$1.4 Billion as Wells Fargo Tumbles on Scandal
- [Bloomberg](#): Stumpf, Mr. Clean of Banking, Finds Himself Mired in Scandal
- [Bloomberg](#): How Sales Targets Encourage Wrongdoing Inside America's Companies
- [Bloomberg](#): House Panel Calls Stumpf to Testify as Part of Wells Probe
- [Bloomberg](#): U.S. House panel to interview Tolstedt in Wells Fargo probe
- [Bloomberg](#): Wells Fargo Faces Customer Suit Over Unauthorized Accounts
- [Fox News](#): Wells Fargo exec who headed unit involved in scandal due \$125 million in retirement
- [Fox Business](#): Wells Fargo Scam Puts Other U.S. Banks in the Crosshairs
- [TIME](#): Wells Fargo Fined \$185 Million for Creating Fake Accounts
- [TIME](#): Wells Fargo Shows Banking's Culture Crisis Is Worsening
- [TIME](#): Wells Fargo Is Eliminating Employee Sales Goals That Led to Fake-Account Scandal

- [TIME](#): Wells Fargo Executives Won't Pay for Scamming Thousands. You Might
- [TIME](#): Lessons of the Wells Fargo Fake-Account Scandal
- [Marketplace](#): Wells Fargo to pay \$185 million following false accounts scandal
- [NBC](#): Nightly News with Lester Holt (RC interview)
- [CNBC](#): Wells Fargo case is a loud, serious warning to banks, CFPB says (RC interview)
- [CNBC](#): Wells Fargo aftermath: People, not just banks, should be fined, Tarullo says
- [CNBC](#): If ever there's a case for clawbacks, Wells Fargo is it: Ex-FDIC chair
- [CNBC](#): How the Wells Fargo case will impact the broader industry
- [CNN](#): Quest Means Business (RC interview)
- [CNN Money](#): 5,300 Wells Fargo employees fired over 2 million phony accounts
- [CNN Español](#): Wells Fargo despiende a 5.300 empleados por crear cuentas bancarias falsas
- [CNN Money](#): Wells Fargo scandal: Elizabeth Warren wants answers
- [CNN Money](#): Wells Fargo under siege: Drops sales goals tied to bogus account scandal
- [CNN Money](#): Do more heads need to roll at Wells Fargo?
- [CNN Money](#): Workers tell Wells Fargo horror stories
- [CNN Money](#): U.S. opens investigation into Wells Fargo fake accounts scandal
- [CNN Money](#): Wells Fargo drumbeat grows louder. House launches investigation
- [ABC News](#): How the Wells Fargo Unauthorized Accounts Crackdown Affects Customers
- [ABC News](#): Wells Fargo to End Product Sales Goals After Accounts Scandal
- [CBS News](#): Wells Fargo fined for opening millions of fake accounts
- [CBS News](#): Wells Fargo cutting sales goals in wake of hefty fine
- [MSNBC](#): CFPB uncovers Wells Fargo scheme, scores major win for consumers
- [American Banker](#): CFPB Reform 'Dead on Arrival' Thanks to Wells Fargo
- [American Banker](#): Wells Fargo Is Test Case for DOJ Actions Against Individuals
- [American Banker](#): Wells Fargo Scandal Will Rewrite the Book on Clawing Back Pay
- [Christian Science Monitor](#): Feds levy \$185 million fine on Wells Fargo, send message to entire industry
- [Christian Science Monitor](#): What Wells Fargo's \$185 million settlement may mean for you
- [Christian Science Monitor](#): What steps is Wells Fargo taking in wake of sales abuse scandal?
- [Vanity Fair](#): Wells Fargo Fires 5,300 Employees For Opening Millions Of Phony Accounts
- [MarketWatch](#): Fed's Tarullo: Wells Fargo case shows bank behavior hasn't 'changed enough' since crisis

- [MarketWatch](#): What Wells Fargo customers need to know
- [MarketWatch](#): It's business as usual at Wells Fargo after record fine
- [MarketWatch](#): Wells Fargo to eliminate product sales goals next year
- [MarketWatch](#): One lesson from Wells Fargo scandal: Check your statements
- [MarketWatch](#): Wells Fargo CEO puts blame on employees
- [MarketWatch](#): Thousands of complaints suggest account issues are not limited to Wells Fargo
- [Financial Times](#): Wells Fargo hit with record fine over secret accounts
- [Financial Times](#): Wells Fargo sales practices 'credit negative' – Moody's
- [Financial Times](#): Wells Fargo to drop sales goals for retail bankers
- [Financial Times](#): Wells Fargo reined in by Elizabeth Warren's sheriff
- [Ars Technica](#): 5,300 Wells Fargo employees fired after 2 million fake accounts discovered
- [Slate](#): Wells Fargo Must Pay \$185 Million After Opening Customer Accounts Without Asking. That's Not Enough.
- [Slate](#): Will the Feds Go After Wells Fargo's Executives?
- [BuzzFeed](#): Wells Fargo Pays Record Fine For "Widespread Illegal Practice" By Sales Staff
- [Gizmodo](#): Wells Fargo Executive Linked To Scam Gets \$124.6 Million Payday
- [Lifehacker](#): What You Should Know If You Think Wells Fargo Ripped You Off
- [The Guardian](#): Wells Fargo to pay \$185m for aggressive, illegal sales tactics
- [The Guardian](#): Wells Fargo eliminates sales quotas after unauthorized accounts scandal
- [U.S. News](#): Wells Fargo's Big Scam
- [Forbes](#): Wells Fargo Fined \$185 Million For Opening Accounts Without Customers' Knowledge
- [Forbes](#): One Rate Hike Would've Been More Profitable For Wells Fargo Than 2 Million Fake Accounts
- [Forbes](#): Treasury Secretary Jack Lew: What Wells Fargo Did Was 'Unacceptable'
- [Forbes](#): Wells Fargo To Nix Sales Goals After Fake Account Scandal
- [Forbes](#): Is Wells Fargo Rotten To The Core?
- [Forbes](#): Wells Fargo Proves Corporate Culture Can Also Be A Competitive Disadvantage
- [Business Insider](#): The 4 ways Wells Fargo employees were ripping off customers, earning the bank a \$185M fine
- [Huffington Post](#): Wells Fargo Will Pay \$190 Million To Settle Customer Fraud Case
- [Huffington Post](#): Wells Fargo Just Made The Case For Elizabeth Warren's Bank Agency
- [Huffington Post](#): Al Capone, Meet Wells Fargo

- [Huffington Post](#): Wells Fargo CEO Blames Multimillion-Dollar Fraud On The Lowest-Level Employees
- [Huffington Post](#): Wells Fargo and Mitch McConnell's Self-Serving Attack on Consumer Protections
- [Huffington Post](#): Elizabeth Warren Just Trolled Wells Fargo's CEO So Hard
- [Fortune](#): Wells Fargo Pulls Back on Cross-Selling After Fraud Scandal
- [Fortune](#): Regulator Says There's No Evidence of Wells Fargo's Problems at Other Banks
- [Salon](#): Wells Fargo fined \$100 million by Consumer Financial Protection Bureau for illegally opening unauthorized accounts
- [Salon](#): The feds use their new muscle: Consumer protection agency fines Wells Fargo for massive fraud
- [Consumerist](#): Wells Fargo On The Hook For \$185 Million For Opening Unauthorized Accounts
- [Consumerist](#): Wells Fargo Customers Accuse Bank Of Fraud, Negligence After Employees Open Fake Accounts
- [The Hill](#): Wells Fargo slapped with \$185M fine for opening unauthorized accounts
- [The Hill](#): Two senators want details on how seniors were affected by Wells Fargo fraud scheme
- [The Hill](#): Wells Fargo nixes product goals for retail bankers in wake of fraud scheme
- [The Hill](#): Senate Dems call for investigation into Wells Fargo's fake accounts
- [NerdWallet](#): What Wells Fargo's \$185 Million Settlement May Mean for You

Regional

- [Los Angeles Times](#): Wells Fargo to pay \$185 million settlement for 'outrageous' sales culture
- [Los Angeles Times](#): Senate to hold hearing on Wells Fargo's aggressive sales tactics
- [Los Angeles Times](#): Think Wells Fargo ripped you off? Here's what to do
- [Charlotte Observer](#): Wells Fargo fined \$185M for 'widespread illegal practices' in account openings
- [Charlotte Observer](#): What we know, and don't know, about Wells Fargo firing 5,300 people
- [Charlotte Observer](#): Senators urge 'immediate' hearings on Wells Fargo sales practices
- [Charlotte Observer](#): Wells Fargo drops product sales goals for retail bankers
- [Charlotte Observer](#): Wells Fargo CEO Stumpf being asked to testify at another hearing
- [Charlotte Observer](#): What's next for Wells Fargo after 'image has been shattered'?
- [Kansas City Star](#): Wells Fargo is fined \$185M for 'widespread illegal practices' in account openings
- [Kansas City Star](#): Former Wells Fargo banker says pressure to sell products was 'living nightmare'

- [Kansas City Star](#): When your bank opens accounts you didn't ask for, here's why and what you can do
- [KQED \(NPR San Francisco\)](#): Senators Request Hearing on Wells Fargo's Fraudulent Sales Tactics (JE interview)
- [New York Post](#): Feds slap Wells Fargo with record fine over fake accounts
- [New York Post](#): Wells Fargo branch boss linked to scam exited with \$125M
- [New York Post](#): Scam-tainted Wells Fargo faces the music
- [New York Business Journal](#): Wells Fargo hit with \$185M fine, fires 5,300 workers
- [Alabama.com](#): What the Wells Fargo fake accounts scandal means for Alabama
- [Seattle Times](#): How the Wells-Fargo scandal happened — and will again
- [Silicon Valley Business Journal](#): Wells Fargo fine could have broader effect on banking industry
- [The Record \(N.J.\)](#): More than 2,500 New Jerseyans scammed by Wells Fargo

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- [Reuters](#): U.S. Treasury's Lew faults 'bad behavior' at Wells Fargo
- [Reuters](#): Wells Fargo may take more disciplinary action over sales abuses
- [Reuters](#): Here's What Wells Fargo Is Doing to Fix Its Fake Account Scandal
- [Reuters](#): In afterglow of Wells case, U.S. consumer agency faces fight for its life
- [Reuters](#): U.S. House committee to hold hearing on Wells Fargo sales practices
- [The Atlantic](#): Wells Fargo's Phony Accounts
- [Bloomberg](#): Wells Fargo Opened a Couple Million Fake Accounts
- [Bloomberg](#): Wells Fargo Fined \$185 Million for Phony Accounts
- [Bloomberg](#): Wells Fargo Cross-Sells Its Reputation
- [Bloomberg](#): Wells Fargo's CEO to Face Senate Panel in Cross-Selling Scandal
- [Bloomberg](#): Wells Fargo Drops Product Sales Goals for Retail Bankers
- [Bloomberg](#): Wells Fargo Can Make Pivot Needed in Wake of Scandal, CFO Says
- [Bloomberg](#): Wells Fargo CFPB Findings 'Highly Disturbing,' Moody's Says
- [Bloomberg](#): Bill to Scrap Dodd-Frank Advances Despite Wells Fargo Backlash

- [Bloomberg](#): Buffett's Deafening Silence on Wells Fargo
- [Bloomberg](#): That Scandal on Your Résumé Will Cost You—Even if It Isn't Yours
- [Bloomberg](#): Democrats Cite Wells Fargo in Voting Against Dodd-Frank Rollback
- [Bloomberg](#): Buffett Loses \$1.4 Billion as Wells Fargo Tumbles on Scandal
- [Bloomberg](#): Stumpf, Mr. Clean of Banking, Finds Himself Mired in Scandal
- [Bloomberg](#): How Sales Targets Encourage Wrongdoing Inside America's Companies
- [Bloomberg](#): House Panel Calls Stumpf to Testify as Part of Wells Probe
- [Bloomberg](#): U.S. House panel to interview Tolstedt in Wells Fargo probe
- [Bloomberg](#): Wells Fargo Faces Customer Suit Over Unauthorized Accounts
- [Fox News](#): Wells Fargo exec who headed unit involved in scandal due \$125 million in retirement
- [Fox Business](#): Wells Fargo Scam Puts Other U.S. Banks in the Crosshairs
- [TIME](#): Wells Fargo Fined \$185 Million for Creating Fake Accounts
- [TIME](#): Wells Fargo Shows Banking's Culture Crisis Is Worsening
- [TIME](#): Wells Fargo Is Eliminating Employee Sales Goals That Led to Fake-Account Scandal
- [TIME](#): Wells Fargo Executives Won't Pay for Scamming Thousands. You Might
- [TIME](#): Lessons of the Wells Fargo Fake-Account Scandal
- [Marketplace](#): Wells Fargo to pay \$185 million following false accounts scandal
- [NBC](#): Nightly News with Lester Holt (RC interview)
- [CNBC](#): Wells Fargo case is a loud, serious warning to banks, CFPB says (RC interview)
- [CNBC](#): Wells Fargo aftermath: People, not just banks, should be fined, Tarullo says
- [CNBC](#): If ever there's a case for clawbacks, Wells Fargo is it: Ex-FDIC chair
- [CNBC](#): How the Wells Fargo case will impact the broader industry
- [CNN](#): Quest Means Business (RC interview)
- [CNN Money](#): 5,300 Wells Fargo employees fired over 2 million phony accounts
- [CNN Español](#): Wells Fargo despide a 5.300 empleados por crear cuentas bancarias falsas
- [CNN Money](#): Wells Fargo scandal: Elizabeth Warren wants answers
- [CNN Money](#): Wells Fargo under siege: Drops sales goals tied to bogus account scandal
- [CNN Money](#): Do more heads need to roll at Wells Fargo?
- [CNN Money](#): Workers tell Wells Fargo horror stories
- [CNN Money](#): U.S. opens investigation into Wells Fargo fake accounts scandal
- [CNN Money](#): Wells Fargo drumbeat grows louder. House launches investigation
- [ABC News](#): How the Wells Fargo Unauthorized Accounts Crackdown Affects Customers

- [ABC News](#): Wells Fargo to End Product Sales Goals After Accounts Scandal
- [CBS News](#): Wells Fargo fined for opening millions of fake accounts
- [CBS News](#): Wells Fargo cutting sales goals in wake of hefty fine
- [MSNBC](#): CFPB uncovers Wells Fargo scheme, scores major win for consumers
- [American Banker](#): CFPB Reform 'Dead on Arrival' Thanks to Wells Fargo
- [American Banker](#): Wells Fargo Is Test Case for DOJ Actions Against Individuals
- [American Banker](#): Wells Fargo Scandal Will Rewrite the Book on Clawing Back Pay
- [Christian Science Monitor](#): Fed's levy \$185 million fine on Wells Fargo, send message to entire industry
- [Christian Science Monitor](#): What Wells Fargo's \$185 million settlement may mean for you
- [Christian Science Monitor](#): What steps is Wells Fargo taking in wake of sales abuse scandal?
- [Vanity Fair](#): Wells Fargo Fires 5,300 Employees For Opening Millions Of Phony Accounts
- [MarketWatch](#): Fed's Tarullo: Wells Fargo case shows bank behavior hasn't 'changed enough' since crisis
- [MarketWatch](#): What Wells Fargo customers need to know
- [MarketWatch](#): It's business as usual at Wells Fargo after record fine
- [MarketWatch](#): Wells Fargo to eliminate product sales goals next year
- [MarketWatch](#): One lesson from Wells Fargo scandal: Check your statements
- [MarketWatch](#): Wells Fargo CEO puts blame on employees
- [MarketWatch](#): Thousands of complaints suggest account issues are not limited to Wells Fargo
- [Financial Times](#): Wells Fargo hit with record fine over secret accounts
- [Financial Times](#): Wells Fargo sales practices 'credit negative' – Moody's
- [Financial Times](#): Wells Fargo to drop sales goals for retail bankers
- [Financial Times](#): Wells Fargo reined in by Elizabeth Warren's sheriff
- [Ars Technica](#): 5,300 Wells Fargo employees fired after 2 million fake accounts discovered
- [Slate](#): Wells Fargo Must Pay \$185 Million After Opening Customer Accounts Without Asking. That's Not Enough.
- [Slate](#): Will the Feds Go After Wells Fargo's Executives?
- [BuzzFeed](#): Wells Fargo Pays Record Fine For "Widespread Illegal Practice" By Sales Staff
- [Gizmodo](#): Wells Fargo Executive Linked To Scam Gets \$124.6 Million Payday
- [Lifehacker](#): What You Should Know If You Think Wells Fargo Ripped You Off
- [The Guardian](#): Wells Fargo to pay \$185m for aggressive, illegal sales tactics
- [The Guardian](#): Wells Fargo eliminates sales quotas after unauthorized accounts scandal

- [U.S. News](#): Wells Fargo's Big Scam
- [Forbes](#): Wells Fargo Fined \$185 Million For Opening Accounts Without Customers' Knowledge
- [Forbes](#): One Rate Hike Would've Been More Profitable For Wells Fargo Than 2 Million Fake Accounts
- [Forbes](#): Treasury Secretary Jack Lew: What Wells Fargo Did Was 'Unacceptable'
- [Forbes](#): Wells Fargo To Nix Sales Goals After Fake Account Scandal
- [Forbes](#): Is Wells Fargo Rotten To The Core?
- [Forbes](#): Wells Fargo Proves Corporate Culture Can Also Be A Competitive Disadvantage
- [Business Insider](#): The 4 ways Wells Fargo employees were ripping off customers, earning the bank a \$185M fine
- [Huffington Post](#): Wells Fargo Will Pay \$190 Million To Settle Customer Fraud Case
- [Huffington Post](#): Wells Fargo Just Made The Case For Elizabeth Warren's Bank Agency
- [Huffington Post](#): Al Capone, Meet Wells Fargo
- [Huffington Post](#): Wells Fargo CEO Blames Multimillion-Dollar Fraud On The Lowest-Level Employees
- [Huffington Post](#): Wells Fargo and Mitch McConnell's Self-Serving Attack on Consumer Protections
- [Huffington Post](#): Elizabeth Warren Just Trolled Wells Fargo's CEO So Hard
- [Fortune](#): Wells Fargo Pulls Back on Cross-Selling After Fraud Scandal
- [Fortune](#): Regulator Says There's No Evidence of Wells Fargo's Problems at Other Banks
- [Salon](#): Wells Fargo fined \$100 million by Consumer Financial Protection Bureau for illegally opening unauthorized accounts
- [Salon](#): The feds use their new muscle: Consumer protection agency fines Wells Fargo for massive fraud
- [Consumerist](#): Wells Fargo On The Hook For \$185 Million For Opening Unauthorized Accounts
- [Consumerist](#): Wells Fargo Customers Accuse Bank Of Fraud, Negligence After Employees Open Fake Accounts
- [The Hill](#): Wells Fargo slapped with \$185M fine for opening unauthorized accounts
- [The Hill](#): Two senators want details on how seniors were affected by Wells Fargo fraud scheme
- [The Hill](#): Wells Fargo nixes product goals for retail bankers in wake of fraud scheme
- [The Hill](#): Senate Dems call for investigation into Wells Fargo's fake accounts
- [NerdWallet](#): What Wells Fargo's \$185 Million Settlement May Mean for You

Regional

- [Los Angeles Times](#): Wells Fargo to pay \$185 million settlement for 'outrageous' sales culture
- [Los Angeles Times](#): Senate to hold hearing on Wells Fargo's aggressive sales tactics
- [Los Angeles Times](#): Think Wells Fargo ripped you off? Here's what to do

- [Charlotte Observer](#): Wells Fargo fined \$185M for ‘widespread illegal practices’ in account openings
- [Charlotte Observer](#): What we know, and don’t know, about Wells Fargo firing 5,300 people
- [Charlotte Observer](#): Senators urge ‘immediate’ hearings on Wells Fargo sales practices
- [Charlotte Observer](#): Wells Fargo drops product sales goals for retail bankers
- [Charlotte Observer](#): Wells Fargo CEO Stumpf being asked to testify at another hearing
- [Charlotte Observer](#): What’s next for Wells Fargo after ‘image has been shattered’?
- [Kansas City Star](#): Wells Fargo is fined \$185M for ‘widespread illegal practices’ in account openings
- [Kansas City Star](#): Former Wells Fargo banker says pressure to sell products was ‘living nightmare’
- [Kansas City Star](#): When your bank opens accounts you didn’t ask for, here’s why and what you can do
- [KQED \(NPR San Francisco\)](#): Senators Request Hearing on Wells Fargo’s Fraudulent Sales Tactics (JE interview)
- [New York Post](#): Feds slap Wells Fargo with record fine over fake accounts
- [New York Post](#): Wells Fargo branch boss linked to scam exited with \$125M
- [New York Post](#): Scam-tainted Wells Fargo faces the music
- [New York Business Journal](#): Wells Fargo hit with \$185M fine, fires 5,300 workers
- [Alabama.com](#): What the Wells Fargo fake accounts scandal means for Alabama
- [Seattle Times](#): How the Wells-Fargo scandal happened — and will again
- [Silicon Valley Business Journal](#): Wells Fargo fine could have broader effect on banking industry
- [The Record \(N.J.\)](#): More than 2,500 New Jerseyans scammed by Wells Fargo

From: [Ledbetter, Roshonda \(Contractor\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo N.A. -- confidential
Date: Thursday, April 21, 2016 9:49:16 AM

Yes, he will fill out the chain of custody form and place it in the safe.

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Brown, Lawrence (CFPB)
Sent: Thursday, April 21, 2016 9:49 AM
To: Ledbetter, Roshonda (Contractor)
Subject: RE: Wells Fargo N.A. -- confidential

I just received the package from Skadden. Should I give it to Andrew Lubash?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Ledbetter, Roshonda (Contractor)
Sent: Thursday, April 21, 2016 9:33 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells Fargo N.A. -- confidential

I will remove it from where I placed it. Do you want me to delete the CID response folder?

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Thursday, April 21, 2016 9:29 AM
To: Ledbetter, Roshonda (Contractor)
Subject: RE: Wells Fargo N.A. -- confidential

I have been saving letters at the path below, thanks!!!

(b) (7)(E)

sel

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
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1625 Eye Street, NW
Washington, DC 20006

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From: Ledbetter, Roshonda (Contractor)
Sent: Thursday, April 21, 2016 9:11 AM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells Fargo N.A. -- confidential

Good morning,

I will let you know once this is on relativity. I will also save the cover letter on the Z drive.

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Brown, Lawrence (CFPB)
Sent: Thursday, April 21, 2016 7:57 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Ledbetter, Roshonda (Contractor)
Subject: FW: Wells Fargo N.A. -- confidential

Fyi

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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1625 Eye Street, NW
Washington, DC 20006

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From: Welch, Darren M [<mailto:Darren.Welch@skadden.com>]
Sent: Wednesday, April 20, 2016 5:36 PM
To: Brown, Lawrence (CFPB)
Cc: Raman, Anand S
Subject: Wells Fargo N.A. -- confidential

Lawrence – Please see attached. We will transmit separately the password for the encrypted DVD being delivered.
Darren

Darren M. Welch
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7804 | F: 202.661.8267
darren.welch@skadden.com

Skadden

This email (and any attachments thereto) is intended only for use by the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this email, you are hereby notified that any dissemination, distribution or copying of this email (and any attachments thereto) is strictly prohibited. If you receive this email in error please immediately notify me at (212) 735-3000 and permanently delete the original email (and any copy of any email) and any printout thereof.

Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

=====

From: [Ledbetter, Roshonda](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells Fargo Sale Practices CID 2 [revised final draft]
Date: Friday, May 13, 2016 11:24:29 AM

Ok.

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Brown, Lawrence (CFPB)
Sent: Friday, May 13, 2016 11:24 AM
To: Reiferson, Barry (CFPB); Ledbetter, Roshonda
Subject: RE: Wells Fargo Sale Practices CID 2 [revised final draft]

Once it's all scanned in, then please save to the Z drive at the path below. Thanks!!

(b) (7)(E)

Lawrence D. Brown
Enforcement Attorney

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From: Reiferson, Barry (CFPB)
Sent: Friday, May 13, 2016 11:21 AM
To: Ledbetter, Roshonda
Cc: Brown, Lawrence (CFPB)
Subject: RE: Wells Fargo Sale Practices CID 2 [revised final draft]

Thanks. I was about to come by, having heard you're the expert to see on this.

We need a letter for my signature, among the other documents.

- Barry

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Ledbetter, Roshonda
Sent: Friday, May 13, 2016 11:19 AM
To: Reiferson, Barry (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: RE: Wells Fargo Sale Practices CID 2 [revised final draft]

I will put it together. Once you approve I will forward it to Antoinette for mailing.

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 | (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Ehrlich, Jeffrey (CFPB)
Sent: Friday, May 13, 2016 11:13 AM
To: Reiferson, Barry (CFPB)
Cc: Williams, Natalie (CFPB); Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Ledbetter, Roshonda
Subject: RE: Wells Fargo Sale Practices CID 2 [revised final draft]

Looks good. Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Reiferson, Barry (CFPB)
Sent: Friday, May 13, 2016 10:45 AM
To: Ehrlich, Jeffrey (CFPB)
Cc: Williams, Natalie (CFPB); Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Ledbetter, Roshonda
Subject: Wells Fargo Sale Practices CID 2 [revised final draft]

Jeff,

Attached for your review and execution are revised draft CID documents related to Wells Fargo's

sales practices. (b) (5)

[REDACTED]

Thank you,
Barry

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: [Bateman, Kristin \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo Sales Practices Draft Consent Order
Date: Thursday, August 11, 2016 2:22:45 PM

Great!

From: Brown, Lawrence (CFPB)
Sent: Thursday, August 11, 2016 2:13 PM
To: Bateman, Kristin (CFPB)
Subject: RE: Wells Fargo Sales Practices Draft Consent Order

Hey Kristin,

Quick update. We provided the draft consent order to the bank and we are still waiting for a redline. The bank has indicated it would pay a penalty in the amount of \$100 million.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Bateman, Kristin (CFPB)
Sent: Thursday, July 14, 2016 9:58 AM
To: Ehrlich, Jeffrey (CFPB); Coleman, John (CFPB); Hayes, Stephen (CFPB)
Cc: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Wells, John (CFPB)
Subject: RE: Wells Fargo Sales Practices Draft Consent Order

Here are our comments.

From: Ehrlich, Jeffrey (CFPB)
Sent: Friday, July 08, 2016 6:10 PM
To: Coleman, John (CFPB); Bateman, Kristin (CFPB); Hayes, Stephen (CFPB)
Cc: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Wells, John (CFPB)
Subject: Wells Fargo Sales Practices Draft Consent Order

Friends in Legal,

Thanks for your comments on our memo and complaint---they were very helpful, and we appreciate the quick turnaround. As a prize for your good work, here is our draft consent order. (b) (5)

Once we get RMR off our backs hear from RMR, we should be ready to get our memo and complaint to RC to get authority, and we'd like to be able to send our draft order to the bank soon after that.

Thanks, again, for being such a great partner!

Jeff Ehrlich

Deputy Enforcement Director

Office: (202) 435-7598 | Mobile: (b) (6)

Consumer Financial Protection Bureau

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From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo.
Date: Wednesday, July 13, 2016 1:03:53 PM
Attachments: [Stipulated Judgment \[CAO 7.13.16 redline version\].docx](#)

This message was sent securely using ZixCorp.

Lawrence,

I've attached a red-line draft of our stipulated judgment, which we intend to send to the bank's counsel sometime tomorrow. We've exchanged various drafts (and red-lines thereto) with the bank, but the attached reflects our proposed changes to the most recent draft of the stipulated judgment that the bank sent to us.

After you've had a chance to review the draft, I'd like to have a quick call if you have some time later today or early tomorrow, so I can answer any questions you have and provide some context behind our thinking and approach. I also met with our team about the Bureau's consent order, and we had some questions about that as well.

(b) (6), (b) (7)(C)

http://www.bizjournals.com/charlotte/blog/bank_notes/2016/07/wells-fargo-executive-carrie-tolstedt-retires.html

Thanks,

Steve

This message was secured by [ZixCorp](#)^(R).

From: [Wilkerson, Antoninette \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Assistance making 5 briefing binders
Date: Monday, May 23, 2016 10:27:16 AM
Attachments: [image001.png](#)

Oops! Ok, I'll let Aaron know. ☺ Thanks so much! I already have everything printed and will stuff the binders after I complete 2 travel vouchers.

From: Brown, Lawrence (CFPB)
Sent: Monday, May 23, 2016 10:26 AM
To: Wilkerson, Antoninette (CFPB)
Subject: FW: Wells: Assistance making 5 briefing binders

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Brown, Lawrence (CFPB)
Sent: Monday, May 23, 2016 10:24 AM
To: Williams, Natalie (CFPB)
Subject: FW: Wells: Assistance making 5 briefing binders

Would you mind adding Toni as the Legal Assistant?

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Jeschke, Richard (Aaron) (CFPB)
Sent: Monday, May 23, 2016 10:23 AM
To: Wilkerson, Antoninette (CFPB); Brown, Lawrence (CFPB); Ledbetter, Roshonda
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: Assistance making 5 briefing binders

Hi Toni,

In order for me to grant you access, I will need either an email from the ALD in charge of this matter or I will need you to be listed as the legal admin in Lawbase. This week we are actually undergoing a restructuring of the security permissions for all of the case folders so you may run into some access quirks as the week moves on. Please email me as you run into these problems.

Thanks,

Aaron Jeschke
Administrative Officer | Enforcement
Office: (202) 435-7719 | Mobile: (b) (6)

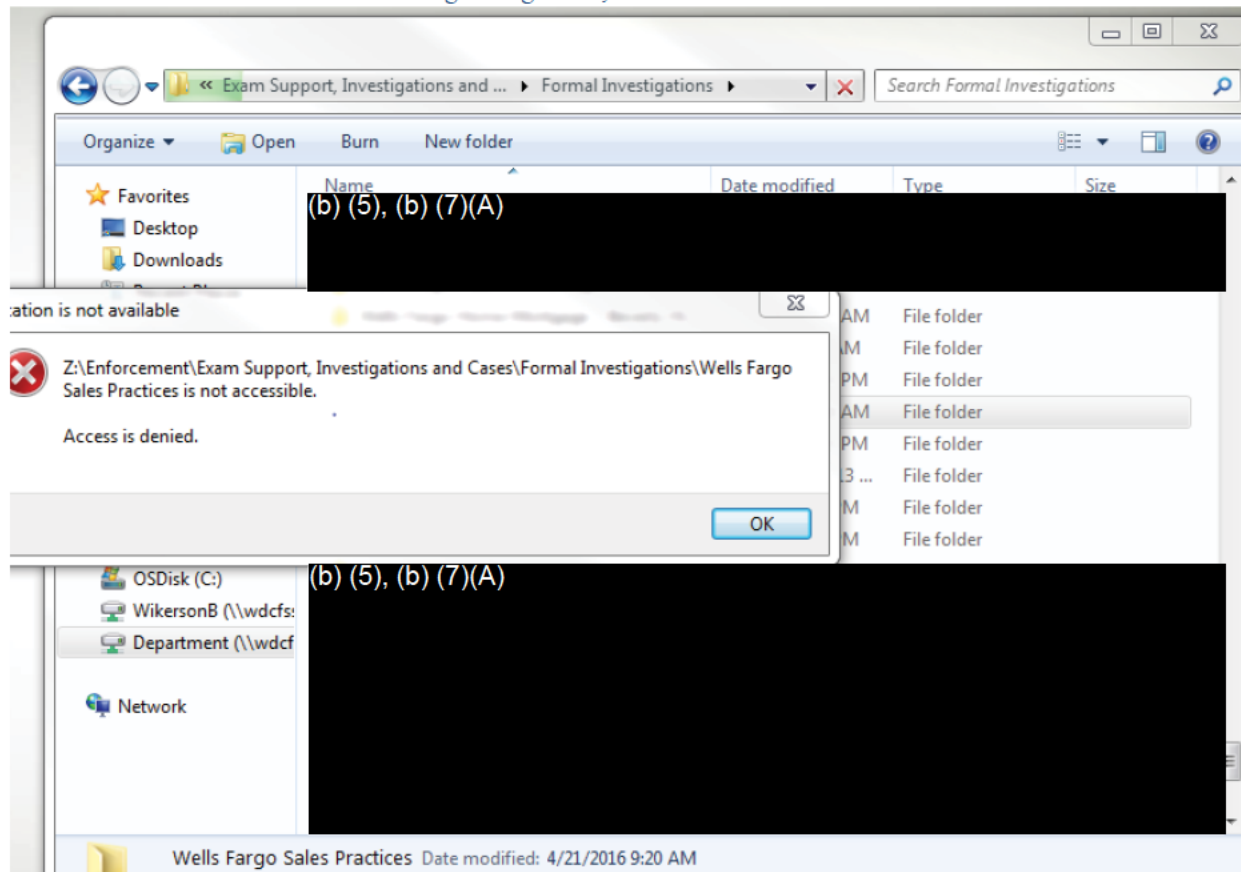
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Wilkerson, Antoninette (CFPB)
Sent: Monday, May 23, 2016 10:01 AM
To: Brown, Lawrence (CFPB); Ledbetter, Roshonda
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Jeschke, Richard (Aaron) (CFPB)
Subject: RE: Wells: Assistance making 5 briefing binders

Ok. I am getting a message that I don't have access.

I added Aaron on this email to see if I can get it right away.



From: Brown, Lawrence (CFPB)

Sent: Monday, May 23, 2016 9:56 AM
To: Wilkerson, Antoninette (CFPB); Ledbetter, Roshonda
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Assistance making 5 briefing binders

Hi Toni and Roshonda,

Can you both assist with creating binders today? I will need 5 binders containing the documents at the path below. Each of the documents should be separated by tab. I named each document by tab numbers so you know which order to print and place the documents in each binder.

(b) (7)(E)

Please deliver a finished binder to Leanne (may have to rope in Darcie), Barry (Roshonda can deliver), Natalie (Roshonda can deliver), Jeff Ehrlich (Toni can deliver) and myself (Toni please just put in my chair) by COB today. Please contact Barry and Leanne with any questions (b) (6)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Current draft of the order
Date: Wednesday, August 24, 2016 11:42:54 AM

Thanks

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, August 24, 2016 11:42 AM
To: Reiferson, Barry (CFPB)
Subject: Re: Wells: Current draft of the order

Sent this to John
This message was sent from my Blackberry. Please excuse my typos.

From: Reiferson, Barry (CFPB)
Sent: Wednesday, August 24, 2016 10:55 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells: Current draft of the order

(b) (5)



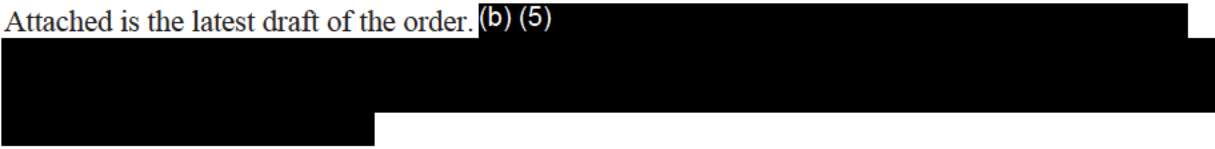
Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Wednesday, August 24, 2016 10:53 AM
To: Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Current draft of the order

John,

Attached is the latest draft of the order. (b) (5)



Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells: Draft consent order (passing to Barry and Leanne gets the last edit)
Date: Wednesday, July 06, 2016 6:40:06 PM

Thanks, Lawrence. Barry has passed it along to me, and I plan to review before leaving today (or tonight, as the case might be). If for some reason that doesn't happen, I'll let you know – otherwise, expect edits from us when you come in tomorrow morning.

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, July 06, 2016 3:39 PM
To: Reiferson, Barry (CFPB)
Cc: Hartmann, Leanne (CFPB)
Subject: RE: Wells: Draft consent order (passing to Barry and Leanne gets the last edit)

(b) (7)(A) I'll wait until noon EST tomorrow wait for any edits or comments. If I don't receive any, (b) (5) send up to Jeff and John to keep the train moving.

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Reiferson, Barry (CFPB)
Sent: Wednesday, July 06, 2016 3:07 PM
To: Brown, Lawrence (CFPB)
Cc: Hartmann, Leanne (CFPB)
Subject: RE: Wells: Draft consent order (passing to Barry and Leanne gets the last edit)

Will try later. (b) (7)(A) (b) (5)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to

waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, July 06, 2016 2:25 PM
To: Reiferson, Barry (CFPB)
Cc: Hartmann, Leanne (CFPB)
Subject: Wells: Draft consent order (passing to Barry and Leanne gets the last edit)

Barry,

Attached please find the current draft of the consent order. After you provide edits and comments, then please forward it on to Leanne for her review. (b) (5)

Leanne,

Please feel free to send it to John when you are finished. I will not need to see it again, but if you want me to look at it again, I am happy to do so.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Mobile: (b) (6)
Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Wells, John \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells: Updated Consent Order
Date: Thursday, August 25, 2016 11:12:40 AM
Attachments: [Compare 5--DRAFT Consent Order---ipe.doc](#)

I made a few minor edits (b) (5)

Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Thursday, August 25, 2016 10:19 AM
To: Ehrlich, Jeffrey (CFPB)
Cc: Wells, John (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: Updated Consent Order

Jeff,

Attached for your review and approval is the current draft of the order reflecting all potentially acceptable changes to the order. (b) (5)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: updated mod letter
Date: Thursday, July 14, 2016 1:31:20 PM

(b) (5)

[REDACTED]

I agree it may make sense to talk to John about this as well. I'm available most of today except for the next 30 minutes and 4:30-5pm Eastern.

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From: Brown, Lawrence (CFPB)
Sent: Thursday, July 14, 2016 10:29 AM
To: Hartmann, Leanne (CFPB)
Subject: RE: Wells: updated mod letter

(b) (5)

[REDACTED]

[REDACTED] Ultimately, I think we should meet with John (b) (5)

[REDACTED]

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Hartmann, Leanne (CFPB)
Sent: Thursday, July 14, 2016 12:54 PM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells: updated mod letter

Yes. I took a look and can edit accordingly if you'd like. (b) (5)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Can turn to it in about a half hour.

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the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Thursday, July 14, 2016 7:50 AM
To: Hartmann, Leanne (CFPB)
Subject: FW: Wells: updated mod letter

Hi Leanne,

See feedback from John. (b) (5)



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Enforcement Attorney

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Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Wells, John (CFPB)
Sent: Wednesday, July 13, 2016 5:50 PM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells: updated mod letter

Hey LB –

Thanks for pulling this together. I talked to Jeff about it. (b) (5)



John Wells
Office of Enforcement
Consumer Financial Protection Bureau

202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, July 12, 2016 2:25 PM
To: Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: updated mod letter

John,

I missed an edit from Barry in the last version of the mod letter that I sent to you. Please edit the attached version instead.

Barry,

Let John know if you had any other edits.

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: WFSP: Draft Order
Date: Wednesday, July 20, 2016 12:03:03 PM
Attachments: [FOR SKADDEN--20160719 WFSP Draft Consent Order \(BER comments\) jw.doc](#)

A few edits in response to Barry's comments, and a few additional ones. In particular,

(b) (5)



Thanks!

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, July 20, 2016 11:14 AM
To: Wells, John (CFPB)
Subject: FW: WFSP: Draft Order

John,

Barry had two comments—see attached. Let me know if any revisions need to be made to address his comments.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Reiferson, Barry (CFPB)
Sent: Wednesday, July 20, 2016 11:06 AM
To: Brown, Lawrence (CFPB)
Subject: RE: WFSP: Draft Order

Barry Reiferson

Enforcement Attorney

Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, July 20, 2016 8:47 AM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: WFSP: Draft Order

Team,

Attached is the current version of the order. (b) (5)

Thanks,

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

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Mobile: (202) 431-6268

Fax: (202) 435-7722

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Lawrence Brown

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Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Naylor, Jonathan \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Fw:
Date: Tuesday, September 20, 2016 2:55:29 PM

http://www.huffingtonpost.com/entry/elizabeth-warren-john-stumpf-wells-fargo_us_57e1591ee4b04a1497b6caae

----- Original Message -----

From: Naylor, Jonathan (CFPB)
Sent: Tuesday, September 20, 2016 02:27 PM Eastern Standard Time
To: Brown, Lawrence (CFPB)
Subject: RE:

E Warren brings it.

-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Tuesday, September 20, 2016 11:26 AM
To: Naylor, Jonathan (CFPB)
Subject: RE:

That was an incredible hearing and what a line!

Lawrence D. Brown
Enforcement Attorney

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

-----Original Message-----

From: Naylor, Jonathan (CFPB)
Sent: Tuesday, September 20, 2016 1:40 PM
To: Brown, Lawrence (CFPB)
Subject:

Best line "Not Gonna Leash This Watchdog!"

From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: WFSP: DRAFT Stip and Consent Order
Date: Wednesday, July 06, 2016 12:07:30 PM
Attachments: [SEND FOR REVIEW--20160701 DRAFT Consent Order \(2\) +ber \(2\)---JPE_jw.doc](#)

Attached is the draft order with comments and edits from me and Jeff. Most of these are likely self-explanatory. (b) (5)

(b) (5)

(b) (5)

Obviously open to suggestions on

how that should look as well.

Please take a look at these and incorporate or modify as appropriate. Jeff and I will take one more quick look and then we can get it to the Lit Review Box and Legal to keep this moving. Thanks for the good, quick work on this!

John

-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Friday, July 01, 2016 2:58 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: WFSP: DRAFT Stip and Consent Order

Jeff and John,

Attached for review please find the first drafts of the stip and consent order. These documents were created using the latest template. You will see some comments where we you're your guidance. (b) (5), (b) (8)

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

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Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: Re: 2016-CFPB-0015, 2 PDFs Attached
Date: Thursday, September 08, 2016 11:17:08 AM

We're here.

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Brown, Lawrence (CFPB)
Sent: Thursday, September 8, 2016 11:12 AM
To: Wells, John (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: Re: 2016-CFPB-0015, 2 PDFs Attached

10-4. Downstairs in lobby

This message was sent from my Blackberry. Please excuse my typos.

From: Wells, John (CFPB)
Sent: Thursday, September 08, 2016 11:08 AM
To: Brown, Lawrence (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: RE: 2016-CFPB-0015, 2 PDFs Attached

(But don't send yet.)

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Wells, John (CFPB)
Sent: Thursday, September 08, 2016 11:07 AM
To: Brown, Lawrence (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: RE: 2016-CFPB-0015, 2 PDFs Attached

Press release still pending finalization. But here are the two file-stamped pdfs.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Thursday, September 08, 2016 10:51 AM
To: Wells, John (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: RE: 2016-CFPB-0015, 2 PDFs Attached

I will bring my computer with me to NOMA so that I can forward the materials once you both say it's ok.

Lawrence D. Brown
Enforcement Attorney

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Lawrence Brown
1625 Eye Street, NW
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Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Wells, John (CFPB)
Sent: Thursday, September 08, 2016 10:03 AM
To: Brown, Lawrence (CFPB); Ehrlich, Jeffrey (CFPB)
Subject: FW: 2016-CFPB-0015, 2 PDFs Attached

Here's the filed copy of the order and stip. We can't share this and the final press release with the bank yet, but will be able to shortly before the announcement.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to

waive any privileges.

From: CFPB_Executive Secretary
Sent: Thursday, September 08, 2016 9:12 AM
To: Kirby, Christine (CFPB); Zayas, Alexis "Ali" (CFPB); Morgan, Jameelah (Contractor)(CFPB); CFPB_digital; Simpson, Sarah (Contractor)(CFPB); Boison, Elizabeth (CFPB); Fulton, Kate (CFPB); Harper, Morgan (CFPB); Howard, Jennifer (CFPB); Eskola, David (CFPB); Turner, Austin (Detailee)(CFPB); Williams, Monique (CFPB); Pearl, Joanna (CFPB); Chieco, Gena (CFPB); Ehrlich, Jeffrey (CFPB); Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Wells, John (CFPB); Brown, Lawrence (CFPB); Mayorga, David (CFPB); Dohn, Kristin (CFPB)
Subject: FW: 2016-CFPB-0015, 2 PDFs Attached

FYI – Exec Sec has filed the attached documents with OAA.

From: CFPB_Executive Secretary
Sent: Thursday, September 08, 2016 9:10 AM
To: CFPB_Electronic_Filings
Cc: CFPB_Executive Secretary
Subject: 2016-CFPB-0015, 2 PDFs Attached

1. 2 PDF files are attached
2. 1 document in each attachment
3. 2016-CFPB-0015–Wells Fargo Bank, NA–Consent Order; 2016-CFPB-0015–Wells Fargo Bank, NA–Stipulation
4. Not encrypted
5. Marisa B. Van Saanen
Marisa.Vansaanen@skadden.com
(202) 371-7228
Darren Welch
Darren.Welch@skadden.com
(202) 371-7804
Anand Raman
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Leanne Hartmann

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Consumer Financial Protection Bureau

1700 G St NW

Washington, DC 20552

6. Gena Chieco, Office of the Executive Secretary, CFPB

gena.chieco@cfpb.gov

(202) 435-9804

Consumer Financial Protection Bureau

1700 G Street NW

Washington, DC 20552

**UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU**

ADMINISTRATIVE PROCEEDING

2016-CFPB-0015

In the Matter of:

WELLS FARGO BANK, N.A.

CONSENT ORDER

The Consumer Financial Protection Bureau (Bureau) has reviewed the sales practices of Wells Fargo Bank, N.A. (Respondent, as defined below) and determined that it has engaged in the following acts and practices: (1) opened unauthorized deposit accounts for existing customers and transferred funds to those accounts from their owners' other accounts, all without their customers' knowledge or consent; (2) submitted applications for credit cards in consumers' names using consumers' information without their knowledge or consent; (3) enrolled consumers in online-banking services that they did not request; and (4) ordered and activated debit cards using consumers' information without their knowledge or consent. The Bureau has concluded that such acts violate §§ 1031 and 1036(a)(1)(B) of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5531 and 5536(a)(1)(B). Under §§ 1053 and 1055 of CFPA, 12 U.S.C. §§ 5563, 5565, the Bureau issues this Consent Order (Consent Order).

I Jurisdiction

1. The Bureau has jurisdiction over this matter under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565.

II Stipulation

2. Respondent has executed a “Stipulation and Consent to the Issuance of a Consent Order” (Stipulation), which is incorporated by reference and is accepted by the Bureau. By this Stipulation, Respondent has consented to the issuance of this Consent Order by the Bureau under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565, without admitting or denying the findings of facts and conclusions of law, except that Respondent admits the facts necessary to establish the Bureau’s jurisdiction over Respondent and the subject matter of this action.

III Definitions

3. The following definitions apply to this Consent Order:
- a. **“Affected Consumers”** means any consumer subjected to any of the Improper Sales Practices.
 - b. **“Board”** means Respondent’s duly-elected and acting Board of Directors.
 - c. **“California Enforcement Action”** means the lawsuit styled *People v. Wells Fargo & Co., et al.*, Los Angeles Superior Court, Case No. BC580778, filed by the Office of the Los Angeles City Attorney.
 - d. **“Community Bank Regional Bank Branch Network”** means the Respondent’s retail-branch operations within Respondent’s Regional Bank group.

e. **“Effective Date”** means the date on which this Order is issued.

f. **“Improper Sales Practices”** means any of the following in the Community Bank Regional Bank Branch Network:

- (1) opening any account without the consumer’s consent;
- (2) transferring funds between a consumer’s accounts without the consumer’s consent;
- (3) applying for any credit card without the consumer’s consent;
- (4) issuing any debit card without the consumer’s consent; and
- (5) enrolling any consumer in online-banking services without the consumer’s consent.

g. **“Los Angeles City Attorney”** means the Office of the Los Angeles City Attorney.

h. **“Regional Director”** means the Regional Director for the West Region for the Office of Supervision for the Consumer Financial Protection Bureau, or his/her delegate.

i. **“Related Consumer Action”** means a private action by or on behalf of one or more consumers or an enforcement action by a governmental agency other than the California Enforcement Action, brought against Respondent based on substantially the same facts as described in Section IV of this Consent Order.

j. **“Relevant Period”** includes the period from January 1, 2011, to the Effective Date.

k. **“Respondent”** means Wells Fargo Bank, N.A. and its successors and assigns.

IV Bureau Findings and Conclusions

The Bureau finds the following:

4. Respondent is a national bank headquartered in Sioux Falls, South Dakota. Respondent is an insured depository institution with assets greater than \$10 billion within the meaning of 12 U.S.C. § 5515(a).
5. Respondent is a “covered person” under 12 U.S.C. § 5481(6).
6. During the Relevant Period, Respondent offered a broad array of consumer financial products and services, including mortgages, savings and checking accounts, credit cards, debit and ATM cards, and online-banking services.
7. Respondent sought to distinguish itself in the marketplace as a leader in “cross-selling” banking products and services to its existing customers.
8. Respondent set sales goals and implemented sales incentives, including an incentive-compensation program, in part to increase the number of banking products and services that its employees sold to its customers.
9. Thousands of Respondent’s employees engaged in Improper Sales Practices to satisfy sales goals and earn financial rewards under Respondent’s incentive-compensation program. During the Relevant Period, Respondent terminated roughly 5,300 employees for engaging in Improper Sales Practices.
10. Respondent’s employees engaged in “simulated funding.” To qualify for incentives that rewarded bankers for opening new accounts that were funded shortly after opening, Respondent’s employees opened deposit accounts without consumers’ knowledge or consent and then transferred funds from consumers’ authorized accounts

to temporarily fund the unauthorized accounts in a manner sufficient for the employee to obtain credit under the incentive-compensation program.

11. Respondent's employees submitted applications for and obtained credit cards for consumers without the consumers' knowledge or consent.

12. Respondent's employees used email addresses not belonging to consumers to enroll consumers in online-banking services without their knowledge or consent.

13. Respondent's employees requested debit cards and created personal identification numbers (PINs) to activate them without the consumer's knowledge or consent.

14. During the Relevant Period, Respondent's employees opened hundreds of thousands of unauthorized deposit accounts and applied for tens of thousands of credit cards for consumers without consumers' knowledge or consent.

15. Respondent has performed an analysis to assess the scope of Improper Sales Practices that occurred between May 2011 and July 2015, including the number of potential instances of such practices.

Findings and Conclusions as to Unauthorized Deposit Accounts & Simulated Funding

16. Respondent's analysis concluded that its employees opened 1,534,280 deposit accounts that may not have been authorized and that may have been funded through simulated funding, or transferring funds from consumers' existing accounts without their knowledge or consent. That analysis determined that roughly 85,000 of those accounts incurred about \$2 million in fees, which Respondent is in the process of refunding. The fees included overdraft fees on linked accounts the consumers already

had, monthly service fees imposed for failure to keep a minimum balance in the unauthorized account, and other fees.

17. Section 1036(a)(1)(B) of the CFPA prohibits “unfair” acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is unfair if it causes or is likely to cause consumers substantial injury that is not reasonably avoidable and is not outweighed by countervailing benefits to consumers or to competition. 12 U.S.C. § 5531(c)(1).

18. By opening unauthorized deposit accounts and engaging in acts of simulated funding, Respondent caused and was likely to cause substantial injury to consumers that was not reasonably avoidable, because it occurred without consumers’ knowledge, and was not outweighed by countervailing benefits to consumers or to competition.

19. Section 1036(a)(1)(B) of the CFPA prohibits “abusive” acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is abusive if it materially interferes with the ability of a consumer to understand a term or condition of a consumer financial product or service. 12 U.S.C. § 5531(d)(1). Additionally, an act or practice is abusive if it takes unreasonable advantage of the inability of the consumer to protect his or her interests in selecting or using a consumer financial product or service. 12 U.S.C. § 5531(d)(2)(B).

20. Respondent’s acts of opening unauthorized deposit accounts and engaging in simulated funding materially interfered with the ability of consumers to understand a term or condition of a consumer financial product or service, as they had no or limited knowledge of those terms and conditions, including associated fees.

21. Additionally, Respondent’s acts of opening unauthorized deposit accounts and engaging in simulated funding took unreasonable advantage of consumers’ inability

to protect their interests in selecting or using consumer financial products or services, including interests in having an account opened only after affirmative agreement, protecting themselves from security and other risks, and avoiding associated fees.

22. Therefore, Respondent engaged in “unfair” and “abusive” acts or practices that violate §§ 1031(c)(1), (d)(1), (d)(2)(B), and 1036(a)(1)(B) of the CFPA. 12 U.S.C. §§ 5531(c)(1), (d)(1), (d)(2)(B), 5536(a)(1)(B).

Findings and Conclusions as to Unauthorized Credit Cards

23. Respondent’s analysis concluded that its employees submitted applications for 565,443 credit-card accounts that may not have been authorized by using consumers’ information without their knowledge or consent. That analysis determined that roughly 14,000 of those accounts incurred \$403,145 in fees, which Respondent is in the process of refunding. Fees incurred by consumers on such accounts included annual fees and overdraft-protection fees, as well as associated finance or interest charges and other late fees.

24. Section 1036(a)(1)(B) of the CFPA prohibits “unfair” acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is unfair if it causes or is likely to cause consumers substantial injury that is not reasonably avoidable and is not outweighed by countervailing benefits to consumers or to competition. 12 U.S.C. § 5531(c)(1).

25. By applying for and opening credit-card accounts using consumers’ information without their knowledge or consent, Respondent caused and was likely to cause substantial injury that was not reasonably avoidable, because it occurred without consumers’ knowledge, and was not outweighed by countervailing benefits to consumers or competition.

26. Section 1036(a)(1)(B) of the CFPA prohibits “abusive” acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is abusive if it materially interferes with the ability of a consumer to understand a term or condition of a consumer financial product or service. 12 U.S.C. § 5531(d)(1). Additionally, an act or practice is abusive if it takes unreasonable advantage of the consumer’s inability to protect his or her interests in selecting or using a consumer financial product or service. 12 U.S.C. § 5531(d)(2)(B).

27. Respondent’s acts of opening credit-card accounts using consumers’ information without their knowledge or consent materially interfered with the ability of consumers to understand a term or condition of a consumer financial product or service, as they had no or limited knowledge of those terms and conditions, including associated fees.

28. Additionally, Respondent’s acts of opening credit-card accounts using consumers’ information without their knowledge or consent took unreasonable advantage of the consumers’ inability to protect their interests in selecting or using a consumer financial product or service.

29. Therefore, Respondent engaged in “unfair” and “abusive” acts or practices that violate §§ 1031(c)(1), (d)(1), (d)(2)(B), and 1036(a)(1)(B) of the CFPA. 12 U.S.C. §§ 5531(c)(1), (d)(1), (d)(2)(B), 5536(a)(1)(B).

Findings and Conclusions as to Unauthorized Enrollment into Online-Banking Services

30. During the Relevant Period, Respondent’s employees used email addresses not belonging to consumers to enroll consumers in online-banking services without their knowledge or consent.

31. Section 1036(a)(1)(B) of the CFPA prohibits “abusive” acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is abusive if it takes unreasonable advantage of the consumer’s inability to protect his or her interests in selecting or using a consumer financial product or service. 12 U.S.C. § 5531(d)(2)(B).

32. Respondent’s acts of enrolling consumers in online-banking services without their knowledge or consent took unreasonable advantage of consumers’ inability to protect their interests in selecting or using a consumer financial product or service, including interests in having these products or services activated only after affirmative agreement and protecting themselves from security and other risks.

33. Therefore, Respondent engaged in “abusive” acts or practices that violate §§ 1031(d)(2)(B) and 1036(a)(1)(B) of the CFPA. 12 U.S.C. §§ 5531(d)(2)(B), 5536(a)(1)(B).

Findings and Conclusions as to Unauthorized Debit Cards

34. During the relevant period, Respondent’s employees requested debit cards and created PINs to activate them without consumers’ knowledge or consent.

35. Section 1036(a)(1)(B) of the CFPA prohibits “abusive” acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is abusive if it takes unreasonable advantage of the consumer’s inability to protect his or her interests in selecting or using a consumer financial product or service. 12 U.S.C. § 5531(d)(2)(B).

36. Respondent’s acts of issuing debit cards to consumers without their knowledge or consent took unreasonable advantage of consumers’ inability to protect their interests in selecting or using a consumer financial product or service. 12 U.S.C. § 5531(d)(2)(B).

37. Therefore, Respondent engaged in “abusive” acts that violate §§ 1031(d)(2)(B) and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531(d)(2)(B), 5536(a)(1)(B).

ORDER

V Conduct Provisions

IT IS ORDERED, under §§ 1053 and 1055 of the CFPA, that:

38. Respondent and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, may not violate §§ 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536, by engaging in Improper Sales Practices.

VI Independent Consultant’s Report and Compliance Plan

IT IS FURTHER ORDERED that:

39. Within 45 days of the Effective Date, Respondent must select an independent consultant with specialized experience in consumer-finance-compliance issues to conduct an independent review of Respondent’s sales practices within the Community Bank Regional Bank Branch Network related to deposit accounts, credit-card accounts, unsecured lines of credit, and related products and services (Independent Consultant’s Review). Respondent must submit the name of the independent consultant to the Regional Director for non-objection. Upon receipt of non-objection from the Regional Director, the Bank must retain the independent consultant. The Independent Consultant’s Review must assess whether Respondent’s current policies and procedures are reasonably designed to ensure that Respondent’s sales practices comply with all applicable Federal consumer financial laws as defined in 12 U.S.C. § 5481(14), and that Respondent’s employees do not engage in Improper Sales Practices.

40. The Independent Consultant's Review must include but will not be limited to:

a. whether Respondent's employees are required to undergo training reasonably designed to prevent Improper Sales Practices and other sales-integrity violations; whether such training is adequate, complete, and timely updated, provided when employees join Respondent, and repeated at sufficient recurring intervals during their employment to reinforce such training; whether training records are complete, accurate and adequate; and whether employees are informed of an obligation to report all sales-integrity issues internally through an "ethics hotline" or similar mechanism;

b. whether Respondent's monitoring policies and procedures ensure that Respondent monitors employees' sales practices proactively, and that Respondent devotes sufficient personnel and resources to monitor those practices appropriately;

c. whether Respondent has adequate policies and procedures for (i) receiving, retaining, and addressing consumer inquiries or complaints; (ii) receiving, retaining, and addressing employee allegations of Improper Sales Practices or any other allegations of sales-integrity violations; (iii) tracking and addressing indicators of potential Improper Sales Practices or any other sales-integrity violations; and (iv) identifying and remediating consumers for Improper Sales Practices or other sales-integrity violations identified after the Effective Date, as well as for correcting any related systemic issues identified after the Effective Date;

d. whether Respondent's policies and procedures related to sales of deposit accounts, credit cards, unsecured lines of credit, and related products and services are reasonably designed to ensure consumer consent is obtained before any such product is sold or issued to a consumer. The Independent Consultant's Review

must include, but not be limited to, whether Respondent has adequate policies and procedures for capturing and retaining consumer signatures and other evidence of consent for such products and services, for providing a grace period before assessing fees on any deposit account, and for closing accounts in which there is no customer-initiated activity during the grace period without assessing fees; and

e. whether Respondent's performance-management and sales goals for its employees are consistent with the objective of preventing Improper Sales Practices and other sales-integrity violations.

41. Within 180 days of the retention of the independent consultant, the independent consultant must prepare a written report (Independent Consultant's Report) detailing the findings of the review and provide the Independent Consultant's Report to the Board or a committee thereof.

42. Within 90 days of receiving the Independent Consultant's Report, the Board or a committee thereof must:

a. In consultation with the independent consultant, develop a plan (Compliance Plan) to: (i) correct any deficiencies identified, and (ii) implement any recommendations or explain in writing why a particular recommendation is not being implemented; and

b. submit the Independent Consultant's Report and the Compliance Plan to the Regional Director.

43. The Regional Director may, in his or her discretion, make a determination of non-objection to the Compliance Plan or direct Respondent to revise it. If the Regional Director directs Respondent to revise the Compliance Plan, the Board or a committee thereof must make the requested revisions to the Compliance Plan, have the

independent consultant review the revised Compliance Plan for adequacy, accuracy, effectiveness, and completeness, and resubmit the revised Compliance Plan and the independent consultant's review of the revised Compliance Plan to the Regional Director within 60 days of the date that the Regional Director directs the Company to revise the Compliance Plan. The Regional Director may, in his or her discretion, consult with the Los Angeles City Attorney in arriving at a determination of non-objection to the Compliance Plan or direction to Respondent to revise the Compliance Plan.

44. After receiving notification that the Regional Director has made a determination of non-objection to the Compliance Plan, Respondent must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Compliance Plan and have the independent consultant review and assess compliance with the Compliance Plan and validate that the Compliance Plan has been properly executed; the results of such review should be submitted to the Regional Director within 30 days after completion.

VII Role of the Board

IT IS FURTHER ORDERED that:

45. The Board or a committee thereof must review all submissions (including plans, reports, programs, policies, and procedures) required by this Consent Order before submission to the Bureau.

46. Although this Consent Order requires Respondent to submit certain documents for the review or non-objection by the Regional Director, the Board will have the ultimate responsibility for proper and sound management of Respondent and for

ensuring that Respondent complies with Federal consumer financial law and this Consent Order.

47. In each instance that this Consent Order requires the Board or a committee thereof to ensure adherence to, or perform certain obligations of Respondent, the Board or a committee thereof must:

- a. authorize whatever actions are necessary for Respondent to fully comply with the Consent Order;
- b. require timely reporting by management to the Board or a committee thereof on the status of compliance obligations; and
- c. require timely and appropriate corrective action to remedy any material non-compliance with any failures to comply with directives from the Board or a committee thereof related to this Section.

VIII Order to Pay Redress

IT IS FURTHER ORDERED that:

48. Respondent has retained the services of an independent third-party consulting firm (which is not the independent consultant referred to in Section VI) to identify consumers who have incurred fees or other charges as a result of Improper Sales Practices.

49. Within 10 days of the Effective Date, Respondent must reserve or deposit into a segregated deposit account an amount not less than \$5 million, for the purpose of providing redress to Affected Consumers as required by this Section.

50. Within 90 days of the Effective Date, Respondent must submit to the Regional Director for review and non-objection the comprehensive written plan for

providing redress consistent with this Consent Order (Redress Plan). The Regional Director may, in his or her discretion, make a determination of non-objection to the Redress Plan or direct Respondent to revise it. If the Regional Director directs Respondent to revise the Redress Plan, Respondent must make the revisions and resubmit the Redress Plan to the Regional Director within 45 days. After receiving notification that the Regional Director has made a determination of non-objection to the Redress Plan, Respondent must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Redress Plan.

51. The Redress Plan must:

- a. identify all Affected Consumers, except insofar as it is impracticable to do so, as well as the types and amounts of any fees or charges incurred by Affected Consumers as a result of the Improper Sales Practices, and state the means by which Affected Consumers have been identified and by which the fees or charges they incurred have been calculated;
- b. describe procedures by which Respondent will notify Affected Consumers who were subject to any of the Improper Sales Practices described in paragraph 3.f of this Order, including the form of the notification such consumers will receive;
- c. describe the process for providing redress to Affected Consumers and identify the dollar amount of redress for each category of Affected Consumers;
- d. detail how Respondent will locate Affected Consumers for payment of redress, and the steps Respondent will take with respect to consumers whose redress payments are returned as undeliverable or not cashed within a prescribed time period;

e. state the manner in which redress will be provided to each such Affected Consumer, and the form of redress; and

f. provide the form of the letter or notice that will be sent to such Affected Consumers notifying them of the redress.

52. Within 120 days after completing the Redress Plan, Respondent's Internal Audit department must review and assess compliance with the terms of the Redress Plan (Redress Plan Review) and validate that the Redress Plan has been properly executed.

53. Within 30 days after completion of the Redress Plan Review, Respondent must prepare and submit to the Regional Director a report summarizing the results of the Redress Plan Review.

54. After completing the Redress Plan, if the amount of redress provided to Affected Consumers is less than \$5 million, Respondent may recoup any remaining funds up to the amount Respondent paid to Affected Consumers before the submission of the Redress Plan as redress for fees or charges those Affected Consumers incurred as a result of the Improper Sales Practices. Respondent must, within 30 days of the completion of the Redress Plan, pay to the Bureau, by wire transfer to the Bureau or to the Bureau's agent and according to the Bureau's wiring instructions, any remaining funds not recouped by Respondent under this paragraph.

55. The Bureau may use these remaining funds to pay additional redress to Affected Consumers. Upon receiving a written request from Respondent, the Bureau may provide Respondent with information concerning additional redress. If the Bureau determines, in its sole discretion, that additional redress is wholly or partially impracticable or otherwise inappropriate, or if funds remain after the additional redress

is completed, the Bureau will deposit any remaining funds in the U.S. Treasury as disgorgement. Respondent will have no right to challenge any actions that the Bureau or its representatives may take under this Section.

56. Respondent may not condition the payment of any redress to any Affected Consumer under this Order on that Affected Consumer waiving any right.

IX Order to Pay Civil Money Penalties

IT IS FURTHER ORDERED that:

57. Under § 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the violations of law described in Section IV of this Consent Order, and taking into account the factors in 12 U.S.C. § 5565(c)(3), Respondent must pay a civil money penalty of \$100 million to the Bureau.

58. Within 10 days of the Effective Date, Respondent must pay the civil money penalty by wire transfer to the Bureau or to the Bureau's agent in compliance with the Bureau's wiring instructions.

59. The civil money penalty paid under this Consent Order will be deposited in the Civil Penalty Fund of the Bureau as required by § 1017(d) of the CFPA, 12 U.S.C. § 5497(d).

60. Respondent must treat the civil money penalty paid under this Consent Order as a penalty paid to the government for all purposes. Regardless of how the Bureau ultimately uses those funds, Respondent may not:

a. claim, assert, or apply for a tax deduction, tax credit, or any other tax benefit for any civil money penalty paid under this Consent Order; or

b. seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made under any insurance policy, with regard to any civil money penalty paid under this Consent Order.

61. To preserve the deterrent effect of any civil money penalty in the California Enforcement Action or any Related Consumer Action, Respondent may not argue that Respondent is entitled to, nor may Respondent benefit by, any offset or reduction of any compensatory monetary remedies imposed in the California Enforcement Action or any Related Consumer Action because of the civil money penalty paid in this action (Penalty Offset). If the court in the California Enforcement Action or any Related Consumer Action grants such a Penalty Offset, Respondent must, within 30 days after entry of a final order granting the Penalty Offset, notify the Bureau, and pay the amount of the Penalty Offset to the U.S. Treasury. Such a payment will not be considered an additional civil money penalty and will not change the amount of the civil money penalty imposed in this action.

X Additional Monetary Provisions

IT IS FURTHER ORDERED that:

62. In the event of any default on Respondent's obligations to make payment under this Consent Order, interest, computed under 28 U.S.C. § 1961, as amended, will accrue on any outstanding amounts not paid from the date of default to the date of payment, and will immediately become due and payable.

63. Respondent must relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law and no part of the funds may be returned to Respondent.

64. Under 31 U.S.C. § 7701, Respondent, unless it already has done so, must furnish to the Bureau its taxpayer identifying numbers, which may be used for purposes of collecting and reporting on any delinquent amount arising out of this Consent Order.

65. Within 30 days of the entry of a final judgment, consent order, or settlement in the California Enforcement Action or any Related Consumer Action, Respondent must notify the Regional Director of the final judgment, consent order, or settlement in writing. That notification must indicate the amount of redress, if any, that Respondent paid or is required to pay to consumers and describe the consumers or classes of consumers to whom that redress has been or will be paid.

XI Reporting Requirements

IT IS FURTHER ORDERED that:

66. Respondent must notify the Bureau of any development that may affect compliance obligations arising under this Consent Order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Consent Order; the filing of any bankruptcy or insolvency proceeding by or against Respondent; or a change in Respondent's name or address. Respondent must provide this notice, if practicable, at least 30 days before the development, but in any case no later than 14 days after the development.

67. Within 7 days of the Effective Date, Respondent must designate at least one telephone number and email, physical, and postal address as points of contact, which the Bureau may use to communicate with Respondent.

68. Respondent must report any change in the information required to be submitted under Paragraph 67 at least 30 days before the change or as soon as practicable after the learning about the change, whichever is sooner.

69. Within 90 days of the Effective Date, and again at least semi-annually until the actions under this Consent Order have been completed, Respondent must submit to the Regional Director an accurate written compliance progress report (Compliance Report) that has been approved by the Board or a committee thereof, which, at a minimum:

- a. describes in detail the manner and form in which Respondent has complied with this Order;
- b. separately lists each corrective action required by this Consent Order, the Compliance Plan, and the Redress Plan;
- c. Describes the current status of each corrective action taken and the required, actual, and anticipated completion date for each corrective action; and
- d. attaches a copy of each Order Acknowledgment obtained under Section XII, unless previously submitted to the Bureau.

XII Order Distribution and Acknowledgment

IT IS FURTHER ORDERED that,

70. Within 30 days of the Effective Date, Respondent must deliver a copy of this Consent Order to each of its board members and executive officers, as well as to any managers, employees, or other agents and representatives who have responsibilities related to the subject matter of the Consent Order.

71. For 5 years from the Effective Date, Respondent must deliver a copy of this Consent Order to any business entity resulting from any change in structure referred to in Section XI, any future board members and executive officers, as well as to any managers, employees, or other agents and representatives who will have responsibilities related to the subject matter of this Consent Order before they assume their responsibilities.

72. Respondent must secure a signed and dated statement acknowledging receipt of a copy of this Consent Order, ensuring that any electronic signatures comply with the requirements of the E-Sign Act, 15 U.S.C. § 7001 et seq., within 30 days of delivery, from all persons receiving a copy of this Consent Order under this Section.

XIII Recordkeeping

IT IS FURTHER ORDERED that

73. Respondent must create or, if already created, retain for at least 5 years from the Effective Date the following business records:

a. all documents and records necessary to demonstrate full compliance with each provision of this Consent Order, including all submissions to the Bureau.

b. all documents and records pertaining to the Redress Plan, described in Section VIII above.

74. Respondent must retain the documents identified in Paragraph 73 for the duration of the Consent Order.

75. Respondent must make the documents identified in Paragraph 73 available to the Bureau upon the Bureau's request.

XIV Notices

IT IS FURTHER ORDERED that:

76. Unless otherwise directed in writing by the Bureau, Respondent must provide all submissions, requests, communications, or other documents relating to this Consent Order in writing, with the subject line, “In re Wells Fargo Bank, N.A., File No. 2016-CFPB-0015,” and send them as follows:

- a. via email to WestRegion@cfpb.gov; and
- b. via overnight courier (not the U.S. Postal Service) as follows:

Regional Director, CFPB West Region, 301 Howard Street, 12th Floor, San Francisco, CA 94105.

XV Cooperation with the Bureau

IT IS FURTHER ORDERED that:

77. Respondent must cooperate fully to help the Bureau determine the identity and location of, and the amount of injury sustained by, each Affected Consumer. Respondent must provide such information in its or its agents’ possession or control within 14 days of receiving a written request from the Bureau.

78. Respondent must cooperate fully with the Bureau in this matter and in any investigation related to or associated with the conduct described in Section IV. Respondent must provide truthful and complete information, evidence, and testimony and Respondent must cause Respondent’s officers, employees, representatives, or agents to appear for interviews, discovery, hearings, trials, and any other proceedings that the Bureau may reasonably request upon 5 days written notice, or other reasonable

notice, at such places and times as the Bureau may designate, without the service of compulsory process.

XVI Compliance Monitoring

IT IS FURTHER ORDERED that, to monitor Respondent's compliance with this Consent Order:

79. Within 30 days of receipt of a written request from the Bureau, Respondent must submit additional Compliance Reports or other requested information, which must be made under penalty of perjury; provide sworn testimony; or produce documents.

80. Respondent must permit Bureau representatives to interview any employee or other person affiliated with Respondent who has agreed to such an interview. The person interviewed may have counsel present.

81. Nothing in this Consent Order will limit the Bureau's lawful use of civil investigative demands under 12 C.F.R. § 1080.6 or other compulsory process.

XVII Modifications to Non-Material Requirements

IT IS FURTHER ORDERED that:

82. Respondent may seek a modification to non-material requirements of this Consent Order (e.g., reasonable extensions of time and changes to reporting requirements) by submitting a written request to the Regional Director.

83. The Regional Director may, in his or her discretion, modify any non-material requirements of this Consent Order (e.g., reasonable extensions of time and changes to reporting requirements) if he or she determines that good cause justifies the modification. Any such modification by the Regional Director must be in writing.

XVIII

Administrative Provisions

84. The provisions of this Consent Order do not bar, estop, or otherwise prevent the Bureau, or any other governmental agency, from taking any other action against Respondent, except as described in Paragraph 85.

85. The Bureau releases and discharges Respondent from all potential liability for law violations that the Bureau has or might have asserted based on the practices described in Section IV of this Consent Order, to the extent such practices occurred before the Effective Date and the Bureau knows about them as of the Effective Date. The Bureau may use the practices described in this Consent Order in future enforcement actions against Respondent and its affiliates, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the Bureau to determine and ensure compliance with the Consent Order, or to seek penalties for any violations of the Consent Order.

86. This Consent Order is intended to be, and will be construed as, a final Consent Order issued under § 1053 of the CFPA, 12 U.S.C. § 5563, and expressly does not form, and may not be construed to form, a contract binding the Bureau or the United States.

87. This Consent Order will terminate 5 years from the Effective Date or 5 years from the most recent date that the Bureau initiates an action alleging any violation of the Consent Order by Respondent. If such action is dismissed or the relevant adjudicative body rules that Respondent did not violate any provision of the Consent Order, and the dismissal or ruling is either not appealed or upheld on appeal, then the

Consent Order will terminate as though the action had never been filed. The Consent Order will remain effective and enforceable until such time, except to the extent that any provisions of this Consent Order have been amended, suspended, waived, or terminated in writing by the Bureau or its designated agent.

88. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.

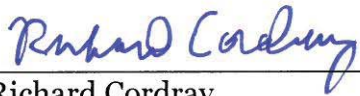
89. Should Respondent seek to transfer or assign all or part of its operations that are subject to this Consent Order, Respondent must, as a condition of sale, obtain the written agreement of the transferee or assignee to comply with all applicable provisions of this Consent Order.

90. The provisions of this Consent Order will be enforceable by the Bureau. For any violation of this Consent Order, the Bureau may seek to impose the maximum amount of civil money penalties allowed under § 1055(c) of the CFPA, 12 U.S.C. § 5565(c). In connection with any attempt by the Bureau to enforce this Consent Order in federal district court, the Bureau may serve Respondent wherever Respondent may be found and Respondent may not contest that court's personal jurisdiction over Respondent.

91. This Consent Order and the accompanying Stipulation contain the complete agreement between the parties. The parties have made no promises, representations, or warranties other than what is contained in this Consent Order and the accompanying Stipulation. This Consent Order and the accompanying Stipulation supersede any prior oral or written communications, discussions, or understandings.

92. Nothing in this Consent Order or the accompanying Stipulation may be construed as allowing Respondent, its Board, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED, this 4th day of September, 2016.



Richard Cordray
Director
Consumer Financial Protection Bureau

UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU

2016-CFPB-0015

**STIPULATION AND CONSENT
TO THE ISSUANCE OF
A CONSENT ORDER**

In the matter of:

WELLS FARGO BANK, N.A.

The Consumer Financial Protection Bureau (Bureau) intends to initiate an administrative proceeding against Wells Fargo Bank, N.A. (Respondent), under 12 U.S.C. §§ 5563 and 5565, for its sales practices violating the CFPB's prohibition on unfair, deceptive, or abusive acts or practices, 12 U.S.C. §§ 5531, 5536.

Respondent, in the interest of compliance and resolution of the matter consents to the issuance of a Consent Order substantially in the form of the one to which this Stipulation and Consent to the Issuance of a Consent Order is attached (Consent Order), and which is incorporated by reference.

In consideration of the above premises, Respondent agrees to the following:

Jurisdiction

1. The Bureau has jurisdiction over this matter under sections 1053 and 1055 of the Consumer Financial Protection Act (CFPA), 12 U.S.C. §§ 5563, 5565.

Consent

2. Respondent agrees to the issuance of the Consent Order, without admitting or denying any of the findings of fact or conclusions of law, except the facts necessary to establish the Bureau's jurisdiction over Respondent and the subject matter of this action.

3. Respondent agrees that the Consent Order will be deemed an "order issued with the consent of the person concerned" under 12 U.S.C. § 5563(b)(4), and agrees that the Order will become a final order, effective upon issuance, and will be fully enforceable by the Bureau under 12 U.S.C. §§ 5563(d)(1) and 5565.

4. Respondent voluntarily enters into this Stipulation and Consent to the Issuance of a Consent Order.

5. The Consent Order resolves only Respondent's potential liability for law violations that the Bureau asserted or might have asserted based on the practices described in Section IV of the Consent Order, to the extent such practices occurred before the Effective Date and the Bureau knows about them as of the Effective Date. Respondent acknowledges that no promise or representation has been made by the Bureau or any employee, agent, or representative of the Bureau, about any liability outside of this action that may have arisen or may arise from the facts underlying this action or immunity from any such liability.

6. Respondent agrees that the facts described in Section IV of the Consent Order will be taken as true and be given collateral estoppel effect, without further proof, in any proceeding before the Bureau to enforce the Consent Order, or in any subsequent civil litigation by the Bureau to enforce the Consent Order or its rights to any payment or monetary judgment under the Consent Order, such as a non-dischargeability complaint in any bankruptcy case.

7. The terms and provisions of this Stipulation and the Consent Order will be binding upon, and inure to the benefit of, the parties hereto and their successors in interest.

8. Respondent agrees that the Bureau may present the Consent Order to the Bureau Director for signature and entry without further notice.

Waivers

9. Respondent, by consenting to this Stipulation, waives:
- a. Any right to service of the Consent Order, and agrees that issuance of the Consent Order will constitute notice to the Respondent of its terms and conditions;
 - b. Any objection to the jurisdiction of the Bureau, including, without limitation, under section 1053 of the CFPA, 12 U.S.C. § 5563;
 - c. The rights to all hearings under the statutory provisions under which the proceeding is to be or has been instituted; the filing of proposed findings of fact and conclusions of law; proceedings before, and a recommended decision by, a hearing officer; all post-hearing procedures; and any other procedural right available under section 1053 of the CFPA, 12 U.S.C. § 5563, or 12 CFR Part 1081;

- d. The right to seek any administrative or judicial review of the Consent Order;
- e. Any claim for fees, costs or expenses against the Bureau, or any of its agents or employees, and any other governmental entity, related in any way to this enforcement matter or the Consent Order, whether arising under common law or under the terms of any statute, including, but not limited to the Equal Access to Justice Act and the Small Business Regulatory Enforcement Fairness Act of 1996; for these purposes, Respondent agrees that Respondent is not the prevailing party in this action because the parties have reached a good faith settlement;
- f. Any other right to challenge or contest the validity of the Consent Order;
- g. Such provisions of the Bureau's rules or other requirements of law as may be construed to prevent any Bureau employee from participating in the preparation of, or advising the Director as to, any order, opinion, finding of fact, or conclusion of law to be entered in connection with this Stipulation or the Consent Order; and
- h. Any right to claim bias or prejudgment by the Director based on the consideration of or discussions concerning settlement of all or any part of the proceeding.

WELLS FARGO BANK, N.A. BY:



MARY T. MACK
Executive Vice President
Wells Fargo Bank, N.A.

From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Attachment
Date: Monday, March 21, 2016 7:37:59 PM
Attachments: [CFPB-CAO CIA - fully executed.pdf](#)

This message was sent securely using ZixCorp.

Lawrence,

Please see attached the fully executed common interest agreement.

Thanks,
Steve

--- Originally sent by lawrence.brown@cfpb.gov on Mar 18, 2016 11:44 AM ---

This message was sent securely using ZixCorp.

Here is the attachment.

Lawrence D. Brown

Enforcement Attorney

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From: [Ledbetter, Roshonda](#)
To: ["depo@ftrinc.net"](mailto:depo@ftrinc.net); [Brown, Lawrence \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#)
Subject: RE: (b) (6), [REDACTED]
Date: Tuesday, June 28, 2016 5:10:24 PM

Thank you!

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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-----Original Message-----

From: depo@ftrinc.net [<mailto:depo@ftrinc.net>]
Sent: Tuesday, June 28, 2016 5:10 PM
To: Brown, Lawrence (CFPB)
Cc: Ledbetter, Roshonda; Reiferson, Barry (CFPB); Wells, John (CFPB); Ehrlich, Jeffrey (CFPB); depo@ftrinc.net
Subject: (b) (6), (b) [REDACTED]

Good evening -- Please find attached today's rough draft file.

Thank you,

Sara Vance
FTR Production
800-921-5555

This message was secured by ZixCorp
www.zixcorp.com

From: [Carrillo, Raul \(CFPB\)](#)
To: [CFPB Executive Secretary](#); [CFPB Daily Briefing Book](#)
Cc: [Alexis, Anthony \(CFPB\)](#); [Pearl, Joanna \(CFPB\)](#); [Case, Whitney \(CFPB\)](#); [Williams, Monique \(CFPB\)](#); [Fulton, Kate \(CFPB\)](#); [Boison, Elizabeth \(CFPB\)](#); [Corbett, Elizabeth \(CFPB\)](#); [Harper, Morgan \(CFPB\)](#); [White, Evan \(CFPB\)](#); [Chandler, Jocelyn \(CFPB\)](#); [Turner, Austin \(Detail\)\(CFPB\)](#); [Rainey, Zol \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: Information Memo: Wells Fargo Sales Practices
Date: Monday, July 18, 2016 12:20:23 PM
Attachments: [Info Memo---WFSP.DOCX](#)
[WFSP Settle-Sue Memo.pdf](#)

Exec Sec,

In anticipation of the Director's upcoming meeting with the Wells Fargo CEO, please find an update on our Sales Practices case attached.

Thank you very much,

Raúl

Raúl Carrillo

Special Counsel to the Enforcement Director

Office of Enforcement

Consumer Financial Protection Bureau

202 435 9447 (o)

(b) (6) (c)

Raul.Carrillo@cfpb.gov

consumerfinance.gov

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Consumer Financial
Protection Bureau

1700 G Street NW, Washington, DC 20552

July 18, 2016


Information Memorandum for the Director

FROM Office of Enforcement

SUBJECT Wells Fargo Sales Practices – Update

You recently authorized us to settle this matter, in which we found that Wells Fargo employees (1) opened millions of unauthorized deposit accounts for existing customers and transferred funds to those accounts from their owners' other accounts, all without customers' consent; (2) applied for credit cards for consumers without their knowledge; (3) enrolled consumers in online-banking services that they did not request; and (4) ordered and activated debit cards for consumers without their authority.

We have begun negotiating with the bank, and have made our initial settlement demand. Since the beginning of our investigation, we have coordinated with the City of Los Angeles Attorney's Office, which has asserted state-law claims based on the same conduct (b) (5), (b) (8)

A large rectangular black redaction box covers the majority of the text in this section, starting from the end of the word 'conduct' and extending across the width of the page. The text '(b) (5), (b) (8)' is visible at the top right of this redacted area.

(b) (5), (b) (8)

Our July 12 recommendation memo, which you approved that same day, is attached.

Attachment:

Tab 1: Recommendation Memo for the Director

From: [Williams, Natalie \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: Letter to Mr. Raman re Upcoming Meeting (2)
Date: Tuesday, April 05, 2016 3:50:46 PM
Attachments: [Letter to Mr. Raman re Upcoming Meeting \(2\).doc](#)

Some suggested edits to the letter.

From: [Wells, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: mod letter
Date: Monday, July 18, 2016 2:15:27 PM
Attachments: [CLEAN--20160715 DRAFT Modification Letter re Wells Fargo Sales Practices--last edit jw jw.docx](#)

I think this is pretty much good to go. Just a couple of questions in the attached. (b) (5)

Thanks,

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Naylor, Jonathan \(CFPB\)](#); [Clark, Mary \(Susie\)\(CFPB\)](#); [Fiene, Laura \(CFPB\)](#)
Cc: [Coon, Clayton \(CFPB\)](#); [Hendricks, David \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Ledbetter, Roshonda](#); [Young, Christopher \(CFPB\)](#); [Vazire, Navid \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: Notice of Issuance of CID to Wells Fargo Bank, N.A. on June 8, 2016
Date: Wednesday, June 08, 2016 2:21:27 PM
Attachments: [CID Wells Fargo Testimony 2016_06_08.pdf](#)

Bureau colleagues,

Attached please find a courtesy copy of a civil investigative demand the Office of Enforcement issued to Wells Fargo Bank, N.A. today, June 8, 2016. The CID was sent to Anand Raman at Skadden, counsel to Wells Fargo, via certified mail and electronic mail. Any questions regarding the CID should be directed to me or Leanne Hartmann.

Best,
Barry

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.



Consumer Financial
Protection Bureau

1700 G Street NW, Washington, DC 20552

June 8, 2016

Via Electronic Mail

Mr. Anand Raman
Skadden, Arps, Slate, Meagher & Flom, LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005

Anand.Raman@skadden.com

Re: Civil Investigative Demand to Wells Fargo Bank, N.A., June 8, 2016

Dear Mr. Raman:

Attached is a civil investigative demand (CID) issued to Wells Fargo Bank, N.A. (Wells Fargo) by the Consumer Financial Protection Bureau (Bureau) under 12 C.F.R. § 1080.6 and section 1052(c) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 12 U.S.C. § 5562.

As we discussed and agreed, this CID requires testimony from Wells Fargo on the listed topics. We scheduled the investigational hearing for June 21, 2016 in Washington, D.C. but are open to discussing a change of venue and date, particularly if we wish to accommodate designees and other attendees.

Because this CID was the subject of advance discussion, I expect there will be no issues we cannot resolve quickly. Please review the topics and associated definitions carefully, as the latter has been amended from earlier CIDs. For the sake of completeness, the Bureau's Rules Relating to Investigations require that you contact me as soon as possible to schedule a meeting (by telephone or in person) to be held within ten (10) calendar days of receipt of this CID in order to discuss and attempt to resolve all issues regarding timely compliance with this demand. 12 C.F.R. § 1080.6(c); *see also* Instruction B.

Please contact me at 212-328-7020 with any questions. I look forward to your call.

Sincerely,

A handwritten signature in blue ink, appearing to read "Barry", is located below the "Sincerely," text.

Barry Reiferson
Enforcement Attorney

Attachment

Civil Investigative Demand

To Wells Fargo Bank, N.A.
c/o Anand Raman
Skadden, Arps, Slate, Meagher & Flom
1440 New York Avenue, N.W.
Washington, D.C. 20005

This demand is issued pursuant to Section 1052 of the Consumer Financial Protection Act of 2010 and 12 C.F.R. Part 1080 to determine whether there is or has been a violation of any laws enforced by the Bureau of Consumer Financial Protection.

Action Required (choose all that apply)

☒ Appear and Provide Oral Testimony

Location of Investigational Hearing Consumer Financial Protection Bureau 1625 I Street NW Washington, DC 20006	Date and Time of Investigational Hearing June 21, 2016; 9 a.m. Bureau Investigators Jeffrey Ehrlich, John Wells, Leanne Hartmann, Barry Reiferson, Lawrence Brown
---	---

☐ Produce Documents and/or Tangible Things, as set forth in the attached document, by the following date _____

☐ Provide Written Reports and/or Answers to Questions, as set forth in the attached document, by the following date _____

Notification of Purpose Pursuant to 12 C.F.R. § 1080.5

The purpose of this investigation is to determine whether depository institutions or other persons have engaged or are engaging in unlawful acts or practices in connection with unauthorized consumer bank, credit card, and other accounts in violation of §§ 1031 and 1036 of the Consumer Financial Protection Act of 2010, 12 U.S.C. §§ 5531, 5536; the Truth In Savings Act, 12 U.S.C. § 4301 et seq.; the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq.; the Truth in Lending Act, 15 U.S.C. § 1601 et seq.; the Electronic Fund Transfer Act, 15 U.S.C. § 1693 et seq.; their implementing regulations; or any other Federal consumer financial law. The purpose of this investigation is also to determine whether Bureau action to obtain legal or equitable relief would be in the public interest.

Custodian / Deputy Custodian

Jeffrey Paul Ehrlich, Custodian/Roshonda Ledbetter, Deputy Custodian
Consumer Financial Protection Bureau
Attention: Enforcement
1700 G Street, NW
Washington, DC 20552

Bureau Counsel

Barry Reiferson
Email: barry.reiferson@cfpb.gov
Phone: 212-328-7020

Date Issued

06/08/2016

Signature

Jeffrey Paul Ehrlich

Digitally signed by Jeffrey Paul Ehrlich
DN: cn=Jeffrey Paul Ehrlich, o=CFPB, ou=Enforcement,
email=jeff.ehrlich@cfpb.gov, c=US
Date: 2016.06.08 09:40:34 -04'00'

Name / Title

Jeffrey Paul Ehrlich, Deputy Enforcement Director

Service

The delivery of this demand to you by any method prescribed by the Consumer Financial Protection Act of 2010, 12 U.S.C. § 5562, is legal service. If you fail to comply with this demand, the Bureau may seek a court order requiring your compliance.

Travel Expenses

Request a travel voucher to claim compensation to which you are entitled as a witness before the Bureau pursuant to Section 1052 of the Consumer Financial Protection Act of 2010, 12 U.S.C. § 5562.

Right to Regulatory Enforcement Fairness

The CFPB is committed to fair regulatory enforcement. If you are a small business under Small Business Administration standards, you have a right to contact the Small Business Administration's National Ombudsman at 1-888-REGFAIR (1-888-734-3247) or www.sba.gov/ombudsman regarding the fairness of the compliance and enforcement activities of the agency. You should understand, however, that the National Ombudsman cannot change, stop, or delay a federal agency enforcement action.

Paperwork Reduction Act

This demand does not require approval by OMB under the Paperwork Reduction Act of 1980.

II. Instructions

A. **Sharing of Information:** This CID relates to a nonpublic, law-enforcement investigation being conducted by the Bureau. The Bureau may make its files available to other civil and criminal federal, state, or local law-enforcement agencies under 12 C.F.R. §§ 1070.43(b)(1) and 1070.45(a)(5). Information you provide may be used in any civil or criminal proceeding by the Bureau or other agencies. As stated in 12 C.F.R. § 1080.14, information you provide in response to this CID is subject to the requirements and procedures relating to the disclosure of records and information set forth in 12 C.F.R. pt. 1070.

B. **Meet and Confer:** As stated in 12 C.F.R. § 1080.6(c), you must contact Enforcement Attorney **Barry Reiferson** at **(212) 328-7020** as soon as possible to schedule a meeting (telephonic or in person) to discuss your response to the CID. The meeting must be held within **10** calendar days after you receive this CID or before the deadline for filing a petition to modify or set aside the CID, whichever is earlier.

C. **Applicable Period for Responsive Materials:** Unless otherwise directed, the applicable period for the request is from **January 1, 2011 until the date of this CID.**

D. **Modification Requests:** If you believe that the scope of the search or response required by this CID can be narrowed consistent with the Bureau's need for documents or information, you are encouraged to discuss such possible modifications, including modifications of the requirements of these instructions, with Enforcement Attorney **Barry Reiferson** at **(212) 328-7020**. Modifications must be agreed to in writing by the Enforcement Director or a Deputy Enforcement Director. 12 C.F.R. § 1080.6(d).

E. **Petition for Order Modifying or Setting Aside Demand:** Under 12 U.S.C. § 5562(f) and 12 C.F.R. § 1080.6(e), you may petition the Bureau for an order modifying or setting aside this CID. To file a petition, you must send it by e-mail to the Bureau's Executive Secretary at ExecSec@cfpb.gov, copying the Enforcement Director at Enforcement@cfpb.gov, within 20 calendar days of service of the CID or, if the return date is less than 20 calendar days after service, before the return date. The subject line of the e-mail must say "Petition to Modify or Set Aside Civil Investigative Demand." If a request for confidential treatment is filed, you must file a redacted public petition in addition to the unredacted petition. All requests for confidential treatment must be supported by a showing of good cause in light of applicable statutes, rules, Bureau orders, court orders, or other relevant authority.

F. All references to "**year**" or "**annual**" refer to the calendar year. Where information is requested "for each year," provide it separately for each year; where yearly data is not available, provide responsive information for the calendar year to date, unless otherwise instructed.

G. Procedures Governing Hearing: This CID is issued under section 1052 of the Consumer Financial Protection Act, 12 U.S.C. § 5562. The taking of oral testimony pursuant to this CID will be conducted in conformity with that section and 12 C.F.R. §§ 1080.6(a)(4), 1080.7, and 1080.9.

H. Designation of a Witness: This CID requires oral testimony from an entity. Under 12 C.F.R. § 1080.6(a)(4)(ii), you must designate one or more officers, directors, or managing agents, or designate other persons who consent to testify on your behalf. The individuals designated must testify about information known or reasonably available to you, and their testimony is binding on you. Your failure to designate a witness competent to testify about the topics described will be considered a failure to comply with this CID.

CONSUMER FINANCIAL PROTECTION BUREAU
Washington, D.C. 20552

Notice to Persons Supplying Information

You have been asked to supply information or speak voluntarily, or directed to provide sworn testimony, documents, or answers to questions in response to a civil investigative demand (CID) from the Consumer Financial Protection Bureau (Bureau). This notice discusses certain legal rights and responsibilities. Unless stated otherwise, the information below applies whether you are providing information voluntarily or in response to a CID.

A. False Statements; Perjury

False Statements. Section 1001 of Title 18 of the United States Code provides as follows:

[W]hoever, in any matter within the jurisdiction of the executive ... branch of the Government of the United States, knowingly and willfully-- **(1)** falsifies, conceals, or covers up by any trick, scheme, or device a material fact; **(2)** makes any materially false, fictitious, or fraudulent statement or representation; or **(3)** makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry; shall be fined under this title ...[or] imprisoned not more than 5 years ..., or both.

Perjury. Section 1621 of Title 18 of the United States Code provides as follows:

Whoever ... having taken an oath before a competent tribunal, officer, or person, in any case in which a law of the United States authorizes an oath to be administered, that he will testify, declare, depose, or certify truly or that any written testimony, declaration, deposition, or certificate by him subscribed, is true willfully and contrary to such oath states or subscribes any material matter which he does not believe to be true ... is guilty of perjury and shall, except as otherwise expressly provided by law, be fined under this title or imprisoned not more than five years, or both. This section is applicable whether the statement or subscription is made within or without the United States.

B. The Fifth Amendment; Your Right to Counsel

Fifth Amendment. Information you provide may be used against you in any federal, state, local or foreign administrative, civil or criminal proceeding brought by the Bureau or any other agency. If you are an individual, you may refuse, in accordance with the rights guaranteed to you by the Fifth Amendment to the Constitution of the United States, to give any information that may tend to incriminate you or subject you to criminal liability, including fine, penalty or forfeiture.

Counsel. You have the right to be accompanied, represented and advised by counsel of your choice. For further information, you should consult Bureau regulations at 12 C.F.R. § 1080.9(b).

C. Effect of Not Supplying Information

Persons Directed to Supply Information Pursuant to CID. If you fail to comply with the CID, the Bureau may seek a court order requiring you to do so. If such an order is obtained and you still fail to supply the information, you may be subject to civil and criminal sanctions for contempt of court.

Persons Requested to Supply Information Voluntarily. There are no sanctions for failing to provide all or any part of the requested information. If you do not provide the requested information, the Bureau may choose to send you a CID or subpoena.

D. Privacy Act Statement

The information you provide will assist the Bureau in its determinations regarding violations of Federal consumer financial laws. The information will be used by and disclosed to Bureau personnel and contractors or other agents who need the information to assist in activities related to enforcement of Federal consumer financial laws. The information may also be disclosed for statutory or regulatory purposes, or pursuant to the Bureau's published Privacy Act system of records notice, to:

- a court, magistrate, administrative tribunal, or a party in litigation;
- another federal or state agency or regulatory authority;
- a member of Congress; and
- others as authorized by the Bureau to receive this information.

This collection of information is authorized by 12 U.S.C. §§ 5511, 5562.

§ 1081.405 Decision of the Director.

(a) Upon appeal from or upon further review of a recommended decision, the Director will consider such parts of the record as are cited or as may be necessary to resolve the issues presented and, in addition, will, to the extent necessary or desirable, exercise all powers which he or she could have exercised if he or she had made the recommended decision. In proceedings before the Director, the record shall consist of all items part of the record below in accordance with § 1081.306; any notices of appeal or order directing review; all briefs, motions, submissions, and other papers filed on appeal or review; and the transcript of any oral argument held. Review by the Director of a recommended decision may be limited to the issues specified in the notice(s) of appeal or the issues, if any, specified in the order directing further briefing. On notice to all parties, however, the Director may, at any time prior to issuance of his or her decision, raise and determine any other matters that he or she deems material, with opportunity for oral or written argument thereon by the parties.

(b) Decisional employees may advise and assist the Director in the consideration and disposition of the case.

(c) In rendering his or her decision, the Director will affirm, adopt, reverse, modify, set aside, or remand for further proceedings the recommended decision and will include in the decision a statement of the reasons or basis for his or her actions and the findings of fact upon which the decision is predicated.

(d) At the expiration of the time permitted for the filing of reply briefs with the Director, the Office of Administrative Adjudication will notify the parties that the case has been submitted for final Bureau decision. The Director will issue and the Office of Administrative Adjudication will serve the Director's final decision and order within 90 days after such notice, unless within that time the Director orders that the adjudication proceeding or any aspect thereof be remanded to the hearing officer for further proceedings.

(e) Copies of the final decision and order of the Director shall be served upon each party to the proceeding, upon other persons required by statute, and, if directed by the Director or required by statute, upon any appropriate State or Federal supervisory authority. The final decision and order will also be published on the Bureau's Web site or as otherwise deemed appropriate by the Bureau.

§ 1081.406 Reconsideration.

Within 14 days after service of the Director's final decision and order, any party may file with the Director a petition for reconsideration, briefly and specifically setting forth the relief desired and the grounds in support thereof. Any petition filed under this section must be confined to new questions raised by the final decision or final order and upon which the petitioner had no opportunity to argue, in writing or orally, before the Director. No response to a petition for reconsideration shall be filed unless requested by the Director, who will request such response before granting any petition for reconsideration. The filing of a petition for reconsideration shall not operate to stay the effective date of the final decision or order or to toll the running of any statutory period affecting such decision or order unless specifically so ordered by the Director.

§ 1081.407 Effective date; stays pending judicial review.

(a) Other than consent orders, which shall become effective at the time specified therein, an order to cease and desist or for other affirmative action under section 1053(b) of the Dodd-Frank Act becomes effective at the expiration of 30 days after the date of service pursuant to § 1081.113(d)(2), unless the Director agrees to stay the effectiveness of the order pursuant to this section.

(b) Any party subject to a final decision and order, other than a consent order, may apply to the Director for a stay of all or part of that order pending judicial review.

(c) A motion for stay shall state the reasons a stay is warranted and the facts relied upon, and shall include supporting affidavits or other sworn statements, and a copy of the relevant portions of the record. The motion shall address the likelihood of the movant's success on appeal, whether the movant will suffer irreparable harm if a stay is not granted, the degree of injury to other parties if a stay is granted, and why the stay is in the public interest.

(d) A motion for stay shall be filed within 30 days of service of the order on the party. Any party opposing the motion may file a response within five days after receipt of the motion. The movant may file a reply brief, limited to new matters raised by the response, within three days after receipt of the response.

(e) The commencement of proceedings for judicial review of a final decision and order of the Director does not, unless specifically ordered by the Director or a reviewing court, operate as a stay of any order issued by the

Director. The Director may, in his or her discretion, and on such terms as he or she finds just, stay the effectiveness of all or any part of an order pending a final decision on a petition for judicial review of that order.

Dated: June 4, 2012.

Richard Cordray,
 Director, Bureau of Consumer Financial
 Protection.

[FR Doc. 2012-14061 Filed 6-28-12; 8:45 am]

BILLING CODE 4810-AM-P

BUREAU OF CONSUMER FINANCIAL PROTECTION

12 CFR Part 1080

[Docket No.: CFPB-2011-0007]

RIN 3170-AA03

Rules Relating to Investigations

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Final rule.

SUMMARY: After considering the public comments on its interim final rule for the Rules Relating to Investigations, the Bureau of Consumer Financial Protection (Bureau), pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), is making revisions to its procedures for investigations under section 1052 of the Dodd-Frank Act.

DATES: The final rule is effective June 29, 2012.

FOR FURTHER INFORMATION CONTACT: Peter G. Wilson, Office of the General Counsel, Consumer Financial Protection Bureau, 1700 G Street NW., Washington, DC 20552, (202) 435-7585.

SUPPLEMENTARY INFORMATION:

I. Background

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) was signed into law on July 21, 2010. Title X of the Dodd-Frank Act established the Bureau of Consumer Financial Protection (Bureau) to regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws. The Dodd-Frank Act transferred to the Bureau the consumer financial protection functions formerly carried out by the Federal banking agencies, as well as certain authorities formerly carried out by the Department of Housing and Urban Development (HUD) and the Federal Trade Commission (FTC). As required by section 1062 of the Dodd-Frank Act, 12 U.S.C. 5582, the Secretary of the Treasury selected a

designated transfer date and the Federal banking agencies' functions and authorities transferred to the Bureau on July 21, 2011.

The Dodd-Frank Act authorizes the Bureau to conduct investigations to ascertain whether any person is or has been engaged in conduct that, if proved, would constitute a violation of any provision of Federal consumer financial law. Section 1052 of the Dodd-Frank Act sets forth the parameters that govern these investigations. 12 U.S.C. 5562. Section 1052 became effective immediately upon transfer on July 21, 2011 and did not require rules to implement its provisions. On July 28, 2011, the Bureau issued the interim final rule for the Rules Relating to Investigations (Interim Final Rule) to provide parties involved in Bureau investigations with clarification on how to comply with the statutory requirements relating to Bureau investigations.

II. Summary of the Final Rule

Consistent with section 1052 of the Dodd-Frank Act, the final rule for the Rules Relating to Investigations (Final Rule) describes a number of Bureau policies and procedures that apply in an investigational, nonadjudicative setting. Among other things, the Final Rule sets forth (1) the Bureau's authority to conduct investigations, and (2) the rights of persons from whom the Bureau seeks to compel information in investigations.

Like the Interim Final Rule, the Final Rule is modeled on investigative procedures of other law enforcement agencies. For guidance, the Bureau reviewed the procedures currently used by the FTC, the Securities and Exchange Commission (SEC), and the prudential regulators, as well as the FTC's recently proposed amendments to its nonadjudicative procedures. In light of the similarities between section 1052 of the Dodd-Frank Act and section 20 of the Federal Trade Commission Act (FTC Act), 15 U.S.C. 41 *et seq.*, the Bureau drew most heavily from the FTC's nonadjudicative procedures in constructing the rules.

The Final Rule lays out the Bureau's authority to conduct investigations before instituting judicial or administrative adjudicatory proceedings under Federal consumer financial law. The Final Rule authorizes the Director, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement to issue civil investigative demands (CIDs) for documentary material, tangible things, written reports, answers to questions, or oral testimony. The

demands may be enforced in district court by the Director, the General Counsel, or the Assistant Director of the Office of Enforcement. The Final Rule also details the authority of the Bureau's investigators to conduct investigations and hold investigational hearings pursuant to civil investigative demands for oral testimony.

Furthermore, the Final Rule sets forth the rights of persons from whom the Bureau seeks to compel information in an investigation. Specifically, the Final Rule describes how such persons should be notified of the purpose of the Bureau's investigation. It also details the procedures for filing a petition for an order modifying or setting aside a CID, which the Director is authorized to rule upon. And it describes the process by which persons may obtain copies of or access to documents or testimony they have provided in response to a civil investigative demand. In addition, the Final Rule describes a person's right to counsel at investigational hearings.

III. Legal Authority

As noted above, section 1052 of the Dodd-Frank Act outlines how the Bureau will conduct investigations and describes the rights of persons from whom the Bureau seeks information in investigations. This section became effective immediately upon the designated transfer date, July 21, 2011, without any requirement that the Bureau first issue procedural rules. Nevertheless, the Bureau believes that the legislative purpose of section 1052 will be furthered by the issuance of rules that specify the manner in which persons can comply with its provisions.

Section 1022 of the Dodd-Frank Act authorizes the Director to prescribe rules as may be necessary or appropriate for the Bureau to administer and carry out the purposes and objectives of Federal consumer financial laws and to prevent evasion of those laws. 12 U.S.C. 5512. The Bureau believes that the Final Rule will effectuate the purpose of section 1052 and facilitate compliance with Bureau investigations.

IV. Overview of Public Comments on the Interim Final Rule

After publication of the Interim Final Rule on July 28, 2011, the Bureau accepted public comments until September 26, 2011. During the comment period, the Bureau received seven comments. Two of the comments were submitted by individual consumers. Four trade associations and a mortgage company also submitted comments. The trade associations represent credit unions, banks, consumer credit companies, members of

the real estate finance industry, and other financial institutions.

The commenters generally support the Interim Final Rule. Most sections of the Interim Final Rule received no comment and are being finalized without change. The comments did, however, contain questions and recommendations for the Bureau.

Several of the commenters expressed concern that the Interim Final Rule appeared to provide staff-level Bureau employees with unchecked authority to initiate investigations and issue CIDs, or that the Interim Final Rule otherwise did not provide sufficient oversight for particular actions.

A number of commenters expressed concern about sections of the Interim Final Rule that relate to CIDs. One trade association recommended that a statement of "the purpose and scope" of a Bureau investigation—in addition to a notification of the nature of the conduct constituting the alleged violation under investigation and the applicable provisions of law—be included in CIDs. A commenter suggested that the Bureau require a conference between CID recipients and the Assistant Director of the Office of Enforcement to negotiate the terms of compliance with the demand. Three of the trade associations noted concern with the statement that extensions of time are disfavored for petitions to modify or set aside CIDs. Two commenters questioned who would rule on such petitions without a confirmed Director. One trade association commented that witnesses should be permitted to object to questions demanding information outside of the scope of the investigation during an investigational hearing pursuant to a CID for oral testimony.

A number of commenters expressed concern about maintaining the confidentiality of demand material, sharing information with other State and Federal agencies, and the duties of the custodians of those materials. For example, one trade association and the mortgage company recommended that investigations should remain confidential in all circumstances. Another trade association asserted that the Bureau is not permitted to engage in joint investigations with State attorneys general.

The Bureau reviewed all of the comments on its Interim Final Rule thoroughly and addresses the significant issues they raise herein. Although most sections of the Interim Final Rule received no comment and are being finalized without change, the Bureau has made several changes to the Interim Final Rule based on the comments it received. The comments and these

changes are discussed in more detail in parts V and VI of the **SUPPLEMENTARY INFORMATION**.

V. General Comments

Some comments on the Interim Final Rule were not directed at a specific section but rather concerned issues of general applicability. The Bureau addresses those comments in this section and addresses comments related to specific sections of the Interim Final Rule in part VI.

One commenter asked the Bureau to specify who would rule on petitions to set aside or modify CIDs while the Bureau lacked a Director. This commenter also asked who would review requests to the Attorney General under § 1080.12 for authority to immunize witnesses and to order them to testify or provide other information. The President appointed a Director of the Bureau on January 4, 2012. Therefore, both questions posed by this commenter are moot. The Director or any official to whom the Director has delegated his authority pursuant to 12 U.S.C. 5492(b) will rule on petitions to set aside or modify CIDs. Furthermore, the Bureau has revised § 1080.12 to clarify that only the Director has the authority to request approval from the Attorney General for the issuance of an order immunizing witnesses.

A commenter asserted that section 1052(c)(1) of the Dodd-Frank Act prohibits the Bureau from issuing CIDs after the institution of any proceedings under Federal consumer financial laws, including proceedings initiated by a State or a private party. The commenter argued that a CID should be accompanied by a certification that the demand will have no bearing on any ongoing proceeding. Section 1052(c)(1) provides, in relevant part, that “the Bureau may, before the institution of any proceedings under the Federal consumer financial law, issue in writing, and cause to be served upon such person, a civil investigative demand.” The language “before the institution of any proceeding under Federal consumer financial law” refers to the institution of proceedings by the Bureau. It does not limit the Bureau’s authority to issue CIDs based upon the commencement of a proceeding by other parties.

Another commenter requested that the Bureau exempt all credit unions from Bureau investigations. The Bureau believes that granting an exemption from the Bureau’s enforcement authority through the Final Rule would be inappropriate and that there is an insufficient record to support such an exemption.

A commenter recommended that covered persons be allowed to recover attorneys’ fees and costs incurred by defending against an investigation that is shown to be without merit. The Dodd-Frank Act does not provide the right to recover fees and costs by defending against an investigation. Further, as explained below, the Bureau believes that the procedures for petitioning to modify or set aside a CID set forth in § 1080.6(d) of the Interim Final Rule (now 1080.6(e) of the Final Rule) provide sufficient protections to a recipient of a demand it believes lacks merit.

VI. Section-by-Section Summary

Section 1080.1 Scope

This section describes the scope of the Interim Final Rule. It makes clear that these rules only apply to investigations under section 1052 of the Dodd-Frank Act. The Bureau received no comment on § 1080.1 of the Interim Final Rule and is adopting it as the Final Rule without change.

Section 1080.2 Definitions

This section of the Interim Final Rule defines several terms used throughout the rules. Many of these definitions also may be found in section 1051 of the Dodd-Frank Act.

A commenter questioned the breadth of the definition of the term “Assistant Director of the Division of Enforcement.” The commenter argued that because that term was defined to include “any Bureau employee to whom the Assistant Director of the Division of Enforcement has delegated authority to act under this part,” the Interim Final Rule could give Bureau employees inappropriately broad authority to take certain actions, such as issuing CIDs.

The Bureau has revised the Final Rule in response to these comments. The Final Rule identifies those with authority to take particular actions under each section of the Final Rule. Sections 1080.4 (initiating and conducting investigations) and 1080.6 (civil investigative demands) of the Final Rule clarify that the authority to initiate investigations and issue CIDs cannot be delegated by the identified officials. The Final Rule also changes the defined term “Division of Enforcement” to “Office of Enforcement” to reflect the Bureau’s current organizational structure.

Section 1080.3 Policy as to Private Controversies

This section of the Interim Final Rule states the Bureau’s policy of pursuing investigations that are in the public

interest. Section 1080.3 is consistent with the Bureau’s mission to protect consumers by investigating potential violations of Federal consumer financial law. The Bureau received no comments on § 1080.3 of the Interim Final Rule and is adopting it as the Final Rule without change.

Section 1080.4 Initiating and Conducting Investigations

This section of the Interim Final Rule explains that Bureau investigators are authorized to conduct investigations pursuant to section 1052 of the Dodd-Frank Act.

A commenter observed that this section of the Interim Final Rule did not explicitly provide a procedure for senior agency officials to authorize the opening of an investigation. The commenter argued that only senior agency officials should decide whether to initiate investigations. The commenter questioned whether staff-level employees could open investigations and issue CIDs without sufficient supervision, and noted that the FTC’s analogous rule specifically lists the senior officials to whom the Commission has delegated, without power of redelegation, the authority to initiate investigations.

A commenter also expressed concern that the FTC’s analogous rule explicitly provides that FTC investigators must comply with the laws of the United States and FTC regulations. According to the commenter, such language is necessary to ensure that the Bureau complies with the Right to Financial Privacy Act (RFPA) to the extent that statute applies to the Bureau. The commenter also believes that this language is needed to guard against investigations undertaken for what the commenter characterized as the impermissible purpose of aiding State attorneys general or State regulators. The commenter suggested that the Bureau add a statement to this section of the Interim Final Rule similar to the FTC’s rule requiring compliance with Federal law and agency regulations.

The Final Rule clarifies that only the Assistant Director or any Deputy Assistant Director of the Office of Enforcement has the authority to initiate investigations. The Bureau has significant discretion to determine whether and when to open an investigation, and the public benefits from a process whereby the Bureau can open and close investigations efficiently. But the Bureau did not intend its rules to be interpreted so broadly as to suggest that any staff-level employee could unilaterally open an investigation or issue a CID. The Final

Rule also provides that Bureau investigators will perform their duties in accordance with Federal law and Bureau regulations.

Section 1080.5 Notification of Purpose

This section of the Interim Final Rule specifies that a person compelled to provide information to the Bureau or to testify in an investigational hearing must be advised of the nature of the conduct constituting the alleged violation under investigation and the applicable provisions of law. This section of the Interim Final Rule implements the requirements for CIDs described in section 1052(c)(2) of the Dodd-Frank Act.

Commenters noted that although the Dodd-Frank Act and the FTC Act both require CIDs to state “the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable to such violation,” the two agencies’ implementing regulations on this topic differ. Both agencies’ regulations require a statement of the nature of the conduct at issue and the relevant provisions of law, but the FTC rule also requires that the recipient of the CID be advised of “the purpose and scope” of the investigation. Commenters argued that the Bureau should add this phrase to its rule because excluding it would lead to requests for materials outside the scope of an investigation. One commenter argued that only senior agency officials should authorize investigations to ensure that CIDs are relevant to the purpose and scope of the Bureau’s investigations.

The language in § 1080.5 of the Interim Final Rule mirrors the language of the Dodd-Frank Act, which provides that “[e]ach civil investigative demand shall state the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable to such violation.” The Bureau believes that the information covered by this statutory language provides sufficient notice to recipients of CIDs. As discussed above, § 1080.4 (initiating and conducting investigations) of the Final Rule limits the authority to open investigations to the Assistant Director or any Deputy Assistant Director of the Office of Enforcement. Similarly, § 1080.6 of the Final Rule (civil investigative demands) limits the authority to issue CIDs to the Director of the Bureau, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement. Thus, one of these identified officials will review and approve the initiation of all investigations and the issuance of all

CIDs. In addition, to the extent recipients of CIDs consider the demands to be for an unauthorized purpose or outside the scope of the investigation, they will have an opportunity to negotiate the terms of compliance pursuant to § 1080.6(c) of the Interim Final Rule (now § 1080.6(d) of the Final Rule) or to petition to set aside or modify the demand pursuant to § 1080.6(d) of the Interim Final Rule (now § 1080.6(e) of the Final Rule).

The Bureau therefore adopts this section of the Interim Final Rule as the Final Rule without change.

Section 1080.6 Civil Investigative Demands

This section of the Interim Final Rule lays out the Bureau’s procedures for issuing CIDs. It authorizes the Assistant Director of the Office of Enforcement to issue CIDs for documentary material, tangible things, written reports, answers to questions, and oral testimony. This section of the Interim Final Rule details the information that must be included in CIDs and the requirement that responses be made under a sworn certificate. Section 1080.6 of the Interim Final Rule also authorizes the Assistant Director of the Office of Enforcement to negotiate and approve the terms of compliance with CIDs and grant extensions for good cause. Finally, this section of the Interim Final Rule describes the procedures for seeking an order to modify or set aside a CID, which the Director is authorized to rule upon.

One commenter argued that § 1080.6(a) permits almost any Bureau employee to issue CIDs without sufficient supervision. The commenter stated that this lack of oversight is problematic and does not reflect Congress’ intent when it enacted the Act.

Section 1080.6(a) of the Final Rule limits the authority to issue CIDs to the Director, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement. This change to the Final Rule balances the efficiency of the Bureau’s investigative process with appropriate supervision and oversight.

A commenter suggested that the Bureau require a conference between the CID recipient and the Assistant Director of the Office of Enforcement within ten days of service of the CID to negotiate and approve the terms of compliance. The commenter envisioned a conference analogous to a discovery planning conference under the Federal Rules of Civil Procedure, during which the parties could discuss requests for information, appropriate limitations on

the scope of requests, issues related to electronically stored information (ESI), issues related to privilege and confidential information, and a reasonable time for compliance. The commenter stated that this type of conference would better ensure prompt and efficient production of material and information related to the investigation.

The Bureau agrees that a conference between the parties within ten calendar days of serving a CID is likely to improve the efficiency of investigations, and § 1080.6(c) of the Final Rule provides for such a conference. The Final Rule does not, however, adopt the suggestion that the Assistant Director of the Office of Enforcement preside over all such conferences.

Several commenters also noted concern with the statement in § 1080.6(d) of the Interim Final Rule disfavoring extensions of time for petitioning for an order modifying or setting aside CIDs. One commenter argued that the 20-day period to file petitions, for which extensions of time are disfavored, is inconsistent with the “reasonable” period of time for compliance with the CID set forth in § 1080.6(a). The commenter also argued that this timeframe leaves a short period for the CID recipient to decide which documents are privileged or otherwise protected and to file a petition articulating privilege and scope objections. Another commenter noted that the analogous FTC rules do not include a provision disfavoring extensions for petitions to modify or set aside a CID. These commenters recommended that the Bureau delete the sentence related to disfavoring extensions. One commenter recommended that the rules be corrected to provide an independent review if a covered person believes a CID is without merit.

Like the Interim Final Rule, the Final Rule includes a provision disfavoring extensions of time for petitions to modify or set aside a CID. The Bureau believes its policy of disfavoring extensions is appropriate in light of its significant interest in promoting an efficient process for seeking materials through CIDs. By disfavoring extensions, the Bureau means to prompt recipients to decide within 20 days whether they intend to comply with the CID. The Final Rule also clarifies that this 20-day period should be computed with calendar days.

The Bureau notes that § 1080.6(d) of the Interim Final Rule (now § 1080.6(e) of the Final Rule) only provides the due date for a petition for an order modifying or setting aside a CID. It does not require recipients to comply fully

with CIDs within 20 days. In addition, the Final Rule provides several options to recipients of CIDs that need additional time to respond. For example, the recipient may negotiate for a reasonable extension of time for compliance or a rolling document production schedule pursuant to § 1080.6(c) of the Interim Final Rule (now § 1080.6(d) of the Final Rule).

Section 1080.6(e) of the Final Rule clarifies that recipients of CIDs should not assert claims of privilege through a petition for an order modifying or setting aside a CID. Instead, when privilege is the only basis for withholding particular materials, they should utilize the procedures set forth in § 1080.8 (withholding requested material) of the Final Rule. Section 1080.6(e) of the Final Rule also lays out the authority of Bureau investigators to provide to the Director a reply to a petition seeking an order modifying or setting aside a CID. Specifically, the Final Rule states that Bureau investigators may provide the Director with a statement setting forth any factual and legal responses to a petition. The Bureau will not make these statements or any other internal deliberations part of the Bureau's public records. Section 1080.6(g) of the Final Rule clarifies that the Bureau, however, will make publicly available both the petition and the Director's order in response. Section 1080.6(g) of the Final Rule also clarifies that if a CID recipient wants to prevent the Director from making the petition public, any showing of good cause must be made no later than the time the petition is filed. The Final Rule also adds a provision clarifying how the Bureau will serve the petitioner with the Director's order.

Finally, the Bureau believes the procedures for petitions to modify or set aside a CID set forth in the Final Rule adequately protect a covered person who believes a CID is without merit, and that an additional independent review is unnecessary.

Section 1080.7 Investigational Hearings

This section of the Interim Final Rule describes the procedures for investigational hearings initiated pursuant to a CID for oral testimony. It also lays out the roles and responsibilities of the Bureau investigator conducting the investigational hearing, which include excluding unauthorized persons from the hearing room and ensuring that the investigational hearing is transcribed, the witness is duly sworn, the transcript is a true record of the testimony, and the

transcript is provided to the designated custodian.

A commenter argued that the Bureau is not authorized to conduct joint investigations with State attorneys general under the Dodd-Frank Act and, correspondingly, State attorneys general cannot attend an investigational hearing as a representative of an agency with whom the Bureau is conducting a joint investigation. The commenter argued that Congress distinguished between State attorneys general and State regulatory agencies in section 1042 of the Dodd-Frank Act and that State attorneys general are therefore not "agencies" with whom the Bureau can partner. The commenter also asserted that the Bureau cannot share a copy of the transcript of an investigational hearing with another agency without the consent of the witness.

Another commenter argued that representatives of agencies with which the Bureau is conducting a joint investigation may be present at an investigational hearing only with the witness's consent. This commenter stated that the Bureau should recognize in the rules that a witness who does not consent to the presence of a representative of another agency at an investigational hearing should not be presumed guilty.

The Dodd-Frank Act states that the Bureau "may engage in joint investigations and requests for information, as authorized under this title." This statutory language permits the Bureau to engage in joint investigations with State or Federal law enforcement agencies, including State attorneys general, with jurisdiction that overlaps with the Bureau's. The Bureau's disclosure rules also permit the Bureau to share certain confidential information, including investigational hearing transcripts, with Federal or State agencies to the extent the disclosure is relevant to the exercise of an agency's statutory or regulatory authority. See 12 CFR 1070.43(b). In addition, neither the Dodd-Frank Act nor the rules require the consent of the witness to permit a representative of an agency with which the Bureau is conducting a joint investigation to be present at the hearing. Consent is required only when people other than those listed in the rule are included.

Thus, the Bureau adopts § 1080.7 of the Interim Final Rule as the Final Rule without change.

Section 1080.8 Withholding Requested Material

This section of the Interim Final Rule describes the procedures that apply when persons withhold material

responsive to a CID. It requires the recipient of the CID to assert a privilege by the production date and, if so directed in the CID, also to submit a detailed schedule of the items withheld. Section 1080.8 also sets forth the procedures for handling the disclosure of privileged or protected information or communications.

The Bureau received no comment on § 1080.8 of the Interim Final Rule and is adopting it as the Final Rule without substantive change.

Section 1080.9 Rights of Witnesses in Investigations

This section of the Interim Final Rule describes the rights of persons compelled to submit information or provide testimony in an investigation. It details the procedures for obtaining a copy of submitted documents or a copy of or access to a transcript of the person's testimony. This section of the Interim Final Rule also describes a witness's right to make changes to his or her transcript and the rules for signing the transcript.

Section 1080.9 of the Interim Final Rule lays out a person's right to counsel at an investigational hearing and describes his or her counsel's right to advise the witness as to any question posed for which an objection may properly be made. It also describes the witness's or counsel's rights to object to questions or requests that the witness is privileged to refuse to answer. This section of the Interim Final Rule states that counsel for the witness may not otherwise object to questions or interrupt the examination to make statements on the record but may request that the witness have an opportunity to clarify any of his or her answers. Finally, this section of the Interim Final Rule authorizes the Bureau investigator to take all necessary action during the course of the hearing to avoid delay and to prevent or restrain disorderly, dilatory, obstructionist, or contemptuous conduct, or contemptuous language.

A commenter noted that under the Interim Final Rule witnesses could not object during an investigational hearing on the ground that a question was outside the scope of the investigation. The commenter argued that a covered person's inability to raise such objections might allow "a fishing expedition." The commenter recommended amending § 1080.9(b) to allow objections based on scope.

Section 1052(c)(13)(D)(iii) of the Dodd-Frank Act states, in relevant part:

[a]n objection may properly be made, received, and entered upon the record when it is claimed that such person is entitled to

refuse to answer the question on grounds of any constitutional or other legal right or privilege, including the privilege against self-incrimination, but the person shall not otherwise object to or refuse to answer any question, and such person or attorney shall not otherwise interrupt the oral examination.

Thus, to the extent the scope objection was grounded in a witness's constitutional or other legal right, it would be a proper objection.

The Final Rule clarifies that counsel may confer with a witness while a question is pending or instruct a witness not to answer a question only if an objection based on privilege or work product may properly be made. The Final Rule also describes counsel's limited ability to make additional objections based on other constitutional or legal rights. The Final Rule provides that if an attorney has refused to comply with his or her obligations in the rules of this part, or has allegedly engaged in disorderly, dilatory, obstructionist, or contumacious conduct, or contemptuous language during an investigational hearing, the Bureau may take further action, including action to suspend or disbar the attorney from further participation in the investigation or further practice before the Bureau pursuant to 12 CFR 1081.107(c). The Final Rule also includes other nonsubstantive changes, including clarifying that the 30-day period that the witness has to sign and submit his or her transcript should be computed using calendar days.

Section 1080.10 Noncompliance With Civil Investigative Demands

This section of the Interim Final Rule authorizes the Director, the Assistant Director of the Office of Enforcement, and the General Counsel to initiate an action to enforce a CID in connection with the failure or refusal of a person to comply with, or to obey, a CID. In addition, they are authorized to seek civil contempt or other appropriate relief in cases where a court order enforcing a CID has been violated.

The Bureau received no comment on § 1080.10 of the Interim Final Rule and is adopting it as the Final Rule without substantive change.

Section 1080.11 Disposition

This section of the Interim Final Rule explains that an enforcement action may be instituted in Federal or State court or through administrative proceedings when warranted by the facts disclosed by an investigation. It further provides that the Bureau may refer investigations to appropriate Federal, State, or foreign government agencies as appropriate. This section of the Interim Final Rule

also authorizes the Assistant Director of the Office of Enforcement to close the investigation when the facts of an investigation indicate an enforcement action is not necessary or warranted in the public interest.

One commenter indicated that the Bureau's authority to refer investigations to other law enforcement agencies should be limited to circumstances when it is expressly authorized to do so by the Dodd-Frank Act, an enumerated consumer financial law, or other Federal law, because of potential risks to the confidentiality of the investigatory files.

The Bureau's ability to refer matters to appropriate law enforcement agencies is inherent in the Bureau's authority and is a corollary to the Bureau's statutorily recognized ability to conduct joint investigations. The documentary materials and tangible things obtained by the Bureau pursuant to a CID are subject to the requirements and procedures relating to disclosure of records and information in part 1070 of this title. These procedures for sharing information with law enforcement agencies provide significant and sufficient protections for these materials.

The Bureau has amended § 1080.11 to clarify that the Assistant Director and any Deputy Assistant Director of the Office of Enforcement are authorized to close investigations.

The Bureau adopts § 1080.11 of the Interim Final Rule with the changes discussed above.

Section 1080.12 Orders Requiring Witnesses To Testify or Provide Other Information and Granting Immunity

This section of the Interim Final Rule authorizes the Assistant Director of the Office of Enforcement to request approval from the Attorney General for the issuance of an order requiring a witness to testify or provide other information and granting immunity under 18 U.S.C. 6004. The Interim Final Rule also sets forth the Bureau's right to review the exercise of these functions and states that the Bureau will entertain an appeal from an order requiring a witness to testify or provide other information only upon a showing that a substantial question is involved, the determination of which is essential to serve the interests of justice. Finally, this section of the Interim Final Rule describes the applicable rules and time limits for such appeals.

A commenter questioned whether this section of the Interim Final Rule would permit any Bureau employee to request that the Attorney General approve the issuance of an order granting immunity

under 18 U.S.C. 6004 and requiring a witness to testify or provide information. The commenter noted that the Dodd-Frank Act authorizes the Bureau, with the Attorney General's permission, to compel a witness to testify under 18 U.S.C. 6004 if the witness invokes his or her privilege against self-incrimination. The commenter argued that this section should delegate the authority to seek permission to compel testimony to a specific individual to provide accountability and ensure that information is not disclosed to the Attorney General in a manner that violates the Right to Financial Privacy Act. The commenter noted that the FTC's analogous rule specifically lists the senior agency officials who are authorized to make such requests to the Attorney General, and identifies a liaison officer through whom such requests must be made. The commenter also suggested that § 1080.12(b) of the Interim Final Rule, which provides that the Assistant Director's exercise of this authority is subject to review by "the Bureau," specify who will conduct this review.

The Final Rule provides that only the Director of the Bureau has the authority to request approval from the Attorney General for the issuance of an order requiring a witness to testify or provide other information and granting immunity under 18 U.S.C. 6004. This change addresses the concern that requests for witness immunity would be made without oversight. Limiting this authority to the Director provides sufficient accountability.

Section 1080.13 Custodians

This section of the Interim Final Rule describes the procedures for designating a custodian and deputy custodian for material produced pursuant to a CID in an investigation. It also states that these materials are for the official use of the Bureau, but, upon notice to the custodian, must be made available for examination during regular office hours by the person who produced them.

A commenter suggested that the Bureau should detail the particular duties of custodians designated under this section and that, without an enumerated list of duties, the custodian would not have any responsibilities regarding CID materials. The commenter noted that the FTC Act requires the custodian to take specific actions, while the Dodd-Frank Act does not. The commenter suggested specifying a series of custodial duties, including (1) taking and maintaining custody of all materials submitted pursuant to CIDs or subpoenas that the Bureau issues,

including transcripts of oral testimony taken by the Bureau; (2) maintaining confidentiality of those materials as required by applicable law; (3) providing the materials to either House of Congress upon request, after ten days notice to the party that owns or submitted the materials; (4) producing any materials as required by a court of competent jurisdiction; and (5) complying at all times with the Trade Secrets Act.

Section 1052 of the Dodd-Frank Act sets forth the duties of the Bureau's custodian. Sections 1052(c)(3) through (c)(6) of the Dodd-Frank Act give the custodian responsibility for receiving documentary material, tangible things, written reports, answers to questions, and transcripts of oral testimony given by any person in compliance with any CID. Section 1052(d) of the Dodd-Frank Act, as well as the Bureau's Rules for Disclosure of Records and Information in part 1070 of this title, outline the requirements for the confidential treatment of demand material. Section 1052(g) addresses custodial control and provides that a person may file, in the district court of the United States for the judicial district within which the office of the custodian is situated, a petition for an order of such court requiring the performance by the custodian of any duty imposed upon him by section 1052 of the Dodd-Frank Act or by Bureau rule. These duties and obligations do not require additional clarification by rule.

The Final Rule clarifies that the custodian has the powers and duties of both section 1052 of the Dodd-Frank Act and 12 CFR 1070.3.

The Bureau adopts § 1080.13 of the Interim Final Rule with the changes discussed above.

Section 1080.14 Confidential Treatment of Demand Material and Non-Public Nature of Investigations

Section 1080.14 of the Interim Final Rule explains that documentary materials, written reports, answers to questions, tangible things, or transcripts of oral testimony received by the Bureau in any form or format pursuant to a CID are subject to the requirements and procedures relating to disclosure of records and information in part 1070 of this title. This section of the Interim Final Rule also states that investigations generally are non-public. A Bureau investigator may disclose the existence of an investigation to the extent necessary to advance the investigation.

A commenter recommended that the Bureau revise this section to mandate that Bureau investigations remain confidential. The commenter noted the

potential reputation risk to an entity if an investigation is disclosed to the public. In addition, the commenter argued that failing to conduct investigations confidentially will increase litigation risk. One commenter recommended that the Bureau issue a public absolution of a company if the Bureau does not maintain the confidentiality of an investigation.

Section 1080.14 of the Interim Final Rule provides that investigations generally will not be disclosed to the public, but permits Bureau investigators to disclose the existence of an investigation when necessary to advance the investigation. The Interim Final Rule does not contemplate publicizing an investigation, but rather disclosing the existence of the investigation to, for example, a potential witness or third party with potentially relevant information when doing so is necessary to advance the investigation. This limited exception sufficiently balances the concerns expressed by the commenter with the Bureau's need to obtain information efficiently.

Thus, the Bureau adopts § 1080.14 of the Interim Final Rule as the Final Rule without change.

VII. Section 1022(b)(2) Provisions

In developing the Final Rule, the Bureau has considered the potential benefits, costs, and impacts, and has consulted or offered to consult with the prudential regulators, HUD, the SEC, the Department of Justice, and the FTC, including with regard to consistency with any prudential, market, or systemic objectives administered by such agencies.¹

The Final Rule neither imposes any obligations on consumers nor is expected to have any appreciable impact on their access to consumer financial products or services. Rather, the Final Rule provides a clear, efficient mechanism for investigating compliance with the Federal consumer financial laws, which benefits consumers by creating a systematic process to protect them from unlawful behavior.

¹ Section 1022(b)(2)(A) of the Dodd-Frank Act addresses the consideration of the potential benefits and costs of regulation to consumers and covered persons, including the potential reduction of access by consumers to consumer financial products or services; the impact on depository institutions and credit unions with \$10 billion or less in total assets as described in section 1026 of the Dodd-Frank Act; and the impact on consumers in rural areas. Section 1022(b)(2)(B) addresses consultation between the Bureau and other Federal agencies during the rulemaking process. The manner and extent to which these provisions apply to procedural rules and benefits, costs and impacts that are compelled by statutory changes rather than discretionary Bureau action is unclear. Nevertheless, to inform this rulemaking more fully, the Bureau performed the described analyses and consultations.

The Final Rule imposes certain obligations on covered persons who receive CIDs in Bureau investigations. Specifically, as described above, the Final Rule sets forth the process for complying with or objecting to CIDs for documentary material, tangible things, written reports or answers to questions, and oral testimony. Most obligations in the Final Rule stem from express language in the Dodd-Frank Act and do not impose additional burdens on covered persons.

To the extent that the Final Rule includes provisions not expressly required by statute, these provisions benefit covered persons by providing clarity and certainty. In addition, the Final Rule vests the Bureau with discretion to modify CIDs or extend the time for compliance for good cause. This flexibility benefits covered persons by enabling the Bureau to assess the cost of compliance with a civil investigative demand in a particular circumstance and take appropriate steps to mitigate any unreasonable compliance burden.

Moreover, because the Final Rule is largely based on section 20 of the FTC Act and its corresponding regulations, it should present an existing, stable model of investigatory procedures to covered persons. This likely familiarity to covered persons should further reduce the compliance costs for covered persons.

The Final Rule provides that requests for extensions of time to file petitions to modify or set aside CIDs are disfavored. This may impose a burden on covered entities in some cases, but it may also lead to a more expeditious resolution of matters, reducing uncertainty. Furthermore, the Final Rule has no unique impact on insured depository institutions or insured credit unions with less than \$10 billion in assets as described in section 1026(a) of the Dodd-Frank Act. Nor does the Final Rule have a unique impact on rural consumers.

A commenter suggested that the Bureau conduct a nonpublic study of the impact of complying with a CID on the entities who have been subjected to them by other agencies, with specific focus on those that were found not to have violated the law. As the commenter implicitly recognizes, such data does not currently exist and thus was not reasonably available to the Bureau in finalizing the Interim Final Rule. Moreover, as explained above, most of the costs associated with complying with a CID result from the Dodd-Frank Act, which authorizes the Bureau to issue such demands.

A commenter asserted that disfavoring extensions of petitions to

modify or set aside CIDs will require the recipient to conduct a full review of the demanded material within the normal 20-day period in order to comply with the deadline for filing a petition. Under the Final Rule, recipients of a CID are not required to comply fully within twenty days; rather, they are required simply to decide whether they will comply with the demand at all. The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement have the discretion to negotiate and approve the terms of satisfactory compliance with CIDs and, for good cause shown, may extend the time prescribed for compliance. Thus, the Final Rule provides reasonable steps to mitigate compliance burden while simultaneously protecting the Bureau's law enforcement interests.

Another commenter stated that the four interim final rules that the Bureau promulgated together on July 28, 2011 failed to satisfy the rulemaking requirements under section 1022 of the Dodd-Frank Act. Specifically, the commenter stated that "the CFPB's analysis of the costs and benefits of its rules does not recognize the significant costs the CFPB imposes on covered persons." The Bureau believes that it appropriately considered the benefits, costs, and impacts of the Interim Final Rule pursuant to section 1022. Notably, the commenter did not identify any specific costs to covered persons that are not discussed in Part C of the SUPPLEMENTARY INFORMATION to the Interim Final Rule.

VIII. Procedural Requirements

As noted in publishing the Interim Final Rule, under the Administrative Procedure Act, 5 U.S.C. 553(b), notice and comment is not required for rules of agency organization, procedure, or practice. As discussed in the preamble to the Interim Final Rule, the Bureau confirms its finding that this is a procedural rule for which notice and comment is not required. In addition, because the Final Rule relates solely to agency procedure and practice, it is not subject to the 30-day delayed effective date for substantive rules under section 553(d) of the Administrative Procedure Act, 5 U.S.C. 551 *et seq.* Because no notice of proposed rulemaking is required, the requirements of the Regulatory Flexibility Act, 5 U.S.C. 601(2) do not apply. Finally, the Bureau has determined that this Final Rule does not impose any new recordkeeping, reporting, or disclosure requirements on covered entities or members of the public that would be collections of

information requiring approval under 44 U.S.C. 3501. *et seq.*

List of Subjects in 12 CFR Part 1080

Administrative practice and procedure, Banking, Banks, Consumer protection, Credit, Credit unions, Investigations, Law enforcement, National banks, Savings associations, Trade practices.

For the reasons set forth in the preamble, the Bureau of Consumer Financial Protection revises part 1080 to Chapter X in Title 12 of the Code of Federal Regulations to read as follows:

PART 1080—RULES RELATING TO INVESTIGATIONS

Sec.

- 1080.1 Scope.
- 1080.2 Definitions.
- 1080.3 Policy as to private controversies.
- 1080.4 Initiating and conducting investigations.
- 1080.5 Notification of purpose.
- 1080.6 Civil investigative demands.
- 1080.7 Investigational hearings.
- 1080.8 Withholding requested material.
- 1080.9 Rights of witnesses in investigations.
- 1080.10 Noncompliance with civil investigative demands.
- 1080.11 Disposition.
- 1080.12 Orders requiring witnesses to testify or provide other information and granting immunity.
- 1080.13 Custodians.
- 1080.14 Confidential treatment of demand material and non-public nature of investigations.

Authority: Pub. L. 111–203, Title X, 12 U.S.C. 5481 *et seq.*

§ 1080.1 Scope.

The rules of this part apply to Bureau investigations conducted pursuant to section 1052 of the Dodd-Frank Act, 12 U.S.C. 5562.

§ 1080.2 Definitions.

For the purposes of this part, unless explicitly stated to the contrary:

Bureau means the Bureau of Consumer Financial Protection.

Bureau investigation means any inquiry conducted by a Bureau investigator for the purpose of ascertaining whether any person is or has been engaged in any conduct that is a violation.

Bureau investigator means any attorney or investigator employed by the Bureau who is charged with the duty of enforcing or carrying into effect any Federal consumer financial law.

Custodian means the custodian or any deputy custodian designated by the Bureau for the purpose of maintaining custody of information produced pursuant to this part.

Director means the Director of the Bureau or a person authorized to

perform the functions of the Director in accordance with the law.

Documentary material means the original or any copy of any book, document, record, report, memorandum, paper, communication, tabulation, chart, log, electronic file, or other data or data compilation stored in any medium, including electronically stored information.

Dodd-Frank Act means the Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010, as amended, Public Law 111–203 (July 21, 2010), Title X, codified at 12 U.S.C. 5481 *et seq.*

Electronically stored information (ESI) means any information stored in any electronic medium from which information can be obtained either directly or, if necessary, after translation by the responding party into a reasonably usable form.

Office of Enforcement means the office of the Bureau responsible for enforcement of Federal consumer financial law.

Person means an individual, partnership, company, corporation, association (incorporated or unincorporated), trust, estate, cooperative organization, or other entity.

Violation means any act or omission that, if proved, would constitute a violation of any provision of Federal consumer financial law.

§ 1080.3 Policy as to private controversies.

The Bureau shall act only in the public interest and will not initiate an investigation or take other enforcement action when the alleged violation is merely a matter of private controversy and does not tend to affect adversely the public interest.

§ 1080.4 Initiating and conducting investigations.

The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement have the nondelegable authority to initiate investigations. Bureau investigations are conducted by Bureau investigators designated and duly authorized under section 1052 of the Dodd-Frank Act, 12 U.S.C. 5562, to conduct such investigations. Bureau investigators are authorized to exercise and perform their duties in accordance with the laws of the United States and the regulations of the Bureau.

§ 1080.5 Notification of purpose.

Any person compelled to furnish documentary material, tangible things, written reports or answers to questions, oral testimony, or any combination of

such material, answers, or testimony to the Bureau shall be advised of the nature of the conduct constituting the alleged violation that is under investigation and the provisions of law applicable to such violation.

§ 1080.6 Civil investigative demands.

(a) *In general.* In accordance with section 1052(c) of the Act, the Director of the Bureau, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement, have the nondelegable authority to issue a civil investigative demand in any Bureau investigation directing the person named therein to produce documentary material for inspection and copying or reproduction in the form or medium requested by the Bureau; to submit tangible things; to provide a written report or answers to questions; to appear before a designated representative at a designated time and place to testify about documentary material, tangible things, or other information; and to furnish any combination of such material, things, answers, or testimony.

(1) *Documentary material.* (i) Civil investigative demands for the production of documentary material shall describe each class of material to be produced with such definiteness and certainty as to permit such material to be fairly identified, prescribe a return date or dates that will provide a reasonable period of time within which the material so demanded may be assembled and made available for inspection and copying or reproduction, and identify the custodian to whom such material shall be made available. Documentary material for which a civil investigative demand has been issued shall be made available as prescribed in the civil investigative demand.

(ii) Production of documentary material in response to a civil investigative demand shall be made under a sworn certificate, in such form as the demand designates, by the person to whom the demand is directed or, if not a natural person, by any person having knowledge of the facts and circumstances relating to such production, to the effect that all of the documentary material required by the demand and in the possession, custody, or control of the person to whom the demand is directed has been produced and made available to the custodian.

(2) *Tangible things.* (i) Civil investigative demands for tangible things shall describe each class of tangible things to be produced with such definiteness and certainty as to permit such things to be fairly identified, prescribe a return date or

dates which will provide a reasonable period of time within which the things so demanded may be assembled and submitted, and identify the custodian to whom such things shall be submitted.

(ii) Submissions of tangible things in response to a civil investigative demand shall be made under a sworn certificate, in such form as the demand designates, by the person to whom the demand is directed or, if not a natural person, by any person having knowledge of the facts and circumstances relating to such production, to the effect that all of the tangible things required by the demand and in the possession, custody, or control of the person to whom the demand is directed have been submitted to the custodian.

(3) *Written reports or answers to questions.* (i) Civil investigative demands for written reports or answers to questions shall propound with definiteness and certainty the reports to be produced or the questions to be answered, prescribe a date or dates at which time written reports or answers to questions shall be submitted, and identify the custodian to whom such reports or answers shall be submitted.

(ii) Each reporting requirement or question in a civil investigative demand shall be answered separately and fully in writing under oath. Responses to a civil investigative demand for a written report or answers to questions shall be made under a sworn certificate, in such form as the demand designates, by the person to whom the demand is directed or, if not a natural person, by any person responsible for answering each reporting requirement or question, to the effect that all of the information required by the demand and in the possession, custody, control, or knowledge of the person to whom the demand is directed has been submitted to the custodian.

(4) *Oral testimony.* (i) Civil investigative demands for the giving of oral testimony shall prescribe a date, time, and place at which oral testimony shall be commenced, and identify a Bureau investigator who shall conduct the investigation and the custodian to whom the transcript of such investigation shall be submitted. Oral testimony in response to a civil investigative demand shall be taken in accordance with the procedures for investigational hearings prescribed by §§ 1080.7 and 1080.9 of this part.

(ii) Where a civil investigative demand requires oral testimony from an entity, the civil investigative demand shall describe with reasonable particularity the matters for examination and the entity must designate one or more officers, directors, or managing

agents, or designate other persons who consent to testify on its behalf. Unless a single individual is designated by the entity, the entity must designate the matters on which each designee will testify. The individuals designated must testify about information known or reasonably available to the entity and their testimony shall be binding on the entity.

(b) *Manner and form of production of ESI.* When a civil investigative demand requires the production of ESI, it shall be produced in accordance with the instructions provided by the Bureau regarding the manner and form of production. Absent any instructions as to the form for producing ESI, ESI must be produced in the form in which it is ordinarily maintained or in a reasonably usable form.

(c) *Meet and confer.* The recipient of a civil investigative demand shall meet and confer with a Bureau investigator within 10 calendar days after receipt of the demand or before the deadline for filing a petition to modify or set aside the demand, whichever is earlier, to discuss and attempt to resolve all issues regarding compliance with the civil investigative demand. The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement may authorize the waiver of this requirement for routine third-party civil investigative demands or in other circumstances where he or she determines that a meeting is unnecessary. The meeting may be in person or by telephone.

(1) *Personnel.* The recipient must make available at the meeting personnel with the knowledge necessary to resolve any issues relevant to compliance with the demand. Such personnel could include individuals knowledgeable about the recipient's information or records management systems and/or the recipient's organizational structure.

(2) *ESI.* If the civil investigative demand seeks ESI, the recipient shall ensure that a person familiar with its ESI systems and methods of retrieval participates in the meeting.

(3) *Petitions.* The Bureau will not consider petitions to set aside or modify a civil investigative demand unless the recipient has meaningfully engaged in the meet and confer process described in this subsection and will consider only issues raised during the meet and confer process.

(d) *Compliance.* The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement are authorized to negotiate and approve the terms of satisfactory compliance with civil investigative demands and, for good

cause shown, may extend the time prescribed for compliance.

(e) *Petition for order modifying or setting aside demand—in general.* Any petition for an order modifying or setting aside a civil investigative demand shall be filed with the Executive Secretary of the Bureau with a copy to the Assistant Director of the Office of Enforcement within 20 calendar days after service of the civil investigative demand, or, if the return date is less than 20 calendar days after service, prior to the return date. Such petition shall set forth all factual and legal objections to the civil investigative demand, including all appropriate arguments, affidavits, and other supporting documentation. The attorney who objects to a demand must sign any objections.

(1) *Statement.* Each petition shall be accompanied by a signed statement representing that counsel for the petitioner has conferred with counsel for the Bureau pursuant to section 1080.6(c) in a good-faith effort to resolve by agreement the issues raised by the petition and has been unable to reach such an agreement. If some of the matters in controversy have been resolved by agreement, the statement shall specify the matters so resolved and the matters remaining unresolved. The statement shall recite the date, time, and place of each such meeting between counsel, and the names of all parties participating in each such meeting.

(2) *Extensions of time.* The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement are authorized to rule upon requests for extensions of time within which to file such petitions. Requests for extensions of time are disfavored.

(3) *Bureau investigator response.* Bureau investigators may, without serving the petitioner, provide the Director with a statement setting forth any factual and legal response to a petition for an order modifying or setting aside the demand.

(4) *Disposition.* The Director has the authority to rule upon a petition for an order modifying or setting aside a civil investigative demand. The order may be served on the petitioner via email, facsimile, or any other method reasonably calculated to provide notice of the order to the petitioner.

(f) *Stay of compliance period.* The timely filing of a petition for an order modifying or setting aside a civil investigative demand shall stay the time permitted for compliance with the portion challenged. If the petition is denied in whole or in part, the ruling will specify a new return date.

(g) *Public disclosure.* All such petitions and the Director's orders in response to those petitions are part of the public records of the Bureau unless the Bureau determines otherwise for good cause shown. Any showing of good cause must be made no later than the time the petition is filed.

§ 1080.7 Investigational hearings.

(a) Investigational hearings, as distinguished from hearings in adjudicative proceedings, may be conducted pursuant to a civil investigative demand for the giving of oral testimony in the course of any Bureau investigation, including inquiries initiated for the purpose of determining whether or not a respondent is complying with an order of the Bureau.

(b) Investigational hearings shall be conducted by any Bureau investigator for the purpose of hearing the testimony of witnesses and receiving documentary material, tangible things, or other information relating to any subject under investigation. Such hearings shall be under oath or affirmation and stenographically reported, and a transcript thereof shall be made a part of the record of the investigation. The Bureau investigator conducting the investigational hearing also may direct that the testimony be recorded by audio, audiovisual, or other means, in which case the recording shall be made a part of the record of the investigation as well.

(c) In investigational hearings, the Bureau investigators shall exclude from the hearing room all persons except the person being examined, his or her counsel, the officer before whom the testimony is to be taken, any investigator or representative of an agency with which the Bureau is engaged in a joint investigation, and any individual transcribing or recording such testimony. At the discretion of the Bureau investigator, and with the consent of the person being examined, persons other than those listed in this paragraph may be present in the hearing room. The Bureau investigator shall certify or direct the individual transcribing the testimony to certify on the transcript that the witness was duly sworn and that the transcript is a true record of the testimony given by the witness. A copy of the transcript shall be forwarded promptly by the Bureau investigator to the custodian designated in section 1080.13.

§ 1080.8 Withholding requested material.

(a) Any person withholding material responsive to a civil investigative demand or any other request for

production of material shall assert a claim of privilege not later than the date set for the production of material. Such person shall, if so directed in the civil investigative demand or other request for production, submit, together with such claim, a schedule of the items withheld which states, as to each such item, the type, specific subject matter, and date of the item; the names, addresses, positions, and organizations of all authors and recipients of the item; and the specific grounds for claiming that the item is privileged. The person who submits the schedule and the attorney stating the grounds for a claim that any item is privileged must sign it.

(b) A person withholding material solely for reasons described in this subsection shall comply with the requirements of this subsection in lieu of filing a petition for an order modifying or setting aside a civil investigative demand pursuant to section 1080.6(e).

(c) Disclosure of privileged or protected information or communications produced pursuant to a civil investigative demand shall be handled as follows:

(1) The disclosure of privileged or protected information or communications shall not operate as a waiver with respect to the Bureau if:

(i) The disclosure was inadvertent;

(ii) The holder of the privilege or protection took reasonable steps to prevent disclosure; and

(iii) The holder promptly took reasonable steps to rectify the error, including notifying a Bureau investigator of the claim of privilege or protection and the basis for it.

(2) After being notified, the Bureau investigator must promptly return, sequester, or destroy the specified information and any copies; must not use or disclose the information until the claim is resolved; must take reasonable steps to retrieve the information if he or she disclosed it before being notified; and, if appropriate, may sequester such material until such time as a hearing officer or court rules on the merits of the claim of privilege or protection. The producing party must preserve the information until the claim is resolved.

(3) The disclosure of privileged or protected information or communications shall waive the privilege or protection with respect to the Bureau as to undisclosed information or communications only if:

(i) The waiver is intentional;

(ii) The disclosed and undisclosed information or communications concern the same subject matter; and

(iii) They ought in fairness to be considered together.

§ 1080.9 Rights of witnesses in investigations.

(a) Any person compelled to submit documentary material, tangible things, or written reports or answers to questions to the Bureau, or to testify in an investigational hearing, shall be entitled to retain a copy or, on payment of lawfully prescribed costs, request a copy of the materials, things, reports, or written answers submitted, or a transcript of his or her testimony. The Bureau, however, may for good cause deny such a request and limit the witness to inspection of the official transcript of the testimony. Upon completion of transcription of the testimony of the witness, the witness shall be offered an opportunity to read the transcript of his or her testimony. Any changes by the witness shall be entered and identified upon the transcript by the Bureau investigator with a statement of the reasons given by the witness for making such changes. The transcript shall then be signed by the witness and submitted to the Bureau unless the witness cannot be found, is ill, waives in writing his or her right to signature, or refuses to sign. If the signed transcript is not submitted to the Bureau within 30 calendar days of the witness being afforded a reasonable opportunity to review it, the Bureau investigator, or the individual transcribing the testimony acting at the Bureau investigator's direction, shall sign the transcript and state on the record the fact of the waiver, illness, absence of the witness, or the refusal to sign, together with any reasons given for the failure to sign.

(b) Any witness compelled to appear in person at an investigational hearing may be accompanied, represented, and advised by counsel as follows:

(1) Counsel for a witness may advise the witness, in confidence and upon the initiative of either counsel or the witness, with respect to any question asked of the witness where it is claimed that a witness is privileged to refuse to answer the question. Counsel may not otherwise consult with the witness while a question directed to the witness is pending.

(2) Any objections made under the rules in this part shall be made only for the purpose of protecting a constitutional or other legal right or privilege, including the privilege against self-incrimination. Neither the witness nor counsel shall otherwise object or refuse to answer any question. Any objection during an investigational hearing shall be stated concisely on the record in a nonargumentative and nonsuggestive manner. Following an objection, the examination shall proceed

and the testimony shall be taken, except for testimony requiring the witness to divulge information protected by the claim of privilege or work product.

(3) Counsel for a witness may not, for any purpose or to any extent not allowed by paragraphs (b)(1) and (2) of this section, interrupt the examination of the witness by making any objections or statements on the record. Petitions challenging the Bureau's authority to conduct the investigation or the sufficiency or legality of the civil investigative demand shall be addressed to the Bureau in advance of the hearing in accordance with § 1080.6(e). Copies of such petitions may be filed as part of the record of the investigation with the Bureau investigator conducting the investigational hearing, but no arguments in support thereof will be allowed at the hearing.

(4) Following completion of the examination of a witness, counsel for the witness may, on the record, request that the Bureau investigator conducting the investigational hearing permit the witness to clarify any of his or her answers. The grant or denial of such request shall be within the sole discretion of the Bureau investigator conducting the hearing.

(5) The Bureau investigator conducting the hearing shall take all necessary action to regulate the course of the hearing to avoid delay and to prevent or restrain disorderly, dilatory, obstructionist, or contumacious conduct, or contemptuous language. Such Bureau investigator shall, for reasons stated on the record, immediately report to the Bureau any instances where an attorney has allegedly refused to comply with his or her obligations under the rules in this part, or has allegedly engaged in disorderly, dilatory, obstructionist, or contumacious conduct, or contemptuous language in the course of the hearing. The Bureau will thereupon take such further action, if any, as the circumstances warrant, including actions consistent with those described in 12 CFR 1081.107(c) to suspend or disbar the attorney from further practice before the Bureau or exclude the attorney from further participation in the particular investigation.

§ 1080.10 Noncompliance with civil investigative demands.

(a) In cases of failure to comply in whole or in part with Bureau civil investigative demands, appropriate action may be initiated by the Bureau, including actions for enforcement.

(b) The Director, the Assistant Director of the Office of Enforcement,

and the General Counsel of the Bureau are authorized to:

(1) Institute, on behalf of the Bureau, an enforcement proceeding in the district court of the United States for any judicial district in which a person resides, is found, or transacts business, in connection with the failure or refusal of such person to comply with, or to obey, a civil investigative demand in whole or in part if the return date or any extension thereof has passed; and

(2) Seek civil contempt or other appropriate relief in cases where a court order enforcing a civil investigative demand has been violated.

§ 1080.11 Disposition.

(a) When the facts disclosed by an investigation indicate that an enforcement action is warranted, further proceedings may be instituted in Federal or State court or pursuant to the Bureau's administrative adjudicatory process. Where appropriate, the Bureau also may refer investigations to appropriate Federal, State, or foreign governmental agencies.

(b) When the facts disclosed by an investigation indicate that an enforcement action is not necessary or would not be in the public interest, the investigational file will be closed. The matter may be further investigated, at any time, if circumstances so warrant.

(c) The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement are authorized to close Bureau investigations.

§ 1080.12 Orders requiring witnesses to testify or provide other information and granting immunity.

The Director has the nondelegable authority to request approval from the Attorney General of the United States for the issuance of an order requiring a witness to testify or provide other information and granting immunity under 18 U.S.C. 6004.

§ 1080.13 Custodians.

(a) The Bureau shall designate a custodian and one or more deputy custodians for material to be delivered pursuant to a civil investigative demand in an investigation. The custodian shall have the powers and duties prescribed by 12 CFR 1070.3 and section 1052 of the Act, 12 U.S.C. 5562. Deputy custodians may perform all of the duties assigned to custodians.

(b) Material produced pursuant to a civil investigative demand, while in the custody of the custodian, shall be for the official use of the Bureau in accordance with the Act; but such material shall upon reasonable notice to the custodian

be made available for examination by the person who produced such material, or his or her duly authorized representative, during regular office hours established for the Bureau.

§ 1080.14 Confidential treatment of demand material and non-public nature of investigations.

(a) Documentary materials, written reports, answers to questions, tangible things or transcripts of oral testimony the Bureau receives in any form or format pursuant to a civil investigative demand are subject to the requirements and procedures relating to the disclosure of records and information set forth in part 1070 of this title.

(b) Bureau investigations generally are non-public. Bureau investigators may disclose the existence of an investigation to potential witnesses or third parties to the extent necessary to advance the investigation.

Dated: June 4, 2012.

Richard Cordray,

Director, Bureau of Consumer Financial Protection.

[FR Doc. 2012-14047 Filed 6-28-12; 8:45 am]

BILLING CODE 4810-AM-P

BUREAU OF CONSUMER FINANCIAL PROTECTION

12 CFR Part 1082

[Docket No. CFPB-2011-0005]

RIN 3170-AA02

State Official Notification Rule

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Final rule.

SUMMARY: The Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010 (Dodd-Frank Act) requires the Bureau of Consumer Financial Protection (Bureau) to prescribe rules establishing procedures that govern the process by which State Officials notify the Bureau of actions undertaken pursuant to the authority granted to the States to enforce the Dodd-Frank Act or regulations prescribed thereunder. This final State Official Notification Rule (Final Rule) sets forth the procedures to govern this process.

DATES: The Final Rule is effective June 29, 2012.

FOR FURTHER INFORMATION CONTACT:

Veronica Spicer, Office of Enforcement, Consumer Financial Protection Bureau, 1700 G Street NW., Washington, DC 20552, at (202) 435-7545.

SUPPLEMENTARY INFORMATION:

I. Background

The Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010 (Dodd-Frank Act) was signed into law on July 21, 2010. Title X of the Dodd-Frank Act established the Bureau to regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws. Section 1042 of the Dodd-Frank Act, 12 U.S.C. 5552, governs the enforcement powers of the States under the Dodd-Frank Act. Under section 1042(a), a State attorney general or regulator (State Official) may bring an action to enforce Title X of the Dodd-Frank Act and regulations issued thereunder. Prior to initiating any such action, the State Official is required to provide notice of the action to the Bureau and the prudential regulator, if any, pursuant to section 1042(b) of the Dodd-Frank Act. Section 1042(b) further authorizes the Bureau to intervene in the State Official's action as a party, remove the action to a Federal district court, and appeal any order or judgment.

Pursuant to section 1042(c) of the Dodd-Frank Act, the Bureau is required to issue regulations implementing the requirements of section 1042. On July 28, 2011, the Bureau promulgated the State Official Notification Rule (Interim Final Rule) with a request for comment. The comment period for the Interim Final Rule ended on September 26, 2011. After reviewing and considering the issues raised by the comments, the Bureau now promulgates the Final Rule establishing a procedure for the timing and content of the notice required to be provided by State Officials pursuant to section 1042(b) of the Dodd-Frank Act, 12 U.S.C. 5552(b).

II. Summary of the Final Rule

Like the Interim Final Rule, the Final Rule implements a procedure for the timing and content of the notice required by section 1042(b), sets forth the responsibilities of the recipients of the notice, and specifies the rights of the Bureau to participate in actions brought by State Officials under section 1042(a) of the Dodd-Frank Act. In drafting the Final Rule, the Bureau endeavored to create a process that would provide both the Bureau and, where applicable, the prudential regulators with timely notice of pending actions and account for the investigation and litigation needs of State regulators and law enforcement agencies. In keeping with this approach, the Final Rule provides for a default notice period of at least ten calendar days, with exceptions for emergencies and other extenuating circumstances,

and requires substantive notice that is both straightforward and comprehensive. The Final Rule further makes clear that the Bureau can intervene as a party in an action brought by a State Official under Title X of the Dodd-Frank Act or a regulation prescribed thereunder, provides for the confidential treatment of non-public information contained in the notice if a State so requests, and provides that provision of notice shall not be deemed a waiver of any applicable privilege. In addition, the Final Rule specifies that the notice provisions do not create any procedural or substantive rights for parties in litigation against the United States or against a State that brings an action under Title X of the Dodd-Frank Act or a regulation prescribed thereunder.

III. Legal Authority

Section 1042(c) of the Dodd-Frank Act authorizes the Bureau to prescribe regulations implementing the requirements of section 1042(b). In addition, the Bureau has general rulemaking authority pursuant to section 1022(b)(1) of the Dodd-Frank Act to prescribe rules to enable the Bureau to administer and carry out the purposes and objectives of the Federal consumer financial laws and to prevent evasions thereof.

IV. Overview of Comments Received

In response to the Interim Final Rule, the Bureau received several comments. Four letters were received from associations representing the financial industry, two letters were received from financial industry regulators and supervisors, and one letter was received from an individual consumer. The Bureau also received a comment letter from a financial industry regulator in response to its **Federal Register** notification of November 21, 2011, regarding the information collection requirements associated with the Interim Final Rule pursuant to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. All of the comments are available for review on www.regulations.gov.

The financial industry associations' comments fell into several general categories. Several comments expressed concerns about the Bureau's ability to maintain confidentiality for notification materials received by the Bureau. Other commenters requested clarity as to the type of actions for which the Bureau requires notification. One commenter requested that the Bureau require uniform interpretation by States of all Federal law within the Bureau's jurisdiction.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Chieco, Gena \(CFPB\)](#)
Cc: [Turner, Austin \(Detailee\)\(CFPB\)](#); [Wells, John \(CFPB\)](#); [Morgan, Jameelah \(Contractor\)\(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Chandler, Jocelyn \(CFPB\)](#)
Subject: Re: RC Approved Recommendation Memo: Consent Order with Wells Fargo Bank, N.A. (Sales Practices)
Date: Wednesday, September 07, 2016 11:54:24 AM

Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Consumer Financial Protection Bureau
202-435-7598

From: Chieco, Gena (CFPB)
Sent: Wednesday, September 7, 2016 11:53 AM
To: Ehrlich, Jeffrey (CFPB)
Cc: Turner, Austin (Detailee)(CFPB); Wells, John (CFPB); Morgan, Jameelah (Contractor)(CFPB); Brown, Lawrence (CFPB); Chandler, Jocelyn (CFPB)
Subject: RE: RC Approved Recommendation Memo: Consent Order with Wells Fargo Bank, N.A. (Sales Practices)

The signed consent order is included in the attached PDF.

Jocelyn is in training until 100pm, and will get back to you shortly thereafter re: 2.

Thank you

From: Ehrlich, Jeffrey (CFPB)
Sent: Wednesday, September 07, 2016 11:48 AM
To: CFPB_Executive Secretary
Cc: Turner, Austin (Detailee)(CFPB); Wells, John (CFPB); Morgan, Jameelah (Contractor)(CFPB); Brown, Lawrence (CFPB)
Subject: RE: RC Approved Recommendation Memo: Consent Order with Wells Fargo Bank, N.A. (Sales Practices)

Exec Sec,

Two things:

1. Could you please email to me the signed version? I know that it has not been filed yet and not to share it.
2. What must we do to ensure that the consent order is filed first thing tomorrow morning? The timing is important, because the City of Los Angeles is filing its order after ours is filed, as it references our order.

Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: CFPB_Executive Secretary
Sent: Tuesday, September 06, 2016 2:06 PM
To: Turner, Austin (Detailee)(CFPB)
Cc: Alexis, Anthony (CFPB); Pearl, Joanna (CFPB); Boison, Elizabeth (CFPB); Fulton, Kate (CFPB); Corbett, Elizabeth (CFPB); Harper, Morgan (CFPB); White, Evan (CFPB); Coleman, John (CFPB); Chieco, Gena (CFPB); Chandler, Jocelyn (CFPB); Corbett, Elizabeth (CFPB); Case, Whitney (CFPB); Rainey, Zol (CFPB); Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); CFPB_Executive Secretary
Subject: RC Approved Recommendation Memo: Consent Order with Wells Fargo Bank, N.A. (Sales Practices)

The Director has signed the consent order in the attached recommendation memo. If needed, it is available for pickup in the Exec Sec area.

From: Turner, Austin (Detailee)(CFPB)
Sent: Friday, September 02, 2016 11:48 AM
To: CFPB_Executive Secretary
Cc: Alexis, Anthony (CFPB); Pearl, Joanna (CFPB); Boison, Elizabeth (CFPB); Fulton, Kate (CFPB); Corbett, Elizabeth (CFPB); Harper, Morgan (CFPB); White, Evan (CFPB); Coleman, John (CFPB); Chieco, Gena (CFPB); Chandler, Jocelyn (CFPB); Corbett, Elizabeth (CFPB); Case, Whitney (CFPB); Rainey, Zol (CFPB); Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: Recommendation Memo: Consent Order with Wells Fargo Bank, N.A. (Sales Practices)

Exec Sec,

Attached please find a recommendation memo relating to the Office of Enforcement's Wells Fargo Bank, N.A. (Sales Practices) matter (ENF No. 2016-1667-02) requesting that the Director issue the attached consent order.

Please note that the team has a press date for September 8th.

The following documents are also attached.

Tab 1: Consent Order

Tab 2: Executed Stipulation

Thank you,

Austin Turner

Program Analyst (Detailee)

Office of Enforcement

Consumer Financial Protection Bureau

(202) 435-9699

Austin.Turner@cfpb.gov

consumerfinance.gov

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**UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU**

ADMINISTRATIVE PROCEEDING

2016-CFPB-0015

In the Matter of:

WELLS FARGO BANK, N.A.

CONSENT ORDER

The Consumer Financial Protection Bureau (Bureau) has reviewed the sales practices of Wells Fargo Bank, N.A. (Respondent, as defined below) and determined that it has engaged in the following acts and practices: (1) opened unauthorized deposit accounts for existing customers and transferred funds to those accounts from their owners' other accounts, all without their customers' knowledge or consent; (2) submitted applications for credit cards in consumers' names using consumers' information without their knowledge or consent; (3) enrolled consumers in online-banking services that they did not request; and (4) ordered and activated debit cards using consumers' information without their knowledge or consent. The Bureau has concluded that such acts violate §§ 1031 and 1036(a)(1)(B) of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5531 and 5536(a)(1)(B). Under §§ 1053 and 1055 of CFPA, 12 U.S.C. §§ 5563, 5565, the Bureau issues this Consent Order (Consent Order).

I Jurisdiction

1. The Bureau has jurisdiction over this matter under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565.

II Stipulation

2. Respondent has executed a “Stipulation and Consent to the Issuance of a Consent Order” (Stipulation), which is incorporated by reference and is accepted by the Bureau. By this Stipulation, Respondent has consented to the issuance of this Consent Order by the Bureau under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565, without admitting or denying the findings of facts and conclusions of law, except that Respondent admits the facts necessary to establish the Bureau’s jurisdiction over Respondent and the subject matter of this action.

III Definitions

3. The following definitions apply to this Consent Order:
- a. **“Affected Consumers”** means any consumer subjected to any of the Improper Sales Practices.
 - b. **“Board”** means Respondent’s duly-elected and acting Board of Directors.
 - c. **“California Enforcement Action”** means the lawsuit styled *People v. Wells Fargo & Co., et al.*, Los Angeles Superior Court, Case No. BC580778, filed by the Office of the Los Angeles City Attorney.
 - d. **“Community Bank Regional Bank Branch Network”** means the Respondent’s retail-branch operations within Respondent’s Regional Bank group.

e. **“Effective Date”** means the date on which this Order is issued.

f. **“Improper Sales Practices”** means any of the following in the Community Bank Regional Bank Branch Network:

- (1) opening any account without the consumer’s consent;
- (2) transferring funds between a consumer’s accounts without the consumer’s consent;
- (3) applying for any credit card without the consumer’s consent;
- (4) issuing any debit card without the consumer’s consent; and
- (5) enrolling any consumer in online-banking services without the consumer’s consent.

g. **“Los Angeles City Attorney”** means the Office of the Los Angeles City Attorney.

h. **“Regional Director”** means the Regional Director for the West Region for the Office of Supervision for the Consumer Financial Protection Bureau, or his/her delegate.

i. **“Related Consumer Action”** means a private action by or on behalf of one or more consumers or an enforcement action by a governmental agency other than the California Enforcement Action, brought against Respondent based on substantially the same facts as described in Section IV of this Consent Order.

j. **“Relevant Period”** includes the period from January 1, 2011, to the Effective Date.

k. **“Respondent”** means Wells Fargo Bank, N.A. and its successors and assigns.

IV Bureau Findings and Conclusions

The Bureau finds the following:

4. Respondent is a national bank headquartered in Sioux Falls, South Dakota. Respondent is an insured depository institution with assets greater than \$10 billion within the meaning of 12 U.S.C. § 5515(a).
5. Respondent is a “covered person” under 12 U.S.C. § 5481(6).
6. During the Relevant Period, Respondent offered a broad array of consumer financial products and services, including mortgages, savings and checking accounts, credit cards, debit and ATM cards, and online-banking services.
7. Respondent sought to distinguish itself in the marketplace as a leader in “cross-selling” banking products and services to its existing customers.
8. Respondent set sales goals and implemented sales incentives, including an incentive-compensation program, in part to increase the number of banking products and services that its employees sold to its customers.
9. Thousands of Respondent’s employees engaged in Improper Sales Practices to satisfy sales goals and earn financial rewards under Respondent’s incentive-compensation program. During the Relevant Period, Respondent terminated roughly 5,300 employees for engaging in Improper Sales Practices.
10. Respondent’s employees engaged in “simulated funding.” To qualify for incentives that rewarded bankers for opening new accounts that were funded shortly after opening, Respondent’s employees opened deposit accounts without consumers’ knowledge or consent and then transferred funds from consumers’ authorized accounts

to temporarily fund the unauthorized accounts in a manner sufficient for the employee to obtain credit under the incentive-compensation program.

11. Respondent's employees submitted applications for and obtained credit cards for consumers without the consumers' knowledge or consent.

12. Respondent's employees used email addresses not belonging to consumers to enroll consumers in online-banking services without their knowledge or consent.

13. Respondent's employees requested debit cards and created personal identification numbers (PINs) to activate them without the consumer's knowledge or consent.

14. During the Relevant Period, Respondent's employees opened hundreds of thousands of unauthorized deposit accounts and applied for tens of thousands of credit cards for consumers without consumers' knowledge or consent.

15. Respondent has performed an analysis to assess the scope of Improper Sales Practices that occurred between May 2011 and July 2015, including the number of potential instances of such practices.

Findings and Conclusions as to Unauthorized Deposit Accounts & Simulated Funding

16. Respondent's analysis concluded that its employees opened 1,534,280 deposit accounts that may not have been authorized and that may have been funded through simulated funding, or transferring funds from consumers' existing accounts without their knowledge or consent. That analysis determined that roughly 85,000 of those accounts incurred about \$2 million in fees, which Respondent is in the process of refunding. The fees included overdraft fees on linked accounts the consumers already

had, monthly service fees imposed for failure to keep a minimum balance in the unauthorized account, and other fees.

17. Section 1036(a)(1)(B) of the CFPA prohibits “unfair” acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is unfair if it causes or is likely to cause consumers substantial injury that is not reasonably avoidable and is not outweighed by countervailing benefits to consumers or to competition. 12 U.S.C. § 5531(c)(1).

18. By opening unauthorized deposit accounts and engaging in acts of simulated funding, Respondent caused and was likely to cause substantial injury to consumers that was not reasonably avoidable, because it occurred without consumers’ knowledge, and was not outweighed by countervailing benefits to consumers or to competition.

19. Section 1036(a)(1)(B) of the CFPA prohibits “abusive” acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is abusive if it materially interferes with the ability of a consumer to understand a term or condition of a consumer financial product or service. 12 U.S.C. § 5531(d)(1). Additionally, an act or practice is abusive if it takes unreasonable advantage of the inability of the consumer to protect his or her interests in selecting or using a consumer financial product or service. 12 U.S.C. § 5531(d)(2)(B).

20. Respondent’s acts of opening unauthorized deposit accounts and engaging in simulated funding materially interfered with the ability of consumers to understand a term or condition of a consumer financial product or service, as they had no or limited knowledge of those terms and conditions, including associated fees.

21. Additionally, Respondent’s acts of opening unauthorized deposit accounts and engaging in simulated funding took unreasonable advantage of consumers’ inability

to protect their interests in selecting or using consumer financial products or services, including interests in having an account opened only after affirmative agreement, protecting themselves from security and other risks, and avoiding associated fees.

22. Therefore, Respondent engaged in “unfair” and “abusive” acts or practices that violate §§ 1031(c)(1), (d)(1), (d)(2)(B), and 1036(a)(1)(B) of the CFPA. 12 U.S.C. §§ 5531(c)(1), (d)(1), (d)(2)(B), 5536(a)(1)(B).

Findings and Conclusions as to Unauthorized Credit Cards

23. Respondent’s analysis concluded that its employees submitted applications for 565,443 credit-card accounts that may not have been authorized by using consumers’ information without their knowledge or consent. That analysis determined that roughly 14,000 of those accounts incurred \$403,145 in fees, which Respondent is in the process of refunding. Fees incurred by consumers on such accounts included annual fees and overdraft-protection fees, as well as associated finance or interest charges and other late fees.

24. Section 1036(a)(1)(B) of the CFPA prohibits “unfair” acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is unfair if it causes or is likely to cause consumers substantial injury that is not reasonably avoidable and is not outweighed by countervailing benefits to consumers or to competition. 12 U.S.C. § 5531(c)(1).

25. By applying for and opening credit-card accounts using consumers’ information without their knowledge or consent, Respondent caused and was likely to cause substantial injury that was not reasonably avoidable, because it occurred without consumers’ knowledge, and was not outweighed by countervailing benefits to consumers or competition.

26. Section 1036(a)(1)(B) of the CFPA prohibits “abusive” acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is abusive if it materially interferes with the ability of a consumer to understand a term or condition of a consumer financial product or service. 12 U.S.C. § 5531(d)(1). Additionally, an act or practice is abusive if it takes unreasonable advantage of the consumer’s inability to protect his or her interests in selecting or using a consumer financial product or service. 12 U.S.C. § 5531(d)(2)(B).

27. Respondent’s acts of opening credit-card accounts using consumers’ information without their knowledge or consent materially interfered with the ability of consumers to understand a term or condition of a consumer financial product or service, as they had no or limited knowledge of those terms and conditions, including associated fees.

28. Additionally, Respondent’s acts of opening credit-card accounts using consumers’ information without their knowledge or consent took unreasonable advantage of the consumers’ inability to protect their interests in selecting or using a consumer financial product or service.

29. Therefore, Respondent engaged in “unfair” and “abusive” acts or practices that violate §§ 1031(c)(1), (d)(1), (d)(2)(B), and 1036(a)(1)(B) of the CFPA. 12 U.S.C. §§ 5531(c)(1), (d)(1), (d)(2)(B), 5536(a)(1)(B).

Findings and Conclusions as to Unauthorized Enrollment into Online-Banking Services

30. During the Relevant Period, Respondent’s employees used email addresses not belonging to consumers to enroll consumers in online-banking services without their knowledge or consent.

31. Section 1036(a)(1)(B) of the CFPA prohibits “abusive” acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is abusive if it takes unreasonable advantage of the consumer’s inability to protect his or her interests in selecting or using a consumer financial product or service. 12 U.S.C. § 5531(d)(2)(B).

32. Respondent’s acts of enrolling consumers in online-banking services without their knowledge or consent took unreasonable advantage of consumers’ inability to protect their interests in selecting or using a consumer financial product or service, including interests in having these products or services activated only after affirmative agreement and protecting themselves from security and other risks.

33. Therefore, Respondent engaged in “abusive” acts or practices that violate §§ 1031(d)(2)(B) and 1036(a)(1)(B) of the CFPA. 12 U.S.C. §§ 5531(d)(2)(B), 5536(a)(1)(B).

Findings and Conclusions as to Unauthorized Debit Cards

34. During the relevant period, Respondent’s employees requested debit cards and created PINs to activate them without consumers’ knowledge or consent.

35. Section 1036(a)(1)(B) of the CFPA prohibits “abusive” acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is abusive if it takes unreasonable advantage of the consumer’s inability to protect his or her interests in selecting or using a consumer financial product or service. 12 U.S.C. § 5531(d)(2)(B).

36. Respondent’s acts of issuing debit cards to consumers without their knowledge or consent took unreasonable advantage of consumers’ inability to protect their interests in selecting or using a consumer financial product or service. 12 U.S.C. § 5531(d)(2)(B).

37. Therefore, Respondent engaged in “abusive” acts that violate §§ 1031(d)(2)(B) and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531(d)(2)(B), 5536(a)(1)(B).

ORDER

V Conduct Provisions

IT IS ORDERED, under §§ 1053 and 1055 of the CFPA, that:

38. Respondent and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, may not violate §§ 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536, by engaging in Improper Sales Practices.

VI Independent Consultant’s Report and Compliance Plan

IT IS FURTHER ORDERED that:

39. Within 45 days of the Effective Date, Respondent must select an independent consultant with specialized experience in consumer-finance-compliance issues to conduct an independent review of Respondent’s sales practices within the Community Bank Regional Bank Branch Network related to deposit accounts, credit-card accounts, unsecured lines of credit, and related products and services (Independent Consultant’s Review). Respondent must submit the name of the independent consultant to the Regional Director for non-objection. Upon receipt of non-objection from the Regional Director, the Bank must retain the independent consultant. The Independent Consultant’s Review must assess whether Respondent’s current policies and procedures are reasonably designed to ensure that Respondent’s sales practices comply with all applicable Federal consumer financial laws as defined in 12 U.S.C. § 5481(14), and that Respondent’s employees do not engage in Improper Sales Practices.

40. The Independent Consultant's Review must include but will not be limited to:

a. whether Respondent's employees are required to undergo training reasonably designed to prevent Improper Sales Practices and other sales-integrity violations; whether such training is adequate, complete, and timely updated, provided when employees join Respondent, and repeated at sufficient recurring intervals during their employment to reinforce such training; whether training records are complete, accurate and adequate; and whether employees are informed of an obligation to report all sales-integrity issues internally through an "ethics hotline" or similar mechanism;

b. whether Respondent's monitoring policies and procedures ensure that Respondent monitors employees' sales practices proactively, and that Respondent devotes sufficient personnel and resources to monitor those practices appropriately;

c. whether Respondent has adequate policies and procedures for (i) receiving, retaining, and addressing consumer inquiries or complaints; (ii) receiving, retaining, and addressing employee allegations of Improper Sales Practices or any other allegations of sales-integrity violations; (iii) tracking and addressing indicators of potential Improper Sales Practices or any other sales-integrity violations; and (iv) identifying and remediating consumers for Improper Sales Practices or other sales-integrity violations identified after the Effective Date, as well as for correcting any related systemic issues identified after the Effective Date;

d. whether Respondent's policies and procedures related to sales of deposit accounts, credit cards, unsecured lines of credit, and related products and services are reasonably designed to ensure consumer consent is obtained before any such product is sold or issued to a consumer. The Independent Consultant's Review

must include, but not be limited to, whether Respondent has adequate policies and procedures for capturing and retaining consumer signatures and other evidence of consent for such products and services, for providing a grace period before assessing fees on any deposit account, and for closing accounts in which there is no customer-initiated activity during the grace period without assessing fees; and

e. whether Respondent's performance-management and sales goals for its employees are consistent with the objective of preventing Improper Sales Practices and other sales-integrity violations.

41. Within 180 days of the retention of the independent consultant, the independent consultant must prepare a written report (Independent Consultant's Report) detailing the findings of the review and provide the Independent Consultant's Report to the Board or a committee thereof.

42. Within 90 days of receiving the Independent Consultant's Report, the Board or a committee thereof must:

a. In consultation with the independent consultant, develop a plan (Compliance Plan) to: (i) correct any deficiencies identified, and (ii) implement any recommendations or explain in writing why a particular recommendation is not being implemented; and

b. submit the Independent Consultant's Report and the Compliance Plan to the Regional Director.

43. The Regional Director may, in his or her discretion, make a determination of non-objection to the Compliance Plan or direct Respondent to revise it. If the Regional Director directs Respondent to revise the Compliance Plan, the Board or a committee thereof must make the requested revisions to the Compliance Plan, have the

independent consultant review the revised Compliance Plan for adequacy, accuracy, effectiveness, and completeness, and resubmit the revised Compliance Plan and the independent consultant's review of the revised Compliance Plan to the Regional Director within 60 days of the date that the Regional Director directs the Company to revise the Compliance Plan. The Regional Director may, in his or her discretion, consult with the Los Angeles City Attorney in arriving at a determination of non-objection to the Compliance Plan or direction to Respondent to revise the Compliance Plan.

44. After receiving notification that the Regional Director has made a determination of non-objection to the Compliance Plan, Respondent must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Compliance Plan and have the independent consultant review and assess compliance with the Compliance Plan and validate that the Compliance Plan has been properly executed; the results of such review should be submitted to the Regional Director within 30 days after completion.

VII Role of the Board

IT IS FURTHER ORDERED that:

45. The Board or a committee thereof must review all submissions (including plans, reports, programs, policies, and procedures) required by this Consent Order before submission to the Bureau.

46. Although this Consent Order requires Respondent to submit certain documents for the review or non-objection by the Regional Director, the Board will have the ultimate responsibility for proper and sound management of Respondent and for

ensuring that Respondent complies with Federal consumer financial law and this Consent Order.

47. In each instance that this Consent Order requires the Board or a committee thereof to ensure adherence to, or perform certain obligations of Respondent, the Board or a committee thereof must:

- a. authorize whatever actions are necessary for Respondent to fully comply with the Consent Order;
- b. require timely reporting by management to the Board or a committee thereof on the status of compliance obligations; and
- c. require timely and appropriate corrective action to remedy any material non-compliance with any failures to comply with directives from the Board or a committee thereof related to this Section.

VIII Order to Pay Redress

IT IS FURTHER ORDERED that:

48. Respondent has retained the services of an independent third-party consulting firm (which is not the independent consultant referred to in Section VI) to identify consumers who have incurred fees or other charges as a result of Improper Sales Practices.

49. Within 10 days of the Effective Date, Respondent must reserve or deposit into a segregated deposit account an amount not less than \$5 million, for the purpose of providing redress to Affected Consumers as required by this Section.

50. Within 90 days of the Effective Date, Respondent must submit to the Regional Director for review and non-objection the comprehensive written plan for

providing redress consistent with this Consent Order (Redress Plan). The Regional Director may, in his or her discretion, make a determination of non-objection to the Redress Plan or direct Respondent to revise it. If the Regional Director directs Respondent to revise the Redress Plan, Respondent must make the revisions and resubmit the Redress Plan to the Regional Director within 45 days. After receiving notification that the Regional Director has made a determination of non-objection to the Redress Plan, Respondent must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Redress Plan.

51. The Redress Plan must:

- a. identify all Affected Consumers, except insofar as it is impracticable to do so, as well as the types and amounts of any fees or charges incurred by Affected Consumers as a result of the Improper Sales Practices, and state the means by which Affected Consumers have been identified and by which the fees or charges they incurred have been calculated;
- b. describe procedures by which Respondent will notify Affected Consumers who were subject to any of the Improper Sales Practices described in paragraph 3.f of this Order, including the form of the notification such consumers will receive;
- c. describe the process for providing redress to Affected Consumers and identify the dollar amount of redress for each category of Affected Consumers;
- d. detail how Respondent will locate Affected Consumers for payment of redress, and the steps Respondent will take with respect to consumers whose redress payments are returned as undeliverable or not cashed within a prescribed time period;

e. state the manner in which redress will be provided to each such Affected Consumer, and the form of redress; and

f. provide the form of the letter or notice that will be sent to such Affected Consumers notifying them of the redress.

52. Within 120 days after completing the Redress Plan, Respondent's Internal Audit department must review and assess compliance with the terms of the Redress Plan (Redress Plan Review) and validate that the Redress Plan has been properly executed.

53. Within 30 days after completion of the Redress Plan Review, Respondent must prepare and submit to the Regional Director a report summarizing the results of the Redress Plan Review.

54. After completing the Redress Plan, if the amount of redress provided to Affected Consumers is less than \$5 million, Respondent may recoup any remaining funds up to the amount Respondent paid to Affected Consumers before the submission of the Redress Plan as redress for fees or charges those Affected Consumers incurred as a result of the Improper Sales Practices. Respondent must, within 30 days of the completion of the Redress Plan, pay to the Bureau, by wire transfer to the Bureau or to the Bureau's agent and according to the Bureau's wiring instructions, any remaining funds not recouped by Respondent under this paragraph.

55. The Bureau may use these remaining funds to pay additional redress to Affected Consumers. Upon receiving a written request from Respondent, the Bureau may provide Respondent with information concerning additional redress. If the Bureau determines, in its sole discretion, that additional redress is wholly or partially impracticable or otherwise inappropriate, or if funds remain after the additional redress

is completed, the Bureau will deposit any remaining funds in the U.S. Treasury as disgorgement. Respondent will have no right to challenge any actions that the Bureau or its representatives may take under this Section.

56. Respondent may not condition the payment of any redress to any Affected Consumer under this Order on that Affected Consumer waiving any right.

IX Order to Pay Civil Money Penalties

IT IS FURTHER ORDERED that:

57. Under § 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the violations of law described in Section IV of this Consent Order, and taking into account the factors in 12 U.S.C. § 5565(c)(3), Respondent must pay a civil money penalty of \$100 million to the Bureau.

58. Within 10 days of the Effective Date, Respondent must pay the civil money penalty by wire transfer to the Bureau or to the Bureau's agent in compliance with the Bureau's wiring instructions.

59. The civil money penalty paid under this Consent Order will be deposited in the Civil Penalty Fund of the Bureau as required by § 1017(d) of the CFPA, 12 U.S.C. § 5497(d).

60. Respondent must treat the civil money penalty paid under this Consent Order as a penalty paid to the government for all purposes. Regardless of how the Bureau ultimately uses those funds, Respondent may not:

a. claim, assert, or apply for a tax deduction, tax credit, or any other tax benefit for any civil money penalty paid under this Consent Order; or

b. seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made under any insurance policy, with regard to any civil money penalty paid under this Consent Order.

61. To preserve the deterrent effect of any civil money penalty in the California Enforcement Action or any Related Consumer Action, Respondent may not argue that Respondent is entitled to, nor may Respondent benefit by, any offset or reduction of any compensatory monetary remedies imposed in the California Enforcement Action or any Related Consumer Action because of the civil money penalty paid in this action (Penalty Offset). If the court in the California Enforcement Action or any Related Consumer Action grants such a Penalty Offset, Respondent must, within 30 days after entry of a final order granting the Penalty Offset, notify the Bureau, and pay the amount of the Penalty Offset to the U.S. Treasury. Such a payment will not be considered an additional civil money penalty and will not change the amount of the civil money penalty imposed in this action.

X Additional Monetary Provisions

IT IS FURTHER ORDERED that:

62. In the event of any default on Respondent's obligations to make payment under this Consent Order, interest, computed under 28 U.S.C. § 1961, as amended, will accrue on any outstanding amounts not paid from the date of default to the date of payment, and will immediately become due and payable.

63. Respondent must relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law and no part of the funds may be returned to Respondent.

64. Under 31 U.S.C. § 7701, Respondent, unless it already has done so, must furnish to the Bureau its taxpayer identifying numbers, which may be used for purposes of collecting and reporting on any delinquent amount arising out of this Consent Order.

65. Within 30 days of the entry of a final judgment, consent order, or settlement in the California Enforcement Action or any Related Consumer Action, Respondent must notify the Regional Director of the final judgment, consent order, or settlement in writing. That notification must indicate the amount of redress, if any, that Respondent paid or is required to pay to consumers and describe the consumers or classes of consumers to whom that redress has been or will be paid.

XI Reporting Requirements

IT IS FURTHER ORDERED that:

66. Respondent must notify the Bureau of any development that may affect compliance obligations arising under this Consent Order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Consent Order; the filing of any bankruptcy or insolvency proceeding by or against Respondent; or a change in Respondent's name or address. Respondent must provide this notice, if practicable, at least 30 days before the development, but in any case no later than 14 days after the development.

67. Within 7 days of the Effective Date, Respondent must designate at least one telephone number and email, physical, and postal address as points of contact, which the Bureau may use to communicate with Respondent.

68. Respondent must report any change in the information required to be submitted under Paragraph 67 at least 30 days before the change or as soon as practicable after the learning about the change, whichever is sooner.

69. Within 90 days of the Effective Date, and again at least semi-annually until the actions under this Consent Order have been completed, Respondent must submit to the Regional Director an accurate written compliance progress report (Compliance Report) that has been approved by the Board or a committee thereof, which, at a minimum:

- a. describes in detail the manner and form in which Respondent has complied with this Order;
- b. separately lists each corrective action required by this Consent Order, the Compliance Plan, and the Redress Plan;
- c. Describes the current status of each corrective action taken and the required, actual, and anticipated completion date for each corrective action; and
- d. attaches a copy of each Order Acknowledgment obtained under Section XII, unless previously submitted to the Bureau.

XII Order Distribution and Acknowledgment

IT IS FURTHER ORDERED that,

70. Within 30 days of the Effective Date, Respondent must deliver a copy of this Consent Order to each of its board members and executive officers, as well as to any managers, employees, or other agents and representatives who have responsibilities related to the subject matter of the Consent Order.

71. For 5 years from the Effective Date, Respondent must deliver a copy of this Consent Order to any business entity resulting from any change in structure referred to in Section XI, any future board members and executive officers, as well as to any managers, employees, or other agents and representatives who will have responsibilities related to the subject matter of this Consent Order before they assume their responsibilities.

72. Respondent must secure a signed and dated statement acknowledging receipt of a copy of this Consent Order, ensuring that any electronic signatures comply with the requirements of the E-Sign Act, 15 U.S.C. § 7001 et seq., within 30 days of delivery, from all persons receiving a copy of this Consent Order under this Section.

XIII Recordkeeping

IT IS FURTHER ORDERED that

73. Respondent must create or, if already created, retain for at least 5 years from the Effective Date the following business records:

a. all documents and records necessary to demonstrate full compliance with each provision of this Consent Order, including all submissions to the Bureau.

b. all documents and records pertaining to the Redress Plan, described in Section VIII above.

74. Respondent must retain the documents identified in Paragraph 73 for the duration of the Consent Order.

75. Respondent must make the documents identified in Paragraph 73 available to the Bureau upon the Bureau's request.

XIV Notices

IT IS FURTHER ORDERED that:

76. Unless otherwise directed in writing by the Bureau, Respondent must provide all submissions, requests, communications, or other documents relating to this Consent Order in writing, with the subject line, “In re Wells Fargo Bank, N.A., File No. 2016-CFPB-0015,” and send them as follows:

- a. via email to WestRegion@cfpb.gov; and
- b. via overnight courier (not the U.S. Postal Service) as follows:

Regional Director, CFPB West Region, 301 Howard Street, 12th Floor, San Francisco, CA 94105.

XV Cooperation with the Bureau

IT IS FURTHER ORDERED that:

77. Respondent must cooperate fully to help the Bureau determine the identity and location of, and the amount of injury sustained by, each Affected Consumer. Respondent must provide such information in its or its agents’ possession or control within 14 days of receiving a written request from the Bureau.

78. Respondent must cooperate fully with the Bureau in this matter and in any investigation related to or associated with the conduct described in Section IV. Respondent must provide truthful and complete information, evidence, and testimony and Respondent must cause Respondent’s officers, employees, representatives, or agents to appear for interviews, discovery, hearings, trials, and any other proceedings that the Bureau may reasonably request upon 5 days written notice, or other reasonable

notice, at such places and times as the Bureau may designate, without the service of compulsory process.

XVI Compliance Monitoring

IT IS FURTHER ORDERED that, to monitor Respondent's compliance with this Consent Order:

79. Within 30 days of receipt of a written request from the Bureau, Respondent must submit additional Compliance Reports or other requested information, which must be made under penalty of perjury; provide sworn testimony; or produce documents.

80. Respondent must permit Bureau representatives to interview any employee or other person affiliated with Respondent who has agreed to such an interview. The person interviewed may have counsel present.

81. Nothing in this Consent Order will limit the Bureau's lawful use of civil investigative demands under 12 C.F.R. § 1080.6 or other compulsory process.

XVII Modifications to Non-Material Requirements

IT IS FURTHER ORDERED that:

82. Respondent may seek a modification to non-material requirements of this Consent Order (e.g., reasonable extensions of time and changes to reporting requirements) by submitting a written request to the Regional Director.

83. The Regional Director may, in his or her discretion, modify any non-material requirements of this Consent Order (e.g., reasonable extensions of time and changes to reporting requirements) if he or she determines that good cause justifies the modification. Any such modification by the Regional Director must be in writing.

XVIII

Administrative Provisions

84. The provisions of this Consent Order do not bar, estop, or otherwise prevent the Bureau, or any other governmental agency, from taking any other action against Respondent, except as described in Paragraph 85.

85. The Bureau releases and discharges Respondent from all potential liability for law violations that the Bureau has or might have asserted based on the practices described in Section IV of this Consent Order, to the extent such practices occurred before the Effective Date and the Bureau knows about them as of the Effective Date. The Bureau may use the practices described in this Consent Order in future enforcement actions against Respondent and its affiliates, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the Bureau to determine and ensure compliance with the Consent Order, or to seek penalties for any violations of the Consent Order.

86. This Consent Order is intended to be, and will be construed as, a final Consent Order issued under § 1053 of the CFPA, 12 U.S.C. § 5563, and expressly does not form, and may not be construed to form, a contract binding the Bureau or the United States.

87. This Consent Order will terminate 5 years from the Effective Date or 5 years from the most recent date that the Bureau initiates an action alleging any violation of the Consent Order by Respondent. If such action is dismissed or the relevant adjudicative body rules that Respondent did not violate any provision of the Consent Order, and the dismissal or ruling is either not appealed or upheld on appeal, then the

Consent Order will terminate as though the action had never been filed. The Consent Order will remain effective and enforceable until such time, except to the extent that any provisions of this Consent Order have been amended, suspended, waived, or terminated in writing by the Bureau or its designated agent.

88. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.

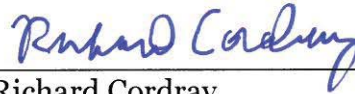
89. Should Respondent seek to transfer or assign all or part of its operations that are subject to this Consent Order, Respondent must, as a condition of sale, obtain the written agreement of the transferee or assignee to comply with all applicable provisions of this Consent Order.

90. The provisions of this Consent Order will be enforceable by the Bureau. For any violation of this Consent Order, the Bureau may seek to impose the maximum amount of civil money penalties allowed under § 1055(c) of the CFPA, 12 U.S.C. § 5565(c). In connection with any attempt by the Bureau to enforce this Consent Order in federal district court, the Bureau may serve Respondent wherever Respondent may be found and Respondent may not contest that court's personal jurisdiction over Respondent.

91. This Consent Order and the accompanying Stipulation contain the complete agreement between the parties. The parties have made no promises, representations, or warranties other than what is contained in this Consent Order and the accompanying Stipulation. This Consent Order and the accompanying Stipulation supersede any prior oral or written communications, discussions, or understandings.

92. Nothing in this Consent Order or the accompanying Stipulation may be construed as allowing Respondent, its Board, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED, this 4th day of September, 2016.



Richard Cordray
Director
Consumer Financial Protection Bureau

UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU

2016-CFPB-00XX

**STIPULATION AND CONSENT
TO THE ISSUANCE OF
A CONSENT ORDER**

In the matter of:

WELLS FARGO BANK, N.A.

The Consumer Financial Protection Bureau (Bureau) intends to initiate an administrative proceeding against Wells Fargo Bank, N.A. (Respondent), under 12 U.S.C. §§ 5563 and 5565, for its sales practices violating the CFPA's prohibition on unfair, deceptive, or abusive acts or practices, 12 U.S.C. §§ 5531, 5536.

Respondent, in the interest of compliance and resolution of the matter consents to the issuance of a Consent Order substantially in the form of the one to which this Stipulation and Consent to the Issuance of a Consent Order is attached (Consent Order), and which is incorporated by reference.

In consideration of the above premises, Respondent agrees to the following:

Jurisdiction

1. The Bureau has jurisdiction over this matter under sections 1053 and 1055 of the Consumer Financial Protection Act (CFPA), 12 U.S.C. §§ 5563, 5565.

Consent

2. Respondent agrees to the issuance of the Consent Order, without admitting or denying any of the findings of fact or conclusions of law, except the facts necessary to establish the Bureau's jurisdiction over Respondent and the subject matter of this action.

3. Respondent agrees that the Consent Order will be deemed an "order issued with the consent of the person concerned" under 12 U.S.C. § 5563(b)(4), and agrees that the Order will become a final order, effective upon issuance, and will be fully enforceable by the Bureau under 12 U.S.C. §§ 5563(d)(1) and 5565.

4. Respondent voluntarily enters into this Stipulation and Consent to the Issuance of a Consent Order.

5. The Consent Order resolves only Respondent's potential liability for law violations that the Bureau asserted or might have asserted based on the practices described in Section IV of the Consent Order, to the extent such practices occurred before the Effective Date and the Bureau knows about them as of the Effective Date. Respondent acknowledges that no promise or representation has been made by the Bureau or any employee, agent, or representative of the Bureau, about any liability outside of this action that may have arisen or may arise from the facts underlying this action or immunity from any such liability.

6. Respondent agrees that the facts described in Section IV of the Consent Order will be taken as true and be given collateral estoppel effect, without further proof, in any proceeding before the Bureau to enforce the Consent Order, or in any subsequent civil litigation by the Bureau to enforce the Consent Order or its rights to any payment or monetary judgment under the Consent Order, such as a non-dischargeability complaint in any bankruptcy case.

7. The terms and provisions of this Stipulation and the Consent Order will be binding upon, and inure to the benefit of, the parties hereto and their successors in interest.

8. Respondent agrees that the Bureau may present the Consent Order to the Bureau Director for signature and entry without further notice.

Waivers

9. Respondent, by consenting to this Stipulation, waives:
- a. Any right to service of the Consent Order, and agrees that issuance of the Consent Order will constitute notice to the Respondent of its terms and conditions;
 - b. Any objection to the jurisdiction of the Bureau, including, without limitation, under section 1053 of the CFPA, 12 U.S.C. § 5563;
 - c. The rights to all hearings under the statutory provisions under which the proceeding is to be or has been instituted; the filing of proposed findings of fact and conclusions of law; proceedings before, and a recommended decision by, a hearing officer; all post-hearing procedures; and any other procedural right available under section 1053 of the CFPA, 12 U.S.C. § 5563, or 12 CFR Part 1081;

- d. The right to seek any administrative or judicial review of the Consent Order;
- e. Any claim for fees, costs or expenses against the Bureau, or any of its agents or employees, and any other governmental entity, related in any way to this enforcement matter or the Consent Order, whether arising under common law or under the terms of any statute, including, but not limited to the Equal Access to Justice Act and the Small Business Regulatory Enforcement Fairness Act of 1996; for these purposes, Respondent agrees that Respondent is not the prevailing party in this action because the parties have reached a good faith settlement;
- f. Any other right to challenge or contest the validity of the Consent Order;
- g. Such provisions of the Bureau's rules or other requirements of law as may be construed to prevent any Bureau employee from participating in the preparation of, or advising the Director as to, any order, opinion, finding of fact, or conclusion of law to be entered in connection with this Stipulation or the Consent Order; and
- h. Any right to claim bias or prejudgment by the Director based on the consideration of or discussions concerning settlement of all or any part of the proceeding.

WELLS FARGO BANK, N.A. BY:



MARY T. MACK
Executive Vice President
Wells Fargo Bank, N.A.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: RC Approved: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE
Date: Wednesday, July 13, 2016 10:24:20 AM

(b) (6)

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Brown, Lawrence (CFPB)
Sent: Wednesday, July 13, 2016 10:23 AM
To: Ehrlich, Jeffrey (CFPB)
Subject: RE: RC Approved: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE

(b) (6)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Ehrlich, Jeffrey (CFPB)
Sent: Wednesday, July 13, 2016 10:21 AM
To: Brown, Lawrence (CFPB)
Subject: FW: RC Approved: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE

No encouraging words, but I'll take it.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: CFPB_Executive Secretary

Sent: Wednesday, July 13, 2016 10:12 AM

To: CFPB_Executive Secretary; Hillebrand, Gail (CFPB); Bleicken, David (CFPB); Silberman, David (CFPB); Martinez, Zixta (CFPB); VanMeter, Stephen (CFPB); McLeod, Mary (CFPB); Sanford, Paul (CFPB); Twohig, Peggy (CFPB); Markus, Kent (CFPB); Ficklin, Patrice (CFPB); Cochran, Kelly (CFPB); Petraeus, Hollister (CFPB); Agostini, Stephen (CFPB); Pearl, Joanna (CFPB); Gelfond, Rebecca (CFPB); Truong, To-Quyen (CFPB); Alag, Sartaj (CFPB); Coates, Laura (CFPB); Alexis, Anthony (CFPB); Coleman, John (CFPB); Corbett, Elizabeth (CFPB); Holman, Melissa (CFPB); Borzekowski, Ron (CFPB); Harper, Morgan (CFPB); White, Evan (CFPB); Boison, Elizabeth (CFPB); Jeschke, Richard (Aaron) (CFPB); Ahmad, Rumana (CFPB); Carrillo, Raul (CFPB); Ficklin, Patrice (CFPB); Davis, Charles (Christopher)(CFPB); Williams, Monique (CFPB); Carley, James (CFPB); Chow, Edwin (CFPB); Bundy Scanlan, Agnes (CFPB); Schroeder, John (CFPB); Donoghue, Kristen (CFPB); Fulton, Kate (CFPB); Rainey, Zol (CFPB)

Cc: Bigham, Abigail (CFPB); Jackson, Monica (CFPB); D'Angelo, Chris (CFPB); Lipsett, Christopher (CFPB); Vanlaere, Todd (CFPB); Chieco, Gena (CFPB); Brown, Lawrence (CFPB); Reiferson, Barry (CFPB); Wells, John (CFPB); Ehrlich, Jeffrey (CFPB); Alexis, Anthony (CFPB)

Subject: RC Approved: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE

The Director has signed the attached decision memo. The recommendation memo is attached for your records.

From: CFPB_Executive Secretary

Sent: Monday, July 11, 2016 12:05 PM

To: CFPB_Executive Secretary; Hillebrand, Gail (CFPB); Bleicken, David (CFPB); Silberman, David (CFPB); Martinez, Zixta (CFPB); VanMeter, Stephen (CFPB); McLeod, Mary (CFPB); Sanford, Paul (CFPB); Twohig, Peggy (CFPB); Markus, Kent (CFPB); Ficklin, Patrice (CFPB); Cochran, Kelly (CFPB); Petraeus, Hollister (CFPB); Agostini, Stephen (CFPB); Pearl, Joanna (CFPB); Gelfond, Rebecca (CFPB); Truong, To-Quyen (CFPB); Alag, Sartaj (CFPB); Coates, Laura (CFPB); Alexis, Anthony (CFPB); Coleman, John (CFPB); Corbett, Elizabeth (CFPB); Holman, Melissa (CFPB); Borzekowski, Ron (CFPB); Harper, Morgan (CFPB); White, Evan (CFPB); Boison, Elizabeth (CFPB); Jeschke, Richard (Aaron) (CFPB); Ahmad, Rumana (CFPB); Carrillo, Raul (CFPB); Ficklin, Patrice (CFPB); Davis, Charles (Christopher)(CFPB); Williams, Monique (CFPB); Carley, James (CFPB); Chow, Edwin (CFPB); Bundy Scanlan, Agnes (CFPB); Schroeder, John (CFPB); Donoghue, Kristen (CFPB); Fulton, Kate (CFPB); Rainey, Zol (CFPB)

Cc: Bigham, Abigail (CFPB); Jackson, Monica (CFPB); D'Angelo, Chris (CFPB); Lipsett, Christopher (CFPB); Vanlaere, Todd (CFPB); Chieco, Gena (CFPB); Chandler, Jocelyn (CFPB)

Subject: Review Request: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE

By 12:00 pm, Tuesday, July 12, 2016:

Please contact the Office of the Executive Secretary (cfpb_executivesecretary@cfpb.gov) if you have any comments on the attached recommendation memo regarding Wells Fargo Bank, N.A. The following documents are also included for reference:

- Tab 1: Draft decision memorandum from the Director; and
- Tab 2: Draft complaint.

Thank you.

PLEASE NOTE RE: GOVERNMENT ETHICS: Your participation in this matter through decision, approval, disapproval, recommendation, investigation or advice is considered “personal and substantial participation in a particular matter involving specific parties” for purposes of the government ethics rules. If you have financial interests in, covered relationships with, or other personal connections with any of the parties identified in these documents, or with any of their representatives, you should consult with the CFPB Ethics Office before participating in this matter.



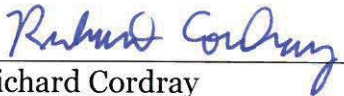
Consumer Financial
Protection Bureau

1700 G Street NW, Washington, DC 20552

Decision Memorandum from the Director

FROM	Richard Cordray, Director
TO	Tony Alexis, Assistant Director for Enforcement
SUBJECT	Authority to Settle with Wells Fargo, N.A. and to File Suit – ENF Matter No. 2016-1667-02

I authorize the Office of Enforcement to enter into a settlement with and file a lawsuit against Wells Fargo, N.A. under the parameters recommended by the Office of Enforcement on July 11, 2016.



Richard Cordray
Director
Consumer Financial Protection Bureau

7/12/16

Date



1700 G Street NW, Washington, DC 20552

Decision Memorandum from the Director

FROM	Richard Cordray, Director
TO	Tony Alexis, Assistant Director for Enforcement
SUBJECT	Authority to Settle with Wells Fargo, N.A. and to File Suit – ENF Matter No. 2016-1667-02

I authorize the Office of Enforcement to enter into a settlement with and file a lawsuit against Wells Fargo, N.A. under the parameters recommended by the Office of Enforcement on July 11, 2016.

Richard Cordray
Director
Consumer Financial Protection Bureau

Date

From: [Turner, Austin \(Detailee\)](#)
To: [CFPB Executive Secretary](#)
Cc: [Alexis, Anthony \(CFPB\)](#); [Pearl, Joanna \(CFPB\)](#); [Carrillo, Raul \(CFPB\)](#); [Boison, Elizabeth \(CFPB\)](#); [Fulton, Kate \(CFPB\)](#); [Corbett, Elizabeth \(CFPB\)](#); [Harper, Morgan \(CFPB\)](#); [White, Evan \(CFPB\)](#); [Coleman, John \(CFPB\)](#); [Chieco, Gena \(CFPB\)](#); [Chandler, Jocelyn \(CFPB\)](#); [Corbett, Elizabeth \(CFPB\)](#); [Case, Whitney \(CFPB\)](#); [Rainey, Zol \(CFPB\)](#); [Vanlaere, Todd \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: Recommendation Memo - Wells Fargo Bank, N.A.
Date: Monday, July 11, 2016 11:52:19 AM
Attachments: [Recommendation Memo for Wells Fargo Bank - Requesting Settle or Sue Authority.docx](#)
[Tab 1 - Draft Complaint - WFSP.docx](#)
[Tab 2 - Decision Memorandum from the Director - WFSP.dotx](#)

Exec Sec,

Attached please find a recommendation memo related to the Wells Fargo Bank, N.A. matter (ENF No. 2016-1667-02) seeking authorization to settle or sue.

The following documents are also attached:

Tab 1: Draft Decision Memorandum from the Director

Tab 2: Draft Complaint

Thank you,

Austin Turner

Program Analyst (Detailee)

Office of Enforcement

Consumer Financial Protection Bureau

(202) 435-9699

Austin.Turner@cfpb.gov

consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail. An inadvertent disclosure is not intended to waive any privileges

From: [CFPB_Executive Secretary](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#); [Alexis, Anthony \(CFPB\)](#)
Cc: [CFPB_Executive Secretary](#)
Subject: FW: Review Request: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE
Date: Monday, July 11, 2016 4:54:15 PM
Attachments: [RC Recommendation Memo - Authority to Settle with Wells Fargo Bank, N.A. and to File Suit – ENF Matter No. 2016-1667-02.pdf](#)

My apologies for not including you on the EC email.

From: CFPB_Executive Secretary
Sent: Monday, July 11, 2016 12:05 PM
To: CFPB_Executive Secretary; Hillebrand, Gail (CFPB); Bleicken, David (CFPB); Silberman, David (CFPB); Martinez, Zixta (CFPB); VanMeter, Stephen (CFPB); McLeod, Mary (CFPB); Sanford, Paul (CFPB); Twohig, Peggy (CFPB); Markus, Kent (CFPB); Ficklin, Patrice (CFPB); Cochran, Kelly (CFPB); Petraeus, Hollister (CFPB); Agostini, Stephen (CFPB); Pearl, Joanna (CFPB); Gelfond, Rebecca (CFPB); Truong, To-Quyen (CFPB); Alag, Sartaj (CFPB); Coates, Laura (CFPB); Alexis, Anthony (CFPB); Coleman, John (CFPB); Corbett, Elizabeth (CFPB); Holman, Melissa (CFPB); Borzekowski, Ron (CFPB); Harper, Morgan (CFPB); White, Evan (CFPB); Boison, Elizabeth (CFPB); Jeschke, Richard (Aaron) (CFPB); Ahmad, Rumana (CFPB); Carrillo, Raul (CFPB); Ficklin, Patrice (CFPB); Davis, Charles (Christopher) (CFPB); Williams, Monique (CFPB); Carley, James (CFPB); Chow, Edwin (CFPB); Bundy Scanlan, Agnes (CFPB); Schroeder, John (CFPB); Donoghue, Kristen (CFPB); Fulton, Kate (CFPB); Rainey, Zol (CFPB)
Cc: Bigham, Abigail (CFPB); Jackson, Monica (CFPB); D'Angelo, Chris (CFPB); Lipsett, Christopher (CFPB); Vanlaere, Todd (CFPB); Chieco, Gena (CFPB); Chandler, Jocelyn (CFPB)
Subject: Review Request: RC Recommendation Memo - Wells Fargo Bank, N.A. -- CONFIDENTIAL MATTER - DO NOT DISTRIBUTE

By 12:00 pm, Tuesday, July 12, 2016:

Please contact the Office of the Executive Secretary (cfpb_executivesecretary@cfpb.gov) if you have any comments on the attached recommendation memo regarding Wells Fargo Bank, N.A. The following documents are also included for reference:

- Tab 1: Draft decision memorandum from the Director; and
- Tab 2: Draft complaint.

Thank you.

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From: [Bateman, Kristin \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo Bank, N.A. -- consent order redline <confidential>
Date: Friday, August 19, 2016 8:34:10 AM

That's awesome – congrats in advance. ☺

From: Brown, Lawrence (CFPB)
Sent: Friday, August 19, 2016 8:34 AM
To: Bateman, Kristin (CFPB)
Subject: RE: Wells Fargo Bank, N.A. -- consent order redline <confidential>

Sounds good. Just keeping you looped in along the way. (b) (5)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Bateman, Kristin (CFPB)
Sent: Friday, August 19, 2016 8:33 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells Fargo Bank, N.A. -- consent order redline <confidential>

Let me know if there is anything in particular you think I should look at. (b) (5)

(b) (5)

From: Brown, Lawrence (CFPB)
Sent: Thursday, August 18, 2016 9:36 PM
To: Bateman, Kristin (CFPB)
Subject: FW: Wells Fargo Bank, N.A. -- consent order redline <confidential>

Kristin,

Attached please find revisions on the draft order that we received from the bank today.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Welch, Darren M [<mailto:Darren.Welch@skadden.com>]
Sent: Thursday, August 18, 2016 3:42 PM
To: Brown, Lawrence (CFPB)
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Raman, Anand S
Subject: Wells Fargo Bank, N.A. -- consent order redline <confidential>

CONFIDENTIAL SETTLEMENT COMMUNICATION – SUBJECT TO F.R.E. 408
CONFIDENTIAL TREATMENT REQUESTED – NOT SUBJECT TO FOIA DISCLOSURE

Lawrence – (b) (4)

Please let us know when your team would be ready and available to discuss.

Thanks,
Darren

Darren M. Welch
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7804 | F: 202.661.8267
darren.welch@skadden.com

Skadden

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

=====

From: [Ledbetter, Roshonda](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo Bank, N.A. <confidential - not subject to FOIA disclosure>
Date: Tuesday, July 05, 2016 10:09:26 AM

This is the production that they sent via FTP. That they forwarded to SF and NY only.

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, July 05, 2016 9:48 AM
To: Ledbetter, Roshonda
Subject: FW: Wells Fargo Bank, N.A. <confidential - not subject to FOIA disclosure>

See below

Lawrence D. Brown
Enforcement Attorney

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From: Van Saanen, Marisa B [<mailto:Marisa.VanSaanen@skadden.com>]
Sent: Wednesday, June 22, 2016 10:30 AM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Wells, John (CFPB)
Cc: Raman, Anand S; Welch, Darren M
Subject: FW: Wells Fargo Bank, N.A. <confidential - not subject to FOIA disclosure>

All –

To follow up on Darren's email of last evening, the password for the disc is: (b) (8), (b)

Thanks,
Marisa

Marisa B. Van Saanen
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7228 | F: 202.661.8228
marisa.vansaanen@skadden.com

Skadden

From: Welch, Darren M (WAS)
Sent: Tuesday, June 21, 2016 7:21 PM
To: lawrence.brown@cfpb.gov; Hartmann, Leanne (CFPB) (Leanne.Hartmann@cfpb.gov); Reiferson, Barry (CFPB) (Barry.Reiferson@cfpb.gov); 'john.wells@cfpb.gov'
Cc: Raman, Anand S (WAS)
Subject: Wells Fargo Bank, N.A. <confidential - not subject to FOIA disclosure>

All – Please see the attached letter. You will each receive a package containing this letter and an encrypted disc. I will transmit the password for the disc separately.

Darren

Darren M. Welch

Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7804 | F: 202.661.8267
darren.welch@skadden.com

Skadden

This email (and any attachments thereto) is intended only for use by the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this email, you are hereby notified that any dissemination, distribution or copying of this email (and any attachments thereto) is strictly prohibited. If you receive this email in error please immediately notify me at (212) 735-3000 and permanently delete the original email (and any copy of any email) and any printout thereof.

Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

=====

From: [Reiferson, Barry \(CFPB\)](#)
To: (b) (6), (b) (6)
Cc: [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: Wells Fargo CID, June 8, 2016
Date: Friday, June 10, 2016 12:32:30 PM
Attachments: [CID Wells Fargo Testimony 2016_06_08.pdf](#)

Jennifer,

I attach a copy of the most recent CID and attachments to Wells Fargo regarding its sales practices.

Best,

Barry

Barry Reiferson

Enforcement Attorney

Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.



Consumer Financial
Protection Bureau

1700 G Street NW, Washington, DC 20552

June 8, 2016

Via Electronic Mail

Mr. Anand Raman
Skadden, Arps, Slate, Meagher & Flom, LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005

Anand.Raman@skadden.com

Re: Civil Investigative Demand to Wells Fargo Bank, N.A., June 8, 2016

Dear Mr. Raman:

Attached is a civil investigative demand (CID) issued to Wells Fargo Bank, N.A. (Wells Fargo) by the Consumer Financial Protection Bureau (Bureau) under 12 C.F.R. § 1080.6 and section 1052(c) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 12 U.S.C. § 5562.

As we discussed and agreed, this CID requires testimony from Wells Fargo on the listed topics. We scheduled the investigational hearing for June 21, 2016 in Washington, D.C. but are open to discussing a change of venue and date, particularly if we wish to accommodate designees and other attendees.

Because this CID was the subject of advance discussion, I expect there will be no issues we cannot resolve quickly. Please review the topics and associated definitions carefully, as the latter has been amended from earlier CIDs. For the sake of completeness, the Bureau's Rules Relating to Investigations require that you contact me as soon as possible to schedule a meeting (by telephone or in person) to be held within ten (10) calendar days of receipt of this CID in order to discuss and attempt to resolve all issues regarding timely compliance with this demand. 12 C.F.R. § 1080.6(c); *see also* Instruction B.

Please contact me at 212-328-7020 with any questions. I look forward to your call.

Sincerely,

A handwritten signature in blue ink, appearing to read "Barry", with a stylized flourish at the end.

Barry Reiferson
Enforcement Attorney

Attachment

Civil Investigative Demand

To **Wells Fargo Bank, N.A.**
c/o Anand Raman
Skadden, Arps, Slate, Meagher & Flom
1440 New York Avenue, N.W.
Washington, D.C. 20005

This demand is issued pursuant to Section 1052 of the Consumer Financial Protection Act of 2010 and 12 C.F.R. Part 1080 to determine whether there is or has been a violation of any laws enforced by the Bureau of Consumer Financial Protection.

Action Required (choose all that apply)

☒ **Appear and Provide Oral Testimony**

Location of Investigational Hearing Consumer Financial Protection Bureau 1625 I Street NW Washington, DC 20006	Date and Time of Investigational Hearing June 21, 2016; 9 a.m. Bureau Investigators Jeffrey Ehrlich, John Wells, Leanne Hartmann, Barry Reiferson, Lawrence Brown
---	---

☐ **Produce Documents and/or Tangible Things, as set forth in the attached document, by the following date** _____

☐ **Provide Written Reports and/or Answers to Questions, as set forth in the attached document, by the following date** _____

Notification of Purpose Pursuant to 12 C.F.R. § 1080.5

The purpose of this investigation is to determine whether depository institutions or other persons have engaged or are engaging in unlawful acts or practices in connection with unauthorized consumer bank, credit card, and other accounts in violation of §§ 1031 and 1036 of the Consumer Financial Protection Act of 2010, 12 U.S.C. §§ 5531, 5536; the Truth In Savings Act, 12 U.S.C. § 4301 et seq.; the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq.; the Truth in Lending Act, 15 U.S.C. § 1601 et seq.; the Electronic Fund Transfer Act, 15 U.S.C. § 1693 et seq.; their implementing regulations; or any other Federal consumer financial law. The purpose of this investigation is also to determine whether Bureau action to obtain legal or equitable relief would be in the public interest.

Custodian / Deputy Custodian

Jeffrey Paul Ehrlich, Custodian/Roshonda Ledbetter, Deputy Custodian
Consumer Financial Protection Bureau
Attention: Enforcement
1700 G Street, NW
Washington, DC 20552

Bureau Counsel

Barry Reiferson
Email: barry.reiferson@cfpb.gov
Phone: 212-328-7020

Date Issued

06/08/2016

Signature

Jeffrey Paul Ehrlich

Digitally signed by Jeffrey Paul Ehrlich
DN: cn=Jeffrey Paul Ehrlich, o=CFPB, ou=Enforcement,
email=jeff.ehrlich@cfpb.gov, c=US
Date: 2016.06.08 09:40:34 -04'00'

Name / Title

Jeffrey Paul Ehrlich, Deputy Enforcement Director

Service

The delivery of this demand to you by any method prescribed by the Consumer Financial Protection Act of 2010, 12 U.S.C. § 5562, is legal service. If you fail to comply with this demand, the Bureau may seek a court order requiring your compliance.

Travel Expenses

Request a travel voucher to claim compensation to which you are entitled as a witness before the Bureau pursuant to Section 1052 of the Consumer Financial Protection Act of 2010, 12 U.S.C. § 5562.

Right to Regulatory Enforcement Fairness

The CFPB is committed to fair regulatory enforcement. If you are a small business under Small Business Administration standards, you have a right to contact the Small Business Administration's National Ombudsman at 1-888-REGFAIR (1-888-734-3247) or www.sba.gov/ombudsman regarding the fairness of the compliance and enforcement activities of the agency. You should understand, however, that the National Ombudsman cannot change, stop, or delay a federal agency enforcement action.

Paperwork Reduction Act

This demand does not require approval by OMB under the Paperwork Reduction Act of 1980.

II. Instructions

A. **Sharing of Information:** This CID relates to a nonpublic, law-enforcement investigation being conducted by the Bureau. The Bureau may make its files available to other civil and criminal federal, state, or local law-enforcement agencies under 12 C.F.R. §§ 1070.43(b)(1) and 1070.45(a)(5). Information you provide may be used in any civil or criminal proceeding by the Bureau or other agencies. As stated in 12 C.F.R. § 1080.14, information you provide in response to this CID is subject to the requirements and procedures relating to the disclosure of records and information set forth in 12 C.F.R. pt. 1070.

B. **Meet and Confer:** As stated in 12 C.F.R. § 1080.6(c), you must contact Enforcement Attorney **Barry Reiferson** at **(212) 328-7020** as soon as possible to schedule a meeting (telephonic or in person) to discuss your response to the CID. The meeting must be held within **10** calendar days after you receive this CID or before the deadline for filing a petition to modify or set aside the CID, whichever is earlier.

C. **Applicable Period for Responsive Materials:** Unless otherwise directed, the applicable period for the request is from **January 1, 2011 until the date of this CID**.

D. **Modification Requests:** If you believe that the scope of the search or response required by this CID can be narrowed consistent with the Bureau's need for documents or information, you are encouraged to discuss such possible modifications, including modifications of the requirements of these instructions, with Enforcement Attorney **Barry Reiferson** at **(212) 328-7020**. Modifications must be agreed to in writing by the Enforcement Director or a Deputy Enforcement Director. 12 C.F.R. § 1080.6(d).

E. **Petition for Order Modifying or Setting Aside Demand:** Under 12 U.S.C. § 5562(f) and 12 C.F.R. § 1080.6(e), you may petition the Bureau for an order modifying or setting aside this CID. To file a petition, you must send it by e-mail to the Bureau's Executive Secretary at ExecSec@cfpb.gov, copying the Enforcement Director at Enforcement@cfpb.gov, within 20 calendar days of service of the CID or, if the return date is less than 20 calendar days after service, before the return date. The subject line of the e-mail must say "Petition to Modify or Set Aside Civil Investigative Demand." If a request for confidential treatment is filed, you must file a redacted public petition in addition to the unredacted petition. All requests for confidential treatment must be supported by a showing of good cause in light of applicable statutes, rules, Bureau orders, court orders, or other relevant authority.

F. All references to "**year**" or "**annual**" refer to the calendar year. Where information is requested "for each year," provide it separately for each year; where yearly data is not available, provide responsive information for the calendar year to date, unless otherwise instructed.

G. **Procedures Governing Hearing:** This CID is issued under section 1052 of the Consumer Financial Protection Act, 12 U.S.C. § 5562. The taking of oral testimony pursuant to this CID will be conducted in conformity with that section and 12 C.F.R. §§ 1080.6(a)(4), 1080.7, and 1080.9.

H. **Designation of a Witness:** This CID requires oral testimony from an entity. Under 12 C.F.R. § 1080.6(a)(4)(ii), you must designate one or more officers, directors, or managing agents, or designate other persons who consent to testify on your behalf. The individuals designated must testify about information known or reasonably available to you, and their testimony is binding on you. Your failure to designate a witness competent to testify about the topics described will be considered a failure to comply with this CID.

CONSUMER FINANCIAL PROTECTION BUREAU
Washington, D.C. 20552

Notice to Persons Supplying Information

You have been asked to supply information or speak voluntarily, or directed to provide sworn testimony, documents, or answers to questions in response to a civil investigative demand (CID) from the Consumer Financial Protection Bureau (Bureau). This notice discusses certain legal rights and responsibilities. Unless stated otherwise, the information below applies whether you are providing information voluntarily or in response to a CID.

A. False Statements; Perjury

False Statements. Section 1001 of Title 18 of the United States Code provides as follows:

[W]hoever, in any matter within the jurisdiction of the executive ... branch of the Government of the United States, knowingly and willfully-- (1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact; (2) makes any materially false, fictitious, or fraudulent statement or representation; or (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry; shall be fined under this title ...[or] imprisoned not more than 5 years ..., or both.

Perjury. Section 1621 of Title 18 of the United States Code provides as follows:

Whoever ... having taken an oath before a competent tribunal, officer, or person, in any case in which a law of the United States authorizes an oath to be administered, that he will testify, declare, depose, or certify truly or that any written testimony, declaration, deposition, or certificate by him subscribed, is true willfully and contrary to such oath states or subscribes any material matter which he does not believe to be true ... is guilty of perjury and shall, except as otherwise expressly provided by law, be fined under this title or imprisoned not more than five years, or both. This section is applicable whether the statement or subscription is made within or without the United States.

B. The Fifth Amendment; Your Right to Counsel

Fifth Amendment. Information you provide may be used against you in any federal, state, local or foreign administrative, civil or criminal proceeding brought by the Bureau or any other agency. If you are an individual, you may refuse, in accordance with the rights guaranteed to you by the Fifth Amendment to the Constitution of the United States, to give any information that may tend to incriminate you or subject you to criminal liability, including fine, penalty or forfeiture.

Counsel. You have the right to be accompanied, represented and advised by counsel of your choice. For further information, you should consult Bureau regulations at 12 C.F.R. § 1080.9(b).

C. Effect of Not Supplying Information

Persons Directed to Supply Information Pursuant to CID. If you fail to comply with the CID, the Bureau may seek a court order requiring you to do so. If such an order is obtained and you still fail to supply the information, you may be subject to civil and criminal sanctions for contempt of court.

Persons Requested to Supply Information Voluntarily. There are no sanctions for failing to provide all or any part of the requested information. If you do not provide the requested information, the Bureau may choose to send you a CID or subpoena.

D. Privacy Act Statement

The information you provide will assist the Bureau in its determinations regarding violations of Federal consumer financial laws. The information will be used by and disclosed to Bureau personnel and contractors or other agents who need the information to assist in activities related to enforcement of Federal consumer financial laws. The information may also be disclosed for statutory or regulatory purposes, or pursuant to the Bureau's published Privacy Act system of records notice, to:

- a court, magistrate, administrative tribunal, or a party in litigation;
- another federal or state agency or regulatory authority;
- a member of Congress; and
- others as authorized by the Bureau to receive this information.

This collection of information is authorized by 12 U.S.C. §§ 5511, 5562.

§ 1081.405 Decision of the Director.

(a) Upon appeal from or upon further review of a recommended decision, the Director will consider such parts of the record as are cited or as may be necessary to resolve the issues presented and, in addition, will, to the extent necessary or desirable, exercise all powers which he or she could have exercised if he or she had made the recommended decision. In proceedings before the Director, the record shall consist of all items part of the record below in accordance with § 1081.306; any notices of appeal or order directing review; all briefs, motions, submissions, and other papers filed on appeal or review; and the transcript of any oral argument held. Review by the Director of a recommended decision may be limited to the issues specified in the notice(s) of appeal or the issues, if any, specified in the order directing further briefing. On notice to all parties, however, the Director may, at any time prior to issuance of his or her decision, raise and determine any other matters that he or she deems material, with opportunity for oral or written argument thereon by the parties.

(b) Decisional employees may advise and assist the Director in the consideration and disposition of the case.

(c) In rendering his or her decision, the Director will affirm, adopt, reverse, modify, set aside, or remand for further proceedings the recommended decision and will include in the decision a statement of the reasons or basis for his or her actions and the findings of fact upon which the decision is predicated.

(d) At the expiration of the time permitted for the filing of reply briefs with the Director, the Office of Administrative Adjudication will notify the parties that the case has been submitted for final Bureau decision. The Director will issue and the Office of Administrative Adjudication will serve the Director's final decision and order within 90 days after such notice, unless within that time the Director orders that the adjudication proceeding or any aspect thereof be remanded to the hearing officer for further proceedings.

(e) Copies of the final decision and order of the Director shall be served upon each party to the proceeding, upon other persons required by statute, and, if directed by the Director or required by statute, upon any appropriate State or Federal supervisory authority. The final decision and order will also be published on the Bureau's Web site or as otherwise deemed appropriate by the Bureau.

§ 1081.406 Reconsideration.

Within 14 days after service of the Director's final decision and order, any party may file with the Director a petition for reconsideration, briefly and specifically setting forth the relief desired and the grounds in support thereof. Any petition filed under this section must be confined to new questions raised by the final decision or final order and upon which the petitioner had no opportunity to argue, in writing or orally, before the Director. No response to a petition for reconsideration shall be filed unless requested by the Director, who will request such response before granting any petition for reconsideration. The filing of a petition for reconsideration shall not operate to stay the effective date of the final decision or order or to toll the running of any statutory period affecting such decision or order unless specifically so ordered by the Director.

§ 1081.407 Effective date; stays pending judicial review.

(a) Other than consent orders, which shall become effective at the time specified therein, an order to cease and desist or for other affirmative action under section 1053(b) of the Dodd-Frank Act becomes effective at the expiration of 30 days after the date of service pursuant to § 1081.113(d)(2), unless the Director agrees to stay the effectiveness of the order pursuant to this section.

(b) Any party subject to a final decision and order, other than a consent order, may apply to the Director for a stay of all or part of that order pending judicial review.

(c) A motion for stay shall state the reasons a stay is warranted and the facts relied upon, and shall include supporting affidavits or other sworn statements, and a copy of the relevant portions of the record. The motion shall address the likelihood of the movant's success on appeal, whether the movant will suffer irreparable harm if a stay is not granted, the degree of injury to other parties if a stay is granted, and why the stay is in the public interest.

(d) A motion for stay shall be filed within 30 days of service of the order on the party. Any party opposing the motion may file a response within five days after receipt of the motion. The movant may file a reply brief, limited to new matters raised by the response, within three days after receipt of the response.

(e) The commencement of proceedings for judicial review of a final decision and order of the Director does not, unless specifically ordered by the Director or a reviewing court, operate as a stay of any order issued by the

Director. The Director may, in his or her discretion, and on such terms as he or she finds just, stay the effectiveness of all or any part of an order pending a final decision on a petition for judicial review of that order.

Dated: June 4, 2012.

Richard Cordray,
Director, Bureau of Consumer Financial Protection.

[FR Doc. 2012-14061 Filed 6-28-12; 8:45 am]

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BUREAU OF CONSUMER FINANCIAL PROTECTION

12 CFR Part 1080

[Docket No.: CFPB-2011-0007]

RIN 3170-AA03

Rules Relating to Investigations

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Final rule.

SUMMARY: After considering the public comments on its interim final rule for the Rules Relating to Investigations, the Bureau of Consumer Financial Protection (Bureau), pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), is making revisions to its procedures for investigations under section 1052 of the Dodd-Frank Act.

DATES: The final rule is effective June 29, 2012.

FOR FURTHER INFORMATION CONTACT: Peter G. Wilson, Office of the General Counsel, Consumer Financial Protection Bureau, 1700 G Street NW., Washington, DC 20552, (202) 435-7585.

SUPPLEMENTARY INFORMATION:

I. Background

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) was signed into law on July 21, 2010. Title X of the Dodd-Frank Act established the Bureau of Consumer Financial Protection (Bureau) to regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws. The Dodd-Frank Act transferred to the Bureau the consumer financial protection functions formerly carried out by the Federal banking agencies, as well as certain authorities formerly carried out by the Department of Housing and Urban Development (HUD) and the Federal Trade Commission (FTC). As required by section 1062 of the Dodd-Frank Act, 12 U.S.C. 5582, the Secretary of the Treasury selected a

designated transfer date and the Federal banking agencies' functions and authorities transferred to the Bureau on July 21, 2011.

The Dodd-Frank Act authorizes the Bureau to conduct investigations to ascertain whether any person is or has been engaged in conduct that, if proved, would constitute a violation of any provision of Federal consumer financial law. Section 1052 of the Dodd-Frank Act sets forth the parameters that govern these investigations. 12 U.S.C. 5562. Section 1052 became effective immediately upon transfer on July 21, 2011 and did not require rules to implement its provisions. On July 28, 2011, the Bureau issued the interim final rule for the Rules Relating to Investigations (Interim Final Rule) to provide parties involved in Bureau investigations with clarification on how to comply with the statutory requirements relating to Bureau investigations.

II. Summary of the Final Rule

Consistent with section 1052 of the Dodd-Frank Act, the final rule for the Rules Relating to Investigations (Final Rule) describes a number of Bureau policies and procedures that apply in an investigational, nonadjudicative setting. Among other things, the Final Rule sets forth (1) the Bureau's authority to conduct investigations, and (2) the rights of persons from whom the Bureau seeks to compel information in investigations.

Like the Interim Final Rule, the Final Rule is modeled on investigative procedures of other law enforcement agencies. For guidance, the Bureau reviewed the procedures currently used by the FTC, the Securities and Exchange Commission (SEC), and the prudential regulators, as well as the FTC's recently proposed amendments to its nonadjudicative procedures. In light of the similarities between section 1052 of the Dodd-Frank Act and section 20 of the Federal Trade Commission Act (FTC Act), 15 U.S.C. 41 *et seq.*, the Bureau drew most heavily from the FTC's nonadjudicative procedures in constructing the rules.

The Final Rule lays out the Bureau's authority to conduct investigations before instituting judicial or administrative adjudicatory proceedings under Federal consumer financial law. The Final Rule authorizes the Director, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement to issue civil investigative demands (CIDs) for documentary material, tangible things, written reports, answers to questions, or oral testimony. The

demands may be enforced in district court by the Director, the General Counsel, or the Assistant Director of the Office of Enforcement. The Final Rule also details the authority of the Bureau's investigators to conduct investigations and hold investigational hearings pursuant to civil investigative demands for oral testimony.

Furthermore, the Final Rule sets forth the rights of persons from whom the Bureau seeks to compel information in an investigation. Specifically, the Final Rule describes how such persons should be notified of the purpose of the Bureau's investigation. It also details the procedures for filing a petition for an order modifying or setting aside a CID, which the Director is authorized to rule upon. And it describes the process by which persons may obtain copies of or access to documents or testimony they have provided in response to a civil investigative demand. In addition, the Final Rule describes a person's right to counsel at investigational hearings.

III. Legal Authority

As noted above, section 1052 of the Dodd-Frank Act outlines how the Bureau will conduct investigations and describes the rights of persons from whom the Bureau seeks information in investigations. This section became effective immediately upon the designated transfer date, July 21, 2011, without any requirement that the Bureau first issue procedural rules. Nevertheless, the Bureau believes that the legislative purpose of section 1052 will be furthered by the issuance of rules that specify the manner in which persons can comply with its provisions.

Section 1022 of the Dodd-Frank Act authorizes the Director to prescribe rules as may be necessary or appropriate for the Bureau to administer and carry out the purposes and objectives of Federal consumer financial laws and to prevent evasion of those laws. 12 U.S.C. 5512. The Bureau believes that the Final Rule will effectuate the purpose of section 1052 and facilitate compliance with Bureau investigations.

IV. Overview of Public Comments on the Interim Final Rule

After publication of the Interim Final Rule on July 28, 2011, the Bureau accepted public comments until September 26, 2011. During the comment period, the Bureau received seven comments. Two of the comments were submitted by individual consumers. Four trade associations and a mortgage company also submitted comments. The trade associations represent credit unions, banks, consumer credit companies, members of

the real estate finance industry, and other financial institutions.

The commenters generally support the Interim Final Rule. Most sections of the Interim Final Rule received no comment and are being finalized without change. The comments did, however, contain questions and recommendations for the Bureau.

Several of the commenters expressed concern that the Interim Final Rule appeared to provide staff-level Bureau employees with unchecked authority to initiate investigations and issue CIDs, or that the Interim Final Rule otherwise did not provide sufficient oversight for particular actions.

A number of commenters expressed concern about sections of the Interim Final Rule that relate to CIDs. One trade association recommended that a statement of "the purpose and scope" of a Bureau investigation—in addition to a notification of the nature of the conduct constituting the alleged violation under investigation and the applicable provisions of law—be included in CIDs. A commenter suggested that the Bureau require a conference between CID recipients and the Assistant Director of the Office of Enforcement to negotiate the terms of compliance with the demand. Three of the trade associations noted concern with the statement that extensions of time are disfavored for petitions to modify or set aside CIDs. Two commenters questioned who would rule on such petitions without a confirmed Director. One trade association commented that witnesses should be permitted to object to questions demanding information outside of the scope of the investigation during an investigational hearing pursuant to a CID for oral testimony.

A number of commenters expressed concern about maintaining the confidentiality of demand material, sharing information with other State and Federal agencies, and the duties of the custodians of those materials. For example, one trade association and the mortgage company recommended that investigations should remain confidential in all circumstances. Another trade association asserted that the Bureau is not permitted to engage in joint investigations with State attorneys general.

The Bureau reviewed all of the comments on its Interim Final Rule thoroughly and addresses the significant issues they raise herein. Although most sections of the Interim Final Rule received no comment and are being finalized without change, the Bureau has made several changes to the Interim Final Rule based on the comments it received. The comments and these

changes are discussed in more detail in parts V and VI of the **SUPPLEMENTARY INFORMATION**.

V. General Comments

Some comments on the Interim Final Rule were not directed at a specific section but rather concerned issues of general applicability. The Bureau addresses those comments in this section and addresses comments related to specific sections of the Interim Final Rule in part VI.

One commenter asked the Bureau to specify who would rule on petitions to set aside or modify CIDs while the Bureau lacked a Director. This commenter also asked who would review requests to the Attorney General under § 1080.12 for authority to immunize witnesses and to order them to testify or provide other information. The President appointed a Director of the Bureau on January 4, 2012. Therefore, both questions posed by this commenter are moot. The Director or any official to whom the Director has delegated his authority pursuant to 12 U.S.C. 5492(b) will rule on petitions to set aside or modify CIDs. Furthermore, the Bureau has revised § 1080.12 to clarify that only the Director has the authority to request approval from the Attorney General for the issuance of an order immunizing witnesses.

A commenter asserted that section 1052(c)(1) of the Dodd-Frank Act prohibits the Bureau from issuing CIDs after the institution of any proceedings under Federal consumer financial laws, including proceedings initiated by a State or a private party. The commenter argued that a CID should be accompanied by a certification that the demand will have no bearing on any ongoing proceeding. Section 1052(c)(1) provides, in relevant part, that “the Bureau may, before the institution of any proceedings under the Federal consumer financial law, issue in writing, and cause to be served upon such person, a civil investigative demand.” The language “before the institution of any proceeding under Federal consumer financial law” refers to the institution of proceedings by the Bureau. It does not limit the Bureau’s authority to issue CIDs based upon the commencement of a proceeding by other parties.

Another commenter requested that the Bureau exempt all credit unions from Bureau investigations. The Bureau believes that granting an exemption from the Bureau’s enforcement authority through the Final Rule would be inappropriate and that there is an insufficient record to support such an exemption.

A commenter recommended that covered persons be allowed to recover attorneys’ fees and costs incurred by defending against an investigation that is shown to be without merit. The Dodd-Frank Act does not provide the right to recover fees and costs by defending against an investigation. Further, as explained below, the Bureau believes that the procedures for petitioning to modify or set aside a CID set forth in § 1080.6(d) of the Interim Final Rule (now 1080.6(e) of the Final Rule) provide sufficient protections to a recipient of a demand it believes lacks merit.

VI. Section-by-Section Summary

Section 1080.1 Scope

This section describes the scope of the Interim Final Rule. It makes clear that these rules only apply to investigations under section 1052 of the Dodd-Frank Act. The Bureau received no comment on § 1080.1 of the Interim Final Rule and is adopting it as the Final Rule without change.

Section 1080.2 Definitions

This section of the Interim Final Rule defines several terms used throughout the rules. Many of these definitions also may be found in section 1051 of the Dodd-Frank Act.

A commenter questioned the breadth of the definition of the term “Assistant Director of the Division of Enforcement.” The commenter argued that because that term was defined to include “any Bureau employee to whom the Assistant Director of the Division of Enforcement has delegated authority to act under this part,” the Interim Final Rule could give Bureau employees inappropriately broad authority to take certain actions, such as issuing CIDs.

The Bureau has revised the Final Rule in response to these comments. The Final Rule identifies those with authority to take particular actions under each section of the Final Rule. Sections 1080.4 (initiating and conducting investigations) and 1080.6 (civil investigative demands) of the Final Rule clarify that the authority to initiate investigations and issue CIDs cannot be delegated by the identified officials. The Final Rule also changes the defined term “Division of Enforcement” to “Office of Enforcement” to reflect the Bureau’s current organizational structure.

Section 1080.3 Policy as to Private Controversies

This section of the Interim Final Rule states the Bureau’s policy of pursuing investigations that are in the public

interest. Section 1080.3 is consistent with the Bureau’s mission to protect consumers by investigating potential violations of Federal consumer financial law. The Bureau received no comments on § 1080.3 of the Interim Final Rule and is adopting it as the Final Rule without change.

Section 1080.4 Initiating and Conducting Investigations

This section of the Interim Final Rule explains that Bureau investigators are authorized to conduct investigations pursuant to section 1052 of the Dodd-Frank Act.

A commenter observed that this section of the Interim Final Rule did not explicitly provide a procedure for senior agency officials to authorize the opening of an investigation. The commenter argued that only senior agency officials should decide whether to initiate investigations. The commenter questioned whether staff-level employees could open investigations and issue CIDs without sufficient supervision, and noted that the FTC’s analogous rule specifically lists the senior officials to whom the Commission has delegated, without power of redelegation, the authority to initiate investigations.

A commenter also expressed concern that the FTC’s analogous rule explicitly provides that FTC investigators must comply with the laws of the United States and FTC regulations. According to the commenter, such language is necessary to ensure that the Bureau complies with the Right to Financial Privacy Act (RFPA) to the extent that statute applies to the Bureau. The commenter also believes that this language is needed to guard against investigations undertaken for what the commenter characterized as the impermissible purpose of aiding State attorneys general or State regulators. The commenter suggested that the Bureau add a statement to this section of the Interim Final Rule similar to the FTC’s rule requiring compliance with Federal law and agency regulations.

The Final Rule clarifies that only the Assistant Director or any Deputy Assistant Director of the Office of Enforcement has the authority to initiate investigations. The Bureau has significant discretion to determine whether and when to open an investigation, and the public benefits from a process whereby the Bureau can open and close investigations efficiently. But the Bureau did not intend its rules to be interpreted so broadly as to suggest that any staff-level employee could unilaterally open an investigation or issue a CID. The Final

Rule also provides that Bureau investigators will perform their duties in accordance with Federal law and Bureau regulations.

Section 1080.5 Notification of Purpose

This section of the Interim Final Rule specifies that a person compelled to provide information to the Bureau or to testify in an investigational hearing must be advised of the nature of the conduct constituting the alleged violation under investigation and the applicable provisions of law. This section of the Interim Final Rule implements the requirements for CIDs described in section 1052(c)(2) of the Dodd-Frank Act.

Commenters noted that although the Dodd-Frank Act and the FTC Act both require CIDs to state “the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable to such violation,” the two agencies’ implementing regulations on this topic differ. Both agencies’ regulations require a statement of the nature of the conduct at issue and the relevant provisions of law, but the FTC rule also requires that the recipient of the CID be advised of “the purpose and scope” of the investigation. Commenters argued that the Bureau should add this phrase to its rule because excluding it would lead to requests for materials outside the scope of an investigation. One commenter argued that only senior agency officials should authorize investigations to ensure that CIDs are relevant to the purpose and scope of the Bureau’s investigations.

The language in § 1080.5 of the Interim Final Rule mirrors the language of the Dodd-Frank Act, which provides that “[e]ach civil investigative demand shall state the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable to such violation.” The Bureau believes that the information covered by this statutory language provides sufficient notice to recipients of CIDs. As discussed above, § 1080.4 (initiating and conducting investigations) of the Final Rule limits the authority to open investigations to the Assistant Director or any Deputy Assistant Director of the Office of Enforcement. Similarly, § 1080.6 of the Final Rule (civil investigative demands) limits the authority to issue CIDs to the Director of the Bureau, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement. Thus, one of these identified officials will review and approve the initiation of all investigations and the issuance of all

CIDs. In addition, to the extent recipients of CIDs consider the demands to be for an unauthorized purpose or outside the scope of the investigation, they will have an opportunity to negotiate the terms of compliance pursuant to § 1080.6(c) of the Interim Final Rule (now § 1080.6(d) of the Final Rule) or to petition to set aside or modify the demand pursuant to § 1080.6(d) of the Interim Final Rule (now § 1080.6(e) of the Final Rule).

The Bureau therefore adopts this section of the Interim Final Rule as the Final Rule without change.

Section 1080.6 Civil Investigative Demands

This section of the Interim Final Rule lays out the Bureau’s procedures for issuing CIDs. It authorizes the Assistant Director of the Office of Enforcement to issue CIDs for documentary material, tangible things, written reports, answers to questions, and oral testimony. This section of the Interim Final Rule details the information that must be included in CIDs and the requirement that responses be made under a sworn certificate. Section 1080.6 of the Interim Final Rule also authorizes the Assistant Director of the Office of Enforcement to negotiate and approve the terms of compliance with CIDs and grant extensions for good cause. Finally, this section of the Interim Final Rule describes the procedures for seeking an order to modify or set aside a CID, which the Director is authorized to rule upon.

One commenter argued that § 1080.6(a) permits almost any Bureau employee to issue CIDs without sufficient supervision. The commenter stated that this lack of oversight is problematic and does not reflect Congress’ intent when it enacted the Act.

Section 1080.6(a) of the Final Rule limits the authority to issue CIDs to the Director, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement. This change to the Final Rule balances the efficiency of the Bureau’s investigative process with appropriate supervision and oversight.

A commenter suggested that the Bureau require a conference between the CID recipient and the Assistant Director of the Office of Enforcement within ten days of service of the CID to negotiate and approve the terms of compliance. The commenter envisioned a conference analogous to a discovery planning conference under the Federal Rules of Civil Procedure, during which the parties could discuss requests for information, appropriate limitations on

the scope of requests, issues related to electronically stored information (ESI), issues related to privilege and confidential information, and a reasonable time for compliance. The commenter stated that this type of conference would better ensure prompt and efficient production of material and information related to the investigation.

The Bureau agrees that a conference between the parties within ten calendar days of serving a CID is likely to improve the efficiency of investigations, and § 1080.6(c) of the Final Rule provides for such a conference. The Final Rule does not, however, adopt the suggestion that the Assistant Director of the Office of Enforcement preside over all such conferences.

Several commenters also noted concern with the statement in § 1080.6(d) of the Interim Final Rule disfavoring extensions of time for petitioning for an order modifying or setting aside CIDs. One commenter argued that the 20-day period to file petitions, for which extensions of time are disfavored, is inconsistent with the “reasonable” period of time for compliance with the CID set forth in § 1080.6(a). The commenter also argued that this timeframe leaves a short period for the CID recipient to decide which documents are privileged or otherwise protected and to file a petition articulating privilege and scope objections. Another commenter noted that the analogous FTC rules do not include a provision disfavoring extensions for petitions to modify or set aside a CID. These commenters recommended that the Bureau delete the sentence related to disfavoring extensions. One commenter recommended that the rules be corrected to provide an independent review if a covered person believes a CID is without merit.

Like the Interim Final Rule, the Final Rule includes a provision disfavoring extensions of time for petitions to modify or set aside a CID. The Bureau believes its policy of disfavoring extensions is appropriate in light of its significant interest in promoting an efficient process for seeking materials through CIDs. By disfavoring extensions, the Bureau means to prompt recipients to decide within 20 days whether they intend to comply with the CID. The Final Rule also clarifies that this 20-day period should be computed with calendar days.

The Bureau notes that § 1080.6(d) of the Interim Final Rule (now § 1080.6(e) of the Final Rule) only provides the due date for a petition for an order modifying or setting aside a CID. It does not require recipients to comply fully

with CIDs within 20 days. In addition, the Final Rule provides several options to recipients of CIDs that need additional time to respond. For example, the recipient may negotiate for a reasonable extension of time for compliance or a rolling document production schedule pursuant to § 1080.6(c) of the Interim Final Rule (now § 1080.6(d) of the Final Rule).

Section 1080.6(e) of the Final Rule clarifies that recipients of CIDs should not assert claims of privilege through a petition for an order modifying or setting aside a CID. Instead, when privilege is the only basis for withholding particular materials, they should utilize the procedures set forth in § 1080.8 (withholding requested material) of the Final Rule. Section 1080.6(e) of the Final Rule also lays out the authority of Bureau investigators to provide to the Director a reply to a petition seeking an order modifying or setting aside a CID. Specifically, the Final Rule states that Bureau investigators may provide the Director with a statement setting forth any factual and legal responses to a petition. The Bureau will not make these statements or any other internal deliberations part of the Bureau's public records. Section 1080.6(g) of the Final Rule clarifies that the Bureau, however, will make publicly available both the petition and the Director's order in response. Section 1080.6(g) of the Final Rule also clarifies that if a CID recipient wants to prevent the Director from making the petition public, any showing of good cause must be made no later than the time the petition is filed. The Final Rule also adds a provision clarifying how the Bureau will serve the petitioner with the Director's order.

Finally, the Bureau believes the procedures for petitions to modify or set aside a CID set forth in the Final Rule adequately protect a covered person who believes a CID is without merit, and that an additional independent review is unnecessary.

Section 1080.7 Investigational Hearings

This section of the Interim Final Rule describes the procedures for investigational hearings initiated pursuant to a CID for oral testimony. It also lays out the roles and responsibilities of the Bureau investigator conducting the investigational hearing, which include excluding unauthorized persons from the hearing room and ensuring that the investigational hearing is transcribed, the witness is duly sworn, the transcript is a true record of the testimony, and the

transcript is provided to the designated custodian.

A commenter argued that the Bureau is not authorized to conduct joint investigations with State attorneys general under the Dodd-Frank Act and, correspondingly, State attorneys general cannot attend an investigational hearing as a representative of an agency with whom the Bureau is conducting a joint investigation. The commenter argued that Congress distinguished between State attorneys general and State regulatory agencies in section 1042 of the Dodd-Frank Act and that State attorneys general are therefore not "agencies" with whom the Bureau can partner. The commenter also asserted that the Bureau cannot share a copy of the transcript of an investigational hearing with another agency without the consent of the witness.

Another commenter argued that representatives of agencies with which the Bureau is conducting a joint investigation may be present at an investigational hearing only with the witness's consent. This commenter stated that the Bureau should recognize in the rules that a witness who does not consent to the presence of a representative of another agency at an investigational hearing should not be presumed guilty.

The Dodd-Frank Act states that the Bureau "may engage in joint investigations and requests for information, as authorized under this title." This statutory language permits the Bureau to engage in joint investigations with State or Federal law enforcement agencies, including State attorneys general, with jurisdiction that overlaps with the Bureau's. The Bureau's disclosure rules also permit the Bureau to share certain confidential information, including investigational hearing transcripts, with Federal or State agencies to the extent the disclosure is relevant to the exercise of an agency's statutory or regulatory authority. See 12 CFR 1070.43(b). In addition, neither the Dodd-Frank Act nor the rules require the consent of the witness to permit a representative of an agency with which the Bureau is conducting a joint investigation to be present at the hearing. Consent is required only when people other than those listed in the rule are included.

Thus, the Bureau adopts § 1080.7 of the Interim Final Rule as the Final Rule without change.

Section 1080.8 Withholding Requested Material

This section of the Interim Final Rule describes the procedures that apply when persons withhold material

responsive to a CID. It requires the recipient of the CID to assert a privilege by the production date and, if so directed in the CID, also to submit a detailed schedule of the items withheld. Section 1080.8 also sets forth the procedures for handling the disclosure of privileged or protected information or communications.

The Bureau received no comment on § 1080.8 of the Interim Final Rule and is adopting it as the Final Rule without substantive change.

Section 1080.9 Rights of Witnesses in Investigations

This section of the Interim Final Rule describes the rights of persons compelled to submit information or provide testimony in an investigation. It details the procedures for obtaining a copy of submitted documents or a copy of or access to a transcript of the person's testimony. This section of the Interim Final Rule also describes a witness's right to make changes to his or her transcript and the rules for signing the transcript.

Section 1080.9 of the Interim Final Rule lays out a person's right to counsel at an investigational hearing and describes his or her counsel's right to advise the witness as to any question posed for which an objection may properly be made. It also describes the witness's or counsel's rights to object to questions or requests that the witness is privileged to refuse to answer. This section of the Interim Final Rule states that counsel for the witness may not otherwise object to questions or interrupt the examination to make statements on the record but may request that the witness have an opportunity to clarify any of his or her answers. Finally, this section of the Interim Final Rule authorizes the Bureau investigator to take all necessary action during the course of the hearing to avoid delay and to prevent or restrain disorderly, dilatory, obstructionist, or contemptuous conduct, or contemptuous language.

A commenter noted that under the Interim Final Rule witnesses could not object during an investigational hearing on the ground that a question was outside the scope of the investigation. The commenter argued that a covered person's inability to raise such objections might allow "a fishing expedition." The commenter recommended amending § 1080.9(b) to allow objections based on scope.

Section 1052(c)(13)(D)(iii) of the Dodd-Frank Act states, in relevant part:

[a]n objection may properly be made, received, and entered upon the record when it is claimed that such person is entitled to

refuse to answer the question on grounds of any constitutional or other legal right or privilege, including the privilege against self-incrimination, but the person shall not otherwise object to or refuse to answer any question, and such person or attorney shall not otherwise interrupt the oral examination.

Thus, to the extent the scope objection was grounded in a witness's constitutional or other legal right, it would be a proper objection.

The Final Rule clarifies that counsel may confer with a witness while a question is pending or instruct a witness not to answer a question only if an objection based on privilege or work product may properly be made. The Final Rule also describes counsel's limited ability to make additional objections based on other constitutional or legal rights. The Final Rule provides that if an attorney has refused to comply with his or her obligations in the rules of this part, or has allegedly engaged in disorderly, dilatory, obstructionist, or contumacious conduct, or contemptuous language during an investigational hearing, the Bureau may take further action, including action to suspend or disbar the attorney from further participation in the investigation or further practice before the Bureau pursuant to 12 CFR 1081.107(c). The Final Rule also includes other nonsubstantive changes, including clarifying that the 30-day period that the witness has to sign and submit his or her transcript should be computed using calendar days.

Section 1080.10 Noncompliance With Civil Investigative Demands

This section of the Interim Final Rule authorizes the Director, the Assistant Director of the Office of Enforcement, and the General Counsel to initiate an action to enforce a CID in connection with the failure or refusal of a person to comply with, or to obey, a CID. In addition, they are authorized to seek civil contempt or other appropriate relief in cases where a court order enforcing a CID has been violated.

The Bureau received no comment on § 1080.10 of the Interim Final Rule and is adopting it as the Final Rule without substantive change.

Section 1080.11 Disposition

This section of the Interim Final Rule explains that an enforcement action may be instituted in Federal or State court or through administrative proceedings when warranted by the facts disclosed by an investigation. It further provides that the Bureau may refer investigations to appropriate Federal, State, or foreign government agencies as appropriate. This section of the Interim Final Rule

also authorizes the Assistant Director of the Office of Enforcement to close the investigation when the facts of an investigation indicate an enforcement action is not necessary or warranted in the public interest.

One commenter indicated that the Bureau's authority to refer investigations to other law enforcement agencies should be limited to circumstances when it is expressly authorized to do so by the Dodd-Frank Act, an enumerated consumer financial law, or other Federal law, because of potential risks to the confidentiality of the investigatory files.

The Bureau's ability to refer matters to appropriate law enforcement agencies is inherent in the Bureau's authority and is a corollary to the Bureau's statutorily recognized ability to conduct joint investigations. The documentary materials and tangible things obtained by the Bureau pursuant to a CID are subject to the requirements and procedures relating to disclosure of records and information in part 1070 of this title. These procedures for sharing information with law enforcement agencies provide significant and sufficient protections for these materials.

The Bureau has amended § 1080.11 to clarify that the Assistant Director and any Deputy Assistant Director of the Office of Enforcement are authorized to close investigations.

The Bureau adopts § 1080.11 of the Interim Final Rule with the changes discussed above.

Section 1080.12 Orders Requiring Witnesses To Testify or Provide Other Information and Granting Immunity

This section of the Interim Final Rule authorizes the Assistant Director of the Office of Enforcement to request approval from the Attorney General for the issuance of an order requiring a witness to testify or provide other information and granting immunity under 18 U.S.C. 6004. The Interim Final Rule also sets forth the Bureau's right to review the exercise of these functions and states that the Bureau will entertain an appeal from an order requiring a witness to testify or provide other information only upon a showing that a substantial question is involved, the determination of which is essential to serve the interests of justice. Finally, this section of the Interim Final Rule describes the applicable rules and time limits for such appeals.

A commenter questioned whether this section of the Interim Final Rule would permit any Bureau employee to request that the Attorney General approve the issuance of an order granting immunity

under 18 U.S.C. 6004 and requiring a witness to testify or provide information. The commenter noted that the Dodd-Frank Act authorizes the Bureau, with the Attorney General's permission, to compel a witness to testify under 18 U.S.C. 6004 if the witness invokes his or her privilege against self-incrimination. The commenter argued that this section should delegate the authority to seek permission to compel testimony to a specific individual to provide accountability and ensure that information is not disclosed to the Attorney General in a manner that violates the Right to Financial Privacy Act. The commenter noted that the FTC's analogous rule specifically lists the senior agency officials who are authorized to make such requests to the Attorney General, and identifies a liaison officer through whom such requests must be made. The commenter also suggested that § 1080.12(b) of the Interim Final Rule, which provides that the Assistant Director's exercise of this authority is subject to review by "the Bureau," specify who will conduct this review.

The Final Rule provides that only the Director of the Bureau has the authority to request approval from the Attorney General for the issuance of an order requiring a witness to testify or provide other information and granting immunity under 18 U.S.C. 6004. This change addresses the concern that requests for witness immunity would be made without oversight. Limiting this authority to the Director provides sufficient accountability.

Section 1080.13 Custodians

This section of the Interim Final Rule describes the procedures for designating a custodian and deputy custodian for material produced pursuant to a CID in an investigation. It also states that these materials are for the official use of the Bureau, but, upon notice to the custodian, must be made available for examination during regular office hours by the person who produced them.

A commenter suggested that the Bureau should detail the particular duties of custodians designated under this section and that, without an enumerated list of duties, the custodian would not have any responsibilities regarding CID materials. The commenter noted that the FTC Act requires the custodian to take specific actions, while the Dodd-Frank Act does not. The commenter suggested specifying a series of custodial duties, including (1) taking and maintaining custody of all materials submitted pursuant to CIDs or subpoenas that the Bureau issues,

including transcripts of oral testimony taken by the Bureau; (2) maintaining confidentiality of those materials as required by applicable law; (3) providing the materials to either House of Congress upon request, after ten days notice to the party that owns or submitted the materials; (4) producing any materials as required by a court of competent jurisdiction; and (5) complying at all times with the Trade Secrets Act.

Section 1052 of the Dodd-Frank Act sets forth the duties of the Bureau's custodian. Sections 1052(c)(3) through (c)(6) of the Dodd-Frank Act give the custodian responsibility for receiving documentary material, tangible things, written reports, answers to questions, and transcripts of oral testimony given by any person in compliance with any CID. Section 1052(d) of the Dodd-Frank Act, as well as the Bureau's Rules for Disclosure of Records and Information in part 1070 of this title, outline the requirements for the confidential treatment of demand material. Section 1052(g) addresses custodial control and provides that a person may file, in the district court of the United States for the judicial district within which the office of the custodian is situated, a petition for an order of such court requiring the performance by the custodian of any duty imposed upon him by section 1052 of the Dodd-Frank Act or by Bureau rule. These duties and obligations do not require additional clarification by rule.

The Final Rule clarifies that the custodian has the powers and duties of both section 1052 of the Dodd-Frank Act and 12 CFR 1070.3.

The Bureau adopts § 1080.13 of the Interim Final Rule with the changes discussed above.

Section 1080.14 Confidential Treatment of Demand Material and Non-Public Nature of Investigations

Section 1080.14 of the Interim Final Rule explains that documentary materials, written reports, answers to questions, tangible things, or transcripts of oral testimony received by the Bureau in any form or format pursuant to a CID are subject to the requirements and procedures relating to disclosure of records and information in part 1070 of this title. This section of the Interim Final Rule also states that investigations generally are non-public. A Bureau investigator may disclose the existence of an investigation to the extent necessary to advance the investigation.

A commenter recommended that the Bureau revise this section to mandate that Bureau investigations remain confidential. The commenter noted the

potential reputation risk to an entity if an investigation is disclosed to the public. In addition, the commenter argued that failing to conduct investigations confidentially will increase litigation risk. One commenter recommended that the Bureau issue a public absolution of a company if the Bureau does not maintain the confidentiality of an investigation.

Section 1080.14 of the Interim Final Rule provides that investigations generally will not be disclosed to the public, but permits Bureau investigators to disclose the existence of an investigation when necessary to advance the investigation. The Interim Final Rule does not contemplate publicizing an investigation, but rather disclosing the existence of the investigation to, for example, a potential witness or third party with potentially relevant information when doing so is necessary to advance the investigation. This limited exception sufficiently balances the concerns expressed by the commenter with the Bureau's need to obtain information efficiently.

Thus, the Bureau adopts § 1080.14 of the Interim Final Rule as the Final Rule without change.

VII. Section 1022(b)(2) Provisions

In developing the Final Rule, the Bureau has considered the potential benefits, costs, and impacts, and has consulted or offered to consult with the prudential regulators, HUD, the SEC, the Department of Justice, and the FTC, including with regard to consistency with any prudential, market, or systemic objectives administered by such agencies.¹

The Final Rule neither imposes any obligations on consumers nor is expected to have any appreciable impact on their access to consumer financial products or services. Rather, the Final Rule provides a clear, efficient mechanism for investigating compliance with the Federal consumer financial laws, which benefits consumers by creating a systematic process to protect them from unlawful behavior.

¹ Section 1022(b)(2)(A) of the Dodd-Frank Act addresses the consideration of the potential benefits and costs of regulation to consumers and covered persons, including the potential reduction of access by consumers to consumer financial products or services; the impact on depository institutions and credit unions with \$10 billion or less in total assets as described in section 1026 of the Dodd-Frank Act; and the impact on consumers in rural areas. Section 1022(b)(2)(B) addresses consultation between the Bureau and other Federal agencies during the rulemaking process. The manner and extent to which these provisions apply to procedural rules and benefits, costs and impacts that are compelled by statutory changes rather than discretionary Bureau action is unclear. Nevertheless, to inform this rulemaking more fully, the Bureau performed the described analyses and consultations.

The Final Rule imposes certain obligations on covered persons who receive CIDs in Bureau investigations. Specifically, as described above, the Final Rule sets forth the process for complying with or objecting to CIDs for documentary material, tangible things, written reports or answers to questions, and oral testimony. Most obligations in the Final Rule stem from express language in the Dodd-Frank Act and do not impose additional burdens on covered persons.

To the extent that the Final Rule includes provisions not expressly required by statute, these provisions benefit covered persons by providing clarity and certainty. In addition, the Final Rule vests the Bureau with discretion to modify CIDs or extend the time for compliance for good cause. This flexibility benefits covered persons by enabling the Bureau to assess the cost of compliance with a civil investigative demand in a particular circumstance and take appropriate steps to mitigate any unreasonable compliance burden.

Moreover, because the Final Rule is largely based on section 20 of the FTC Act and its corresponding regulations, it should present an existing, stable model of investigatory procedures to covered persons. This likely familiarity to covered persons should further reduce the compliance costs for covered persons.

The Final Rule provides that requests for extensions of time to file petitions to modify or set aside CIDs are disfavored. This may impose a burden on covered entities in some cases, but it may also lead to a more expeditious resolution of matters, reducing uncertainty. Furthermore, the Final Rule has no unique impact on insured depository institutions or insured credit unions with less than \$10 billion in assets as described in section 1026(a) of the Dodd-Frank Act. Nor does the Final Rule have a unique impact on rural consumers.

A commenter suggested that the Bureau conduct a nonpublic study of the impact of complying with a CID on the entities who have been subjected to them by other agencies, with specific focus on those that were found not to have violated the law. As the commenter implicitly recognizes, such data does not currently exist and thus was not reasonably available to the Bureau in finalizing the Interim Final Rule. Moreover, as explained above, most of the costs associated with complying with a CID result from the Dodd-Frank Act, which authorizes the Bureau to issue such demands.

A commenter asserted that disfavoring extensions of petitions to

modify or set aside CIDs will require the recipient to conduct a full review of the demanded material within the normal 20-day period in order to comply with the deadline for filing a petition. Under the Final Rule, recipients of a CID are not required to comply fully within twenty days; rather, they are required simply to decide whether they will comply with the demand at all. The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement have the discretion to negotiate and approve the terms of satisfactory compliance with CIDs and, for good cause shown, may extend the time prescribed for compliance. Thus, the Final Rule provides reasonable steps to mitigate compliance burden while simultaneously protecting the Bureau's law enforcement interests.

Another commenter stated that the four interim final rules that the Bureau promulgated together on July 28, 2011 failed to satisfy the rulemaking requirements under section 1022 of the Dodd-Frank Act. Specifically, the commenter stated that "the CFPB's analysis of the costs and benefits of its rules does not recognize the significant costs the CFPB imposes on covered persons." The Bureau believes that it appropriately considered the benefits, costs, and impacts of the Interim Final Rule pursuant to section 1022. Notably, the commenter did not identify any specific costs to covered persons that are not discussed in Part C of the SUPPLEMENTARY INFORMATION to the Interim Final Rule.

VIII. Procedural Requirements

As noted in publishing the Interim Final Rule, under the Administrative Procedure Act, 5 U.S.C. 553(b), notice and comment is not required for rules of agency organization, procedure, or practice. As discussed in the preamble to the Interim Final Rule, the Bureau confirms its finding that this is a procedural rule for which notice and comment is not required. In addition, because the Final Rule relates solely to agency procedure and practice, it is not subject to the 30-day delayed effective date for substantive rules under section 553(d) of the Administrative Procedure Act, 5 U.S.C. 551 *et seq.* Because no notice of proposed rulemaking is required, the requirements of the Regulatory Flexibility Act, 5 U.S.C. 601(2) do not apply. Finally, the Bureau has determined that this Final Rule does not impose any new recordkeeping, reporting, or disclosure requirements on covered entities or members of the public that would be collections of

information requiring approval under 44 U.S.C. 3501. *et seq.*

List of Subjects in 12 CFR Part 1080

Administrative practice and procedure, Banking, Banks, Consumer protection, Credit, Credit unions, Investigations, Law enforcement, National banks, Savings associations, Trade practices.

For the reasons set forth in the preamble, the Bureau of Consumer Financial Protection revises part 1080 to Chapter X in Title 12 of the Code of Federal Regulations to read as follows:

PART 1080—RULES RELATING TO INVESTIGATIONS

Sec.

- 1080.1 Scope.
- 1080.2 Definitions.
- 1080.3 Policy as to private controversies.
- 1080.4 Initiating and conducting investigations.
- 1080.5 Notification of purpose.
- 1080.6 Civil investigative demands.
- 1080.7 Investigational hearings.
- 1080.8 Withholding requested material.
- 1080.9 Rights of witnesses in investigations.
- 1080.10 Noncompliance with civil investigative demands.
- 1080.11 Disposition.
- 1080.12 Orders requiring witnesses to testify or provide other information and granting immunity.
- 1080.13 Custodians.
- 1080.14 Confidential treatment of demand material and non-public nature of investigations.

Authority: Pub. L. 111–203, Title X, 12 U.S.C. 5481 *et seq.*

§ 1080.1 Scope.

The rules of this part apply to Bureau investigations conducted pursuant to section 1052 of the Dodd-Frank Act, 12 U.S.C. 5562.

§ 1080.2 Definitions.

For the purposes of this part, unless explicitly stated to the contrary:

Bureau means the Bureau of Consumer Financial Protection.

Bureau investigation means any inquiry conducted by a Bureau investigator for the purpose of ascertaining whether any person is or has been engaged in any conduct that is a violation.

Bureau investigator means any attorney or investigator employed by the Bureau who is charged with the duty of enforcing or carrying into effect any Federal consumer financial law.

Custodian means the custodian or any deputy custodian designated by the Bureau for the purpose of maintaining custody of information produced pursuant to this part.

Director means the Director of the Bureau or a person authorized to

perform the functions of the Director in accordance with the law.

Documentary material means the original or any copy of any book, document, record, report, memorandum, paper, communication, tabulation, chart, log, electronic file, or other data or data compilation stored in any medium, including electronically stored information.

Dodd-Frank Act means the Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010, as amended, Public Law 111–203 (July 21, 2010), Title X, codified at 12 U.S.C. 5481 *et seq.*

Electronically stored information (ESI) means any information stored in any electronic medium from which information can be obtained either directly or, if necessary, after translation by the responding party into a reasonably usable form.

Office of Enforcement means the office of the Bureau responsible for enforcement of Federal consumer financial law.

Person means an individual, partnership, company, corporation, association (incorporated or unincorporated), trust, estate, cooperative organization, or other entity.

Violation means any act or omission that, if proved, would constitute a violation of any provision of Federal consumer financial law.

§ 1080.3 Policy as to private controversies.

The Bureau shall act only in the public interest and will not initiate an investigation or take other enforcement action when the alleged violation is merely a matter of private controversy and does not tend to affect adversely the public interest.

§ 1080.4 Initiating and conducting investigations.

The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement have the nondelegable authority to initiate investigations. Bureau investigations are conducted by Bureau investigators designated and duly authorized under section 1052 of the Dodd-Frank Act, 12 U.S.C. 5562, to conduct such investigations. Bureau investigators are authorized to exercise and perform their duties in accordance with the laws of the United States and the regulations of the Bureau.

§ 1080.5 Notification of purpose.

Any person compelled to furnish documentary material, tangible things, written reports or answers to questions, oral testimony, or any combination of

such material, answers, or testimony to the Bureau shall be advised of the nature of the conduct constituting the alleged violation that is under investigation and the provisions of law applicable to such violation.

§ 1080.6 Civil investigative demands.

(a) *In general.* In accordance with section 1052(c) of the Act, the Director of the Bureau, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement, have the nondelegable authority to issue a civil investigative demand in any Bureau investigation directing the person named therein to produce documentary material for inspection and copying or reproduction in the form or medium requested by the Bureau; to submit tangible things; to provide a written report or answers to questions; to appear before a designated representative at a designated time and place to testify about documentary material, tangible things, or other information; and to furnish any combination of such material, things, answers, or testimony.

(1) *Documentary material.* (i) Civil investigative demands for the production of documentary material shall describe each class of material to be produced with such definiteness and certainty as to permit such material to be fairly identified, prescribe a return date or dates that will provide a reasonable period of time within which the material so demanded may be assembled and made available for inspection and copying or reproduction, and identify the custodian to whom such material shall be made available. Documentary material for which a civil investigative demand has been issued shall be made available as prescribed in the civil investigative demand.

(ii) Production of documentary material in response to a civil investigative demand shall be made under a sworn certificate, in such form as the demand designates, by the person to whom the demand is directed or, if not a natural person, by any person having knowledge of the facts and circumstances relating to such production, to the effect that all of the documentary material required by the demand and in the possession, custody, or control of the person to whom the demand is directed has been produced and made available to the custodian.

(2) *Tangible things.* (i) Civil investigative demands for tangible things shall describe each class of tangible things to be produced with such definiteness and certainty as to permit such things to be fairly identified, prescribe a return date or

dates which will provide a reasonable period of time within which the things so demanded may be assembled and submitted, and identify the custodian to whom such things shall be submitted.

(ii) Submissions of tangible things in response to a civil investigative demand shall be made under a sworn certificate, in such form as the demand designates, by the person to whom the demand is directed or, if not a natural person, by any person having knowledge of the facts and circumstances relating to such production, to the effect that all of the tangible things required by the demand and in the possession, custody, or control of the person to whom the demand is directed have been submitted to the custodian.

(3) *Written reports or answers to questions.* (i) Civil investigative demands for written reports or answers to questions shall propound with definiteness and certainty the reports to be produced or the questions to be answered, prescribe a date or dates at which time written reports or answers to questions shall be submitted, and identify the custodian to whom such reports or answers shall be submitted.

(ii) Each reporting requirement or question in a civil investigative demand shall be answered separately and fully in writing under oath. Responses to a civil investigative demand for a written report or answers to questions shall be made under a sworn certificate, in such form as the demand designates, by the person to whom the demand is directed or, if not a natural person, by any person responsible for answering each reporting requirement or question, to the effect that all of the information required by the demand and in the possession, custody, control, or knowledge of the person to whom the demand is directed has been submitted to the custodian.

(4) *Oral testimony.* (i) Civil investigative demands for the giving of oral testimony shall prescribe a date, time, and place at which oral testimony shall be commenced, and identify a Bureau investigator who shall conduct the investigation and the custodian to whom the transcript of such investigation shall be submitted. Oral testimony in response to a civil investigative demand shall be taken in accordance with the procedures for investigational hearings prescribed by §§ 1080.7 and 1080.9 of this part.

(ii) Where a civil investigative demand requires oral testimony from an entity, the civil investigative demand shall describe with reasonable particularity the matters for examination and the entity must designate one or more officers, directors, or managing

agents, or designate other persons who consent to testify on its behalf. Unless a single individual is designated by the entity, the entity must designate the matters on which each designee will testify. The individuals designated must testify about information known or reasonably available to the entity and their testimony shall be binding on the entity.

(b) *Manner and form of production of ESI.* When a civil investigative demand requires the production of ESI, it shall be produced in accordance with the instructions provided by the Bureau regarding the manner and form of production. Absent any instructions as to the form for producing ESI, ESI must be produced in the form in which it is ordinarily maintained or in a reasonably usable form.

(c) *Meet and confer.* The recipient of a civil investigative demand shall meet and confer with a Bureau investigator within 10 calendar days after receipt of the demand or before the deadline for filing a petition to modify or set aside the demand, whichever is earlier, to discuss and attempt to resolve all issues regarding compliance with the civil investigative demand. The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement may authorize the waiver of this requirement for routine third-party civil investigative demands or in other circumstances where he or she determines that a meeting is unnecessary. The meeting may be in person or by telephone.

(1) *Personnel.* The recipient must make available at the meeting personnel with the knowledge necessary to resolve any issues relevant to compliance with the demand. Such personnel could include individuals knowledgeable about the recipient's information or records management systems and/or the recipient's organizational structure.

(2) *ESI.* If the civil investigative demand seeks ESI, the recipient shall ensure that a person familiar with its ESI systems and methods of retrieval participates in the meeting.

(3) *Petitions.* The Bureau will not consider petitions to set aside or modify a civil investigative demand unless the recipient has meaningfully engaged in the meet and confer process described in this subsection and will consider only issues raised during the meet and confer process.

(d) *Compliance.* The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement are authorized to negotiate and approve the terms of satisfactory compliance with civil investigative demands and, for good

cause shown, may extend the time prescribed for compliance.

(e) *Petition for order modifying or setting aside demand—in general.* Any petition for an order modifying or setting aside a civil investigative demand shall be filed with the Executive Secretary of the Bureau with a copy to the Assistant Director of the Office of Enforcement within 20 calendar days after service of the civil investigative demand, or, if the return date is less than 20 calendar days after service, prior to the return date. Such petition shall set forth all factual and legal objections to the civil investigative demand, including all appropriate arguments, affidavits, and other supporting documentation. The attorney who objects to a demand must sign any objections.

(1) *Statement.* Each petition shall be accompanied by a signed statement representing that counsel for the petitioner has conferred with counsel for the Bureau pursuant to section 1080.6(c) in a good-faith effort to resolve by agreement the issues raised by the petition and has been unable to reach such an agreement. If some of the matters in controversy have been resolved by agreement, the statement shall specify the matters so resolved and the matters remaining unresolved. The statement shall recite the date, time, and place of each such meeting between counsel, and the names of all parties participating in each such meeting.

(2) *Extensions of time.* The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement are authorized to rule upon requests for extensions of time within which to file such petitions. Requests for extensions of time are disfavored.

(3) *Bureau investigator response.* Bureau investigators may, without serving the petitioner, provide the Director with a statement setting forth any factual and legal response to a petition for an order modifying or setting aside the demand.

(4) *Disposition.* The Director has the authority to rule upon a petition for an order modifying or setting aside a civil investigative demand. The order may be served on the petitioner via email, facsimile, or any other method reasonably calculated to provide notice of the order to the petitioner.

(f) *Stay of compliance period.* The timely filing of a petition for an order modifying or setting aside a civil investigative demand shall stay the time permitted for compliance with the portion challenged. If the petition is denied in whole or in part, the ruling will specify a new return date.

(g) *Public disclosure.* All such petitions and the Director's orders in response to those petitions are part of the public records of the Bureau unless the Bureau determines otherwise for good cause shown. Any showing of good cause must be made no later than the time the petition is filed.

§ 1080.7 Investigational hearings.

(a) Investigational hearings, as distinguished from hearings in adjudicative proceedings, may be conducted pursuant to a civil investigative demand for the giving of oral testimony in the course of any Bureau investigation, including inquiries initiated for the purpose of determining whether or not a respondent is complying with an order of the Bureau.

(b) Investigational hearings shall be conducted by any Bureau investigator for the purpose of hearing the testimony of witnesses and receiving documentary material, tangible things, or other information relating to any subject under investigation. Such hearings shall be under oath or affirmation and stenographically reported, and a transcript thereof shall be made a part of the record of the investigation. The Bureau investigator conducting the investigational hearing also may direct that the testimony be recorded by audio, audiovisual, or other means, in which case the recording shall be made a part of the record of the investigation as well.

(c) In investigational hearings, the Bureau investigators shall exclude from the hearing room all persons except the person being examined, his or her counsel, the officer before whom the testimony is to be taken, any investigator or representative of an agency with which the Bureau is engaged in a joint investigation, and any individual transcribing or recording such testimony. At the discretion of the Bureau investigator, and with the consent of the person being examined, persons other than those listed in this paragraph may be present in the hearing room. The Bureau investigator shall certify or direct the individual transcribing the testimony to certify on the transcript that the witness was duly sworn and that the transcript is a true record of the testimony given by the witness. A copy of the transcript shall be forwarded promptly by the Bureau investigator to the custodian designated in section 1080.13.

§ 1080.8 Withholding requested material.

(a) Any person withholding material responsive to a civil investigative demand or any other request for

production of material shall assert a claim of privilege not later than the date set for the production of material. Such person shall, if so directed in the civil investigative demand or other request for production, submit, together with such claim, a schedule of the items withheld which states, as to each such item, the type, specific subject matter, and date of the item; the names, addresses, positions, and organizations of all authors and recipients of the item; and the specific grounds for claiming that the item is privileged. The person who submits the schedule and the attorney stating the grounds for a claim that any item is privileged must sign it.

(b) A person withholding material solely for reasons described in this subsection shall comply with the requirements of this subsection in lieu of filing a petition for an order modifying or setting aside a civil investigative demand pursuant to section 1080.6(e).

(c) Disclosure of privileged or protected information or communications produced pursuant to a civil investigative demand shall be handled as follows:

(1) The disclosure of privileged or protected information or communications shall not operate as a waiver with respect to the Bureau if:

(i) The disclosure was inadvertent;

(ii) The holder of the privilege or protection took reasonable steps to prevent disclosure; and

(iii) The holder promptly took reasonable steps to rectify the error, including notifying a Bureau investigator of the claim of privilege or protection and the basis for it.

(2) After being notified, the Bureau investigator must promptly return, sequester, or destroy the specified information and any copies; must not use or disclose the information until the claim is resolved; must take reasonable steps to retrieve the information if he or she disclosed it before being notified; and, if appropriate, may sequester such material until such time as a hearing officer or court rules on the merits of the claim of privilege or protection. The producing party must preserve the information until the claim is resolved.

(3) The disclosure of privileged or protected information or communications shall waive the privilege or protection with respect to the Bureau as to undisclosed information or communications only if:

(i) The waiver is intentional;

(ii) The disclosed and undisclosed information or communications concern the same subject matter; and

(iii) They ought in fairness to be considered together.

§ 1080.9 Rights of witnesses in investigations.

(a) Any person compelled to submit documentary material, tangible things, or written reports or answers to questions to the Bureau, or to testify in an investigational hearing, shall be entitled to retain a copy or, on payment of lawfully prescribed costs, request a copy of the materials, things, reports, or written answers submitted, or a transcript of his or her testimony. The Bureau, however, may for good cause deny such a request and limit the witness to inspection of the official transcript of the testimony. Upon completion of transcription of the testimony of the witness, the witness shall be offered an opportunity to read the transcript of his or her testimony. Any changes by the witness shall be entered and identified upon the transcript by the Bureau investigator with a statement of the reasons given by the witness for making such changes. The transcript shall then be signed by the witness and submitted to the Bureau unless the witness cannot be found, is ill, waives in writing his or her right to signature, or refuses to sign. If the signed transcript is not submitted to the Bureau within 30 calendar days of the witness being afforded a reasonable opportunity to review it, the Bureau investigator, or the individual transcribing the testimony acting at the Bureau investigator's direction, shall sign the transcript and state on the record the fact of the waiver, illness, absence of the witness, or the refusal to sign, together with any reasons given for the failure to sign.

(b) Any witness compelled to appear in person at an investigational hearing may be accompanied, represented, and advised by counsel as follows:

(1) Counsel for a witness may advise the witness, in confidence and upon the initiative of either counsel or the witness, with respect to any question asked of the witness where it is claimed that a witness is privileged to refuse to answer the question. Counsel may not otherwise consult with the witness while a question directed to the witness is pending.

(2) Any objections made under the rules in this part shall be made only for the purpose of protecting a constitutional or other legal right or privilege, including the privilege against self-incrimination. Neither the witness nor counsel shall otherwise object or refuse to answer any question. Any objection during an investigational hearing shall be stated concisely on the record in a nonargumentative and nonsuggestive manner. Following an objection, the examination shall proceed

and the testimony shall be taken, except for testimony requiring the witness to divulge information protected by the claim of privilege or work product.

(3) Counsel for a witness may not, for any purpose or to any extent not allowed by paragraphs (b)(1) and (2) of this section, interrupt the examination of the witness by making any objections or statements on the record. Petitions challenging the Bureau's authority to conduct the investigation or the sufficiency or legality of the civil investigative demand shall be addressed to the Bureau in advance of the hearing in accordance with § 1080.6(e). Copies of such petitions may be filed as part of the record of the investigation with the Bureau investigator conducting the investigational hearing, but no arguments in support thereof will be allowed at the hearing.

(4) Following completion of the examination of a witness, counsel for the witness may, on the record, request that the Bureau investigator conducting the investigational hearing permit the witness to clarify any of his or her answers. The grant or denial of such request shall be within the sole discretion of the Bureau investigator conducting the hearing.

(5) The Bureau investigator conducting the hearing shall take all necessary action to regulate the course of the hearing to avoid delay and to prevent or restrain disorderly, dilatory, obstructionist, or contumacious conduct, or contemptuous language. Such Bureau investigator shall, for reasons stated on the record, immediately report to the Bureau any instances where an attorney has allegedly refused to comply with his or her obligations under the rules in this part, or has allegedly engaged in disorderly, dilatory, obstructionist, or contumacious conduct, or contemptuous language in the course of the hearing. The Bureau will thereupon take such further action, if any, as the circumstances warrant, including actions consistent with those described in 12 CFR 1081.107(c) to suspend or disbar the attorney from further practice before the Bureau or exclude the attorney from further participation in the particular investigation.

§ 1080.10 Noncompliance with civil investigative demands.

(a) In cases of failure to comply in whole or in part with Bureau civil investigative demands, appropriate action may be initiated by the Bureau, including actions for enforcement.

(b) The Director, the Assistant Director of the Office of Enforcement,

and the General Counsel of the Bureau are authorized to:

(1) Institute, on behalf of the Bureau, an enforcement proceeding in the district court of the United States for any judicial district in which a person resides, is found, or transacts business, in connection with the failure or refusal of such person to comply with, or to obey, a civil investigative demand in whole or in part if the return date or any extension thereof has passed; and

(2) Seek civil contempt or other appropriate relief in cases where a court order enforcing a civil investigative demand has been violated.

§ 1080.11 Disposition.

(a) When the facts disclosed by an investigation indicate that an enforcement action is warranted, further proceedings may be instituted in Federal or State court or pursuant to the Bureau's administrative adjudicatory process. Where appropriate, the Bureau also may refer investigations to appropriate Federal, State, or foreign governmental agencies.

(b) When the facts disclosed by an investigation indicate that an enforcement action is not necessary or would not be in the public interest, the investigational file will be closed. The matter may be further investigated, at any time, if circumstances so warrant.

(c) The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement are authorized to close Bureau investigations.

§ 1080.12 Orders requiring witnesses to testify or provide other information and granting immunity.

The Director has the nondelegable authority to request approval from the Attorney General of the United States for the issuance of an order requiring a witness to testify or provide other information and granting immunity under 18 U.S.C. 6004.

§ 1080.13 Custodians.

(a) The Bureau shall designate a custodian and one or more deputy custodians for material to be delivered pursuant to a civil investigative demand in an investigation. The custodian shall have the powers and duties prescribed by 12 CFR 1070.3 and section 1052 of the Act, 12 U.S.C. 5562. Deputy custodians may perform all of the duties assigned to custodians.

(b) Material produced pursuant to a civil investigative demand, while in the custody of the custodian, shall be for the official use of the Bureau in accordance with the Act; but such material shall upon reasonable notice to the custodian

be made available for examination by the person who produced such material, or his or her duly authorized representative, during regular office hours established for the Bureau.

§ 1080.14 Confidential treatment of demand material and non-public nature of investigations.

(a) Documentary materials, written reports, answers to questions, tangible things or transcripts of oral testimony the Bureau receives in any form or format pursuant to a civil investigative demand are subject to the requirements and procedures relating to the disclosure of records and information set forth in part 1070 of this title.

(b) Bureau investigations generally are non-public. Bureau investigators may disclose the existence of an investigation to potential witnesses or third parties to the extent necessary to advance the investigation.

Dated: June 4, 2012.

Richard Cordray,

Director, Bureau of Consumer Financial Protection.

[FR Doc. 2012-14047 Filed 6-28-12; 8:45 am]

BILLING CODE 4810-AM-P

BUREAU OF CONSUMER FINANCIAL PROTECTION

12 CFR Part 1082

[Docket No. CFPB-2011-0005]

RIN 3170-AA02

State Official Notification Rule

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Final rule.

SUMMARY: The Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010 (Dodd-Frank Act) requires the Bureau of Consumer Financial Protection (Bureau) to prescribe rules establishing procedures that govern the process by which State Officials notify the Bureau of actions undertaken pursuant to the authority granted to the States to enforce the Dodd-Frank Act or regulations prescribed thereunder. This final State Official Notification Rule (Final Rule) sets forth the procedures to govern this process.

DATES: The Final Rule is effective June 29, 2012.

FOR FURTHER INFORMATION CONTACT:

Veronica Spicer, Office of Enforcement, Consumer Financial Protection Bureau, 1700 G Street NW., Washington, DC 20552, at (202) 435-7545.

SUPPLEMENTARY INFORMATION:

I. Background

The Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010 (Dodd-Frank Act) was signed into law on July 21, 2010. Title X of the Dodd-Frank Act established the Bureau to regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws. Section 1042 of the Dodd-Frank Act, 12 U.S.C. 5552, governs the enforcement powers of the States under the Dodd-Frank Act. Under section 1042(a), a State attorney general or regulator (State Official) may bring an action to enforce Title X of the Dodd-Frank Act and regulations issued thereunder. Prior to initiating any such action, the State Official is required to provide notice of the action to the Bureau and the prudential regulator, if any, pursuant to section 1042(b) of the Dodd-Frank Act. Section 1042(b) further authorizes the Bureau to intervene in the State Official's action as a party, remove the action to a Federal district court, and appeal any order or judgment.

Pursuant to section 1042(c) of the Dodd-Frank Act, the Bureau is required to issue regulations implementing the requirements of section 1042. On July 28, 2011, the Bureau promulgated the State Official Notification Rule (Interim Final Rule) with a request for comment. The comment period for the Interim Final Rule ended on September 26, 2011. After reviewing and considering the issues raised by the comments, the Bureau now promulgates the Final Rule establishing a procedure for the timing and content of the notice required to be provided by State Officials pursuant to section 1042(b) of the Dodd-Frank Act, 12 U.S.C. 5552(b).

II. Summary of the Final Rule

Like the Interim Final Rule, the Final Rule implements a procedure for the timing and content of the notice required by section 1042(b), sets forth the responsibilities of the recipients of the notice, and specifies the rights of the Bureau to participate in actions brought by State Officials under section 1042(a) of the Dodd-Frank Act. In drafting the Final Rule, the Bureau endeavored to create a process that would provide both the Bureau and, where applicable, the prudential regulators with timely notice of pending actions and account for the investigation and litigation needs of State regulators and law enforcement agencies. In keeping with this approach, the Final Rule provides for a default notice period of at least ten calendar days, with exceptions for emergencies and other extenuating circumstances,

and requires substantive notice that is both straightforward and comprehensive. The Final Rule further makes clear that the Bureau can intervene as a party in an action brought by a State Official under Title X of the Dodd-Frank Act or a regulation prescribed thereunder, provides for the confidential treatment of non-public information contained in the notice if a State so requests, and provides that provision of notice shall not be deemed a waiver of any applicable privilege. In addition, the Final Rule specifies that the notice provisions do not create any procedural or substantive rights for parties in litigation against the United States or against a State that brings an action under Title X of the Dodd-Frank Act or a regulation prescribed thereunder.

III. Legal Authority

Section 1042(c) of the Dodd-Frank Act authorizes the Bureau to prescribe regulations implementing the requirements of section 1042(b). In addition, the Bureau has general rulemaking authority pursuant to section 1022(b)(1) of the Dodd-Frank Act to prescribe rules to enable the Bureau to administer and carry out the purposes and objectives of the Federal consumer financial laws and to prevent evasions thereof.

IV. Overview of Comments Received

In response to the Interim Final Rule, the Bureau received several comments. Four letters were received from associations representing the financial industry, two letters were received from financial industry regulators and supervisors, and one letter was received from an individual consumer. The Bureau also received a comment letter from a financial industry regulator in response to its **Federal Register** notification of November 21, 2011, regarding the information collection requirements associated with the Interim Final Rule pursuant to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. All of the comments are available for review on www.regulations.gov.

The financial industry associations' comments fell into several general categories. Several comments expressed concerns about the Bureau's ability to maintain confidentiality for notification materials received by the Bureau. Other commenters requested clarity as to the type of actions for which the Bureau requires notification. One commenter requested that the Bureau require uniform interpretation by States of all Federal law within the Bureau's jurisdiction.

From: [Brown, Lawrence \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Wells Fargo-- Draft Consent Order.docx
Date: Tuesday, April 12, 2016 11:34:15 AM
Attachments: [Wells Fargo-- Draft Consent Order.docx](#)

From: [Wells, John \(CFPB\)](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Ehrlich, Jeffrey \(CFPB\)](#)
Cc: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo Sales Practices - hearing
Date: Tuesday, June 21, 2016 2:26:42 PM

Yes, one of us can (or both—I suppose we could split them up). We'll discuss.

John Wells
Office of Enforcement
Consumer Financial Protection Bureau
202-435-9319


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From: Hartmann, Leanne (CFPB)
Sent: Tuesday, June 21, 2016 2:17 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB)
Cc: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: FW: Wells Fargo Sales Practices - hearing

Jeff and John –

In the spirit of team effort and/or insubordination on my part, I am wondering if one of you would be willing to take the lead on the topics for Friday's hearing – or at least for topics 1, 2, and 4? (b) (5), (b) (7)

(b) (5), (b) (7)(A)

A large black rectangular redaction box covers the text in this block.

Thanks so much,
Leanne

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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From: Hartmann, Leanne (CFPB)
Sent: Friday, June 17, 2016 10:05 AM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: Wells Fargo Sales Practices - hearing

In advance of our call, I wanted to make sure you all had handy a copy of the CID (b) (5) [REDACTED] and Barry's summary of what topics we are discussing when:

Hearing schedule:

(b) (5) [REDACTED]

This morning, I received a binder and a CD with materials (b) (5), (b) (6), (b) (7)(C) [REDACTED] – I'll figure out a way to get those to you quickly so that we are all working from the same set of information.

Talk soon –

Leanne

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

www.consumerfinance.gov

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells Fargo Sales Practices Update
Date: Wednesday, June 15, 2016 12:50:05 PM

Inexcusable oversight. Looking forward to Lawrence's return, as I imagine he is. (b) (6)

[REDACTED]

From: Ehrlich, Jeffrey (CFPB)
Sent: Wednesday, June 15, 2016 12:32 PM
To: Reiferson, Barry (CFPB); Wells, John (CFPB); Hartmann, Leanne (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: RE: Wells Fargo Sales Practices Update

(b) (5) [REDACTED] And please include Lawrence, who will be back next week.
Copying LB here.

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: Reiferson, Barry (CFPB)
Sent: Wednesday, June 15, 2016 12:29 PM
To: Wells, John (CFPB); Ehrlich, Jeffrey (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells Fargo Sales Practices Update

You're welcome.

I spoke a moment ago again with Anand. (b) (5)

[REDACTED]

(b) (5)

[REDACTED]

(b) (5)



Thanks,
Barry

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Wells, John (CFPB)
Sent: Tuesday, June 14, 2016 8:59 PM
To: Reiferson, Barry (CFPB); Ehrlich, Jeffrey (CFPB); Hartmann, Leanne (CFPB)
Subject: Re: Wells Fargo Sales Practices Update

Good work, Barry, and thanks for the clear and concise update as well. Have only looked on bberry but some of the docs look intriguing.

From: Reiferson, Barry (CFPB)
Sent: Tuesday, June 14, 2016 06:44 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells Fargo Sales Practices Update

I spoke with Anand today (b) (5)



(b) (5)



(b) (5)



Barry Reiferson

Enforcement Attorney

Office: 212-328-7020 | Mobile: (b) (6)

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Litigation Review Inbox](#)
Cc: [Alexis, Anthony \(CFPB\)](#); [Pearl, Joanna \(CFPB\)](#); [Turner, Austin \(Detailer\)\(CFPB\)](#); [Jeschke, Richard \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Coll, Christina \(CFPB\)](#); [Polzien, Darcie \(CFPB\)](#); [Case, Whitney \(CFPB\)](#)
Subject: Wells Fargo Sales Practices
Date: Friday, September 02, 2016 8:53:56 AM
Attachments: [WFSP -- Final Consent Order.docx](#)
[WFSP -- Signed Stipulation.pdf](#)

Box,

Here are the signed stip. and final version of the consent order. (b) (5)

[REDACTED]

Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: [Reiferson, Barry \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Williams, Natalie \(CFPB\)](#)
Cc: [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: FW: Wells Fargo.
Date: Thursday, May 26, 2016 5:59:29 PM
Attachments: [\[Proposed\] Stipulated Final Judgment \[CAO to WF\].pdf](#)
[\[Proposed\] Stipulated Final Judgment \[CAO internal\].pdf](#)

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: steven.son@lacity.org [mailto:steven.son@lacity.org]
Sent: Thursday, May 26, 2016 5:56 PM
To: Hartmann, Leanne (CFPB)
Cc: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Wells Fargo.

This message was sent securely using ZixCorp.

Hi Leanne,

I thought our group call was productive. I've attached two confidential versions of the stipulated judgment, as discussed during our call.

The PDF that contains "CAO to WF" in the document title is the version that we had sent to Wells Fargo's counsel. The PDF that contains "CAO internal" in the document title is an earlier version that we drafted, but did not send to Wells Fargo.

If you have any questions before our respective offices formally reconvene next week to discuss next steps, please don't hesitate to call.

Thanks,

Steve

This message was secured by [ZixCorp](#)^(R).

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Williams, Natalie \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Ledbetter, Roshonda \(CFPB\)](#)
Subject: RE: Wells Sales: Draft CID attached for review
Date: Monday, March 21, 2016 9:23:08 AM
Attachments: [Wells Fargo Bank---RFA---jpe.pdf](#)
[CID Form Well Fargo Bank Sales Practices---jpe.pdf](#)

Game on. Please remember to follow the protocol for serving CIDs on supervised entities, and send copies to the Lit Rev Box when done. Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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-----Original Message-----

From: Brown, Lawrence (CFPB)
Sent: Monday, March 21, 2016 9:08 AM
To: Ehrlich, Jeffrey (CFPB)
Cc: Williams, Natalie (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB); Ledbetter, Roshonda (CFPB)
Subject: Wells Sales: Draft CID attached for review

Jeff,

Attached for your review please find a draft CID for Wells Fargo related to sales practices. I am also attaching the CID coversheet and compliance with RFA form for your execution. We aim to issue the CID today.

(b) (5)

(b) (5)

Let us know if you have any questions.

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: DRAFT Mod Letter
Date: Tuesday, April 05, 2016 4:13:07 PM
Attachments: [20160405 DRAFT Modification Letter+LEH.docx](#)

See what you think of this. It's not poetry, but I think it gets our point across?

From: Brown, Lawrence (CFPB)
Sent: Tuesday, April 05, 2016 12:05 PM
To: Hartmann, Leanne (CFPB)
Subject: FW: Wells: DRAFT Mod Letter

Leanne,

(b) (5)
[REDACTED]
[REDACTED] Let me know if you can think of a way to do it.

Lawrence D. Brown
Enforcement Attorney

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, April 05, 2016 11:46 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: DRAFT Mod Letter

Great idea!

Lawrence D. Brown
Enforcement Attorney

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From: Reiferson, Barry (CFPB)
Sent: Tuesday, April 05, 2016 11:18 AM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: DRAFT Mod Letter

Thanks.

(b) (5)
[REDACTED]
[REDACTED]
[REDACTED]

(b) (5)



Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, April 05, 2016 10:47 AM
To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB)
Subject: Wells: DRAFT Mod Letter

Barry and Leanne,

(b) (5)



Lawrence

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From: [Brown, Lawrence \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Wells: Revised Order (8-30-2016)
Date: Tuesday, August 30, 2016 3:36:59 PM
Attachments: [20160830 Bureau Revised Consent Order.doc](#)
[Redline showing approved edits to 8-29-2016 Consent Order.pdf](#)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722
consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: [Hartmann, Leanne \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells: Updated letter to Skadden copying Mr. Rice
Date: Tuesday, April 05, 2016 2:30:50 PM
Attachments: [Letter to Mr. Raman re Upcoming Meeting +BER+leh.doc](#)

Oh not at all, I was just giving you a hard time. 😊 Thanks for being so prompt!

(b) (5)



From: Reiferson, Barry (CFPB)
Sent: Tuesday, April 05, 2016 11:19 AM
To: Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Wells: Updated letter to Skadden copying Mr. Rice

Sorry. Next time we should coordinate. My bad.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Hartmann, Leanne (CFPB)
Sent: Tuesday, April 05, 2016 2:18 PM
To: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Wells: Updated letter to Skadden copying Mr. Rice

Damn, he beat me to it! I'll layer my comments on top, turning to it now.

From: Reiferson, Barry (CFPB)
Sent: Tuesday, April 05, 2016 11:18 AM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB)
Subject: RE: Wells: Updated letter to Skadden copying Mr. Rice

My comments attached. Thanks.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Tuesday, April 05, 2016 1:55 PM
To: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: Wells: Updated letter to Skadden copying Mr. Rice

Leanne and Barry,

Attached please find the revised letter based on Natalie's feedback. Edit away!!

Thanks,

Lawrence D. Brown
Enforcement Attorney

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From: [Brown, Lawrence \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: Wells: WSJ Article with a couple of highlights and one comment from me
Date: Thursday, April 14, 2016 12:21:08 PM
Attachments: [at-wells-fargo-how-far-did-banks-sa.pdf](#)

WSJ article attached re sales quotas...

Lawrence D. Brown
Enforcement Attorney

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THE WALL STREET JOURNAL.

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<http://www.wsj.com/articles/at-wells-fargo-how-far-did-banks-sales-culture-go-1448879643>

MARKETS

At Wells Fargo, How Far Did Bank's Sales Culture Go?

Regulators examine whether San Francisco-based lender pushed employees too hard to meet quotas



Competitors have long envied the San Francisco bank's ability to convince checking-account holders to take out a Wells Fargo credit card or mortgage, or to get a commercial bank customer to use its wealth-management advisers. *PHOTO: BLOOMBERG NEWS*

By EMILY GLAZER

Nov. 30, 2015 5:34 a.m. ET

Wells Fargo & Co. has long been the envy of Wall Street for its ability to get customers to load up on multiple products and services.

Now, the bank's prowess at cross-selling is drawing the wrong kind of attention.

The Office of the Comptroller of the Currency and the San Francisco Federal Reserve are each probing the bank's sales culture, people familiar with the matter said. The regulators want to know if the bank has pushed its employees too hard to meet sales quotas and not done enough to prevent questionable behavior, the people said.

The probes, which haven't been previously reported, follow a lawsuit filed in May by the Los Angeles City Attorney that cast an unflattering light on a core growth strategy that helped Wells Fargo become the country's most valuable bank with a market capitalization above \$280 billion. The lawsuit alleges the bank pressured its retail employees to commit fraudulent acts, including opening accounts for people that don't exist and charging customers for products without permission.

A bank spokeswoman declined to comment on regulatory matters. She said the bank disagrees with the allegations in the lawsuit and intends to defend itself.

"Wells Fargo's culture is focused on the best interests of its customers and creating a supportive, caring and ethical environment for our team members," spokeswoman Mary Eshet said.

The investigation represents a potential black eye for Wells Fargo, which has escaped the large settlements paid by other big U.S. banks after the financial crisis and is generally considered one of the industry's best-run companies.

RELATED COVERAGE

- Big Banks Cut Back on Small Business (<http://www.wsj.com/articles/big-banks-cut-back-on-small-business-1448586637>) (Nov. 26, 2015)
- Wells Fargo Is the Earth's Most Valuable Bank (<http://www.wsj.com/articles/wells-fargo-co-is-the-earths-most-valuable-bank-1437538216>) (July 22, 2015)
- Wells Fargo Warms Up to Risk (<http://www.wsj.com/articles/wells-fargo-warms-up-to-risk-1428877356>) (April 12, 2015)

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ng envied the San Francisco bank's ability to convince checking-account holders to take out a Wells Fargo credit card or mortgage, or to get a commercial bank customer to use its wealth-management advisers.

Cross-selling is widely touted on Wall Street— Thomas Montag, Bank of America Corp.'s second-in-command, recently wore a hat and T-shirt to a company function that were emblazoned "Cross Sell"—but Wells Fargo is the only major U.S. financial firm to break out how well it did at cross-selling in its securities filings.

The bank's emphasis on cross-selling dates to the tenure of former CEO Dick Kovacevich, who took the helm in 1998 and extolled the practice as a way to boost profits and deepen connections to customers.

In 1999, the bank said its customers on average used three of its products or services—the bank calls them "solutions"—and hoped to increase that number to eight. The goal has remained in place for years, according to the Los Angeles lawsuit, which said it was known internally as the "Gr-eight" initiative.

The bank reported in a recent securities filing that retail customers maintained an average of 6.13 Wells Fargo solutions per household as of Sept. 30. The figure was higher in other divisions, including an average of 10.52 for customers of the wealth, brokerage and retirement unit, the filing showed.

That success, when many rivals have flailed, has its roots in a high-pressure sales culture, according to the lawsuit and conversations with employees.

The bank's district managers meet four times a day to discuss sales goals for branches and individual employees, according to the Los Angeles lawsuit.

The Wall Street Journal spoke with current and former employees who described similar practices at branches in locations including Arizona, California, Colorado, Florida, Pennsylvania and New York. The employees, all of whom worked at the bank within the last five years, described having multiple meetings every day to discuss sales quotas and feeling intense pressure to meet those targets.

Khalid Taha, a Wells Fargo personal banker in San Diego since November 2013, said he has daily and hourly sales goals in his branch in addition to the quarterly goals set by the company. Depending on the time of year, he said he has to produce 10 to 20 solutions a day.

"It's an everyday worry for me," Mr. Taha said, adding that his manager at times made his life "like hell" if he didn't meet sales goals. Despite this, Mr. Taha has no plans to leave the bank.

In the Crosshairs

Wells Fargo's emphasis on selling customers additional products and services is under scrutiny.

Number of Wells Fargo products and services per customer or household, by business division



6.17

Retail banking



7.2

Wholesale banking*



10.49

Wealth, brokerage and retirement

*Includes corporations and institutions

Note: Data are for 2014; wholesale figure is through September of 2014

Source: company reports

THE WALL STREET JOURNAL.

The allegations that Wells Fargo's culture on occasion led some employees to go too far were raised in a series of articles in the Los Angeles Times in 2013. At the time, the bank said it had fired about 30 California employees for violating its policies in an attempt to meet sales goals.

Part of what regulators are examining is how widespread or systemic this alleged behavior was, or whether it was limited to certain teams or regions, people familiar with the probe said.

One former Wells Fargo employee said in an interview that workers pitched products at a Mexican Consulate in California, yielding complaints from customers that they didn't understand what they were signing. Other former employees said around 2010 they set

up stations with red-and-gold Wells Fargo tablecloths outside blood banks near Denver.

“It was kind of weird, because people were going to the blood banks to get money who were struggling financially,” said Raul Ramirez, a former Wells Fargo employee in Colorado who says he quit because of the sales pressures. “The majority of the time we knew...the account would be frozen.”

Ms. Eshet, the spokeswoman, said the bank often hosts community outreach and financial-literacy events that feature its products but any blood-bank solicitations would be inconsistent with the bank's values.

Some former employees said the bank has recently begun to dial back some of the sales pressure. For example, one employee said a Texas call center earlier this year eliminated hourly quotas for “warm transfers,” the term for when a customer-service representative connects customers to a specialist banker, among other changes.

The bank doesn't set hourly goals and its policy, dating back well beyond the Los Angeles lawsuit, has been to adjust sales practices and quotas as necessary, Ms. Eshet said.

“It's the company structure that needs to be changed,” said Mr. Taha, the San Diego employee. “They have to have reasonable sales goals.”

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Litigation Review Inbox](#)
Cc: [Alexis, Anthony \(CFPB\)](#); [Pearl, Joanna \(CFPB\)](#); [Case, Whitney \(CFPB\)](#); [Carrillo, Raul \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Subject: WFSP
Date: Thursday, June 30, 2016 2:10:37 PM
Attachments: [WFSP Settle-Sue Memo---to EAP.docx](#)
[Wells Fargo Draft Complaint---to EAP.docx](#)

Dear Box,

Here is a slightly revised memo and the draft complaint. (b) (5)

Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: [Ledbetter, Roshonda](#)
To: [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: FW: 06/28/2016 CONFIRMATION- Wells Fargo matter to be held in Washington, D.C.
Date: Monday, June 27, 2016 11:32:25 AM
Attachments: [CFM53551.PDF](#)
[53551.ics](#)

FYI, for tomorrow.

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Karen Guy [mailto:kguy@ftrinc.net]
Sent: Monday, June 27, 2016 11:27 AM
To: Brown, Lawrence (CFPB)
Cc: Ledbetter, Roshonda
Subject: 06/28/2016 CONFIRMATION- Wells Fargo matter to be held in Washington, D.C.

We are confirming your request for services. The details are attached hereto. Please advise of any changes.

Thank you.

--

--

Karen Guy
Scheduling Coordinator

For The Record, Inc.
10760 Demarr Road
White Plains, MD 20695
(301) 870-8025
(301) 870-8333 (fax)
kguy@ftrinc.net

McDonald, Ryan (CFPB)

Subject: Deposition of Corp Rep from Wells Fargo Bank (carry over from the 24th in San Fran)
Location: CFPB Office in Washington

Start: Tue 6/28/2016 12:00 PM
End: Tue 6/28/2016 8:00 PM

Recurrence: (none)

Job No.: 53551

Job Date: 06/28/2016

Job Time: 09:00 AM - 05:00 PM

Location: CFPB Office in Washington Case Name: Wells Fargo Sales Practice Witness: Corp Rep from Wells Fargo Bank
(carry over from the 24th in San Fran)

CFPB REPORTER CONFIRMATION

For The Record, Inc.
10760 Demarr Road
White Plains, MD 20695
Telephone: 301-870-8025
Fax: 301-870-8333



Job No.	53551	Date Scheduled	6/16/2016 1:53:09 PM
Ordered by	Roshonda Ledbetter 212 328-7002	Attorney	Lawrence Brown
Firm	Consumer Financial Protection Bureau (CFPB) 1700 G Street, NW Washington, DC 20552 Phone: Fax:		

This notification is being sent as **CONFIRMATION** of the following scheduled proceeding:

Style of Case	Wells Fargo Sales Practice		
Type of Proceeding	Corp Rep from Wells Fargo Bank (carry over from the 24th in San Fran)		
Date of Proceeding	06/28/2016	Time	09:00 AM
Location	CFPB Office in Washington 1625 Eye Street, NW Washington, DC 20006 Phone: Room No.:		

Please provide any update, change, or cancellation at your earliest convenience. After hours changes, please call 301-643-1990.

Cancellations with less than 24 hours notice may result in a late cancellation fee.

From: [Ledbetter, Roshonda](#)
To: [Wells, John \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: FW: 6/23/16 (b) IH
Date: Tuesday, June 28, 2016 11:28:30 AM
Attachments: (b) (6), (b) (7)(C) df

FTR just forwarded (b) (6) IH transcript.

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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-----Original Message-----

From: depo@ftrinc.net [<mailto:depo@ftrinc.net>]
Sent: Tuesday, June 28, 2016 11:21 AM
To: Ledbetter, Roshonda
Cc: depo@ftrinc.net
Subject: 6/23/16 (b) IH

Good morning, the above-referenced file is attached. Witness review copy to follow.

Thanks,

Production Department
For The Record, Inc.
10760 Demarr Road
White Plains, Maryland 20695
301-870-8025 or 800-921-5555
301-870-8333 (fax)

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www.zixcorp.com

From: [Ledbetter, Roshonda](#)
To: [Wells, John \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: FW: 6/24/16 (b) IH
Date: Tuesday, June 28, 2016 3:37:37 PM
Attachments: (b) (6), (b) (7)(C)

Hi , we got the IH transcript of (b) (6), (b) (7) I will place on the Z drive.

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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-----Original Message-----

From: depo@ftrinc.net [<mailto:depo@ftrinc.net>]
Sent: Tuesday, June 28, 2016 3:18 PM
To: Ledbetter, Roshonda
Cc: depo@ftrinc.net
Subject: 6/24/16 (b) (6), IH

Good afternoon, the above-referenced file is attached. Witness review copy to follow.

Thanks,

Production Department
For The Record, Inc.
10760 Demarr Road
White Plains, Maryland 20695
301-870-8025 or 800-921-5555
301-870-8333 (fax)

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From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: Fw: Branch Sales Practices
Date: Tuesday, June 07, 2016 9:34:01 PM

FYI

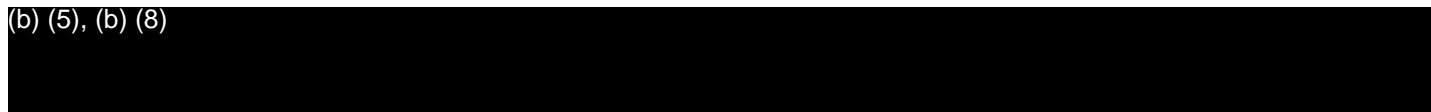
Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Chow, Edwin (CFPB)
Sent: Tuesday, June 07, 2016 08:58 PM
To: Ehrlich, Jeffrey (CFPB)
Subject: FW: Branch Sales Practices

Jeff,

This is to follow up on our discussion on Monday.

(b) (5), (b) (8)



I hope that you find this helpful.

Let us know if you have additional questions or need anything else.

Thanks, Edwin

From: Naylor, Jonathan (CFPB)
Sent: Tuesday, June 07, 2016 5:30 PM
To: Brown, Lawrence (CFPB); Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Cc: Clark, Mary (Susie)(CFPB)
Subject: RE: Branch Sales Practices

We had a chance to look at this presentation.

Susie and I would offer the following observations for your consideration:

(b) (5), (b) (8), (b) (7)(E)



From: [Reiferson, Barry \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Hartmann, Leanne \(CFPB\)](#)
Subject: FW: CID to Wells Fargo
Date: Thursday, June 30, 2016 2:23:18 PM
Attachments: [CID Cover Letter to A Raman 06282016.pdf](#)
[6.28.16 Final Wells Fargo CID.pdf](#)

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Hartmann, Leanne (CFPB)
Sent: Tuesday, June 28, 2016 6:16 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Ledbetter, Roshonda
Cc: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: FW: CID to Wells Fargo

FYI – sent a minute ago.

From: Hartmann, Leanne (CFPB)
Sent: Tuesday, June 28, 2016 3:15 PM
To: 'Raman, Anand S'
Cc: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: CID to Wells Fargo

Anand:

As we discussed by phone yesterday, please see the attached cover letter and CID containing interrogatories, of today's date. A copy is also being sent via UPS.

Thanks,
Leanne

Leanne E. Hartmann
Enforcement Attorney
Leanne.Hartmann@cfpb.gov
Telephone: (415) 844-9787
www.consumerfinance.gov

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Civil Investigative Demand

To **Wells Fargo Bank, N.A.**
c/o Anand Raman
Skadden, Arps, Slate, Meagher & Flom
1440 New York Avenue, N.W.
Washington, D.C. 20005

This demand is issued pursuant to Section 1052 of the Consumer Financial Protection Act of 2010 and 12 C.F.R. Part 1080 to determine whether there is or has been a violation of any laws enforced by the Bureau of Consumer Financial Protection.

Action Required (choose all that apply)

☐ **Appear and Provide Oral Testimony**

Location of Investigational Hearing	Date and Time of Investigational Hearing
	Bureau Investigators

☐ **Produce Documents and/or Tangible Things**, as set forth in the attached document, by the following date _____

☒ **Provide Written Reports and/or Answers to Questions**, as set forth in the attached document, by the following date 07/05/2016

Notification of Purpose Pursuant to 12 C.F.R. § 1080.5

The purpose of this investigation is to determine whether depository institutions or other persons have engaged or are engaging in unlawful acts or practices in connection with unauthorized consumer bank, credit card, and other accounts in violation of §§ 1031 and 1036 of the Consumer Financial Protection Act of 2010, 12 U.S.C. §§ 5531, 5536; the Truth In Savings Act, 12 U.S.C. § 4301 et seq.; the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq.; the Truth in Lending Act, 15 U.S.C. § 1601 et seq.; the Electronic Fund Transfer Act, 15 U.S.C. § 1693 et seq.; their implementing regulations; or any other Federal consumer financial law. The purpose of this investigation is also to determine whether Bureau action to obtain legal or equitable relief would be in the public interest.

Custodian / Deputy Custodian

Jeffrey Paul Ehrlich, Custodian/Roshonda Ledbetter, Deputy Custodian
Consumer Financial Protection Bureau
Attention: Enforcement
1700 G Street, NW
Washington, DC 20552

Bureau Counsel

Lawrence D. Brown
Email: Lawrence.Brown@cfpb.gov
Phone: (202) 435-7116

Date Issued

06/28/2016

Signature

Jeffrey Paul Ehrlich

Digitally signed by Jeffrey Paul Ehrlich
Date: 2016.06.28 17:27:01 -04'00'

Name / Title

Jeffrey Paul Ehrlich, Deputy Enforcement Director

Service

The delivery of this demand to you by any method prescribed by the Consumer Financial Protection Act of 2010, 12 U.S.C. § 5562, is legal service. If you fail to comply with this demand, the Bureau may seek a court order requiring your compliance.

Travel Expenses

Request a travel voucher to claim compensation to which you are entitled as a witness before the Bureau pursuant to Section 1052 of the Consumer Financial Protection Act of 2010, 12 U.S.C. § 5562.

Right to Regulatory Enforcement Fairness

The CFPB is committed to fair regulatory enforcement. If you are a small business under Small Business Administration standards, you have a right to contact the Small Business Administration's National Ombudsman at 1-888-REGFAIR (1-888-734-3247) or www.sba.gov/ombudsman regarding the fairness of the compliance and enforcement activities of the agency. You should understand, however, that the National Ombudsman cannot change, stop, or delay a federal agency enforcement action.

Paperwork Reduction Act

This demand does not require approval by OMB under the Paperwork Reduction Act of 1980.

CERTIFICATE OF COMPLIANCE WITH RFPA

The Right to Financial Privacy Act of 1978 (RFPA) does not apply to the disclosure of financial records or information to the Consumer Financial Protection Bureau (CFPB) “in the exercise of its authority with respect to a financial institution.” 12 U.S.C. § 3413(r). This civil investigative demand is also issued in connection with an investigation within the meaning of section 3413(h)(1)(A) of the RFPA. Therefore, in accordance with section 3403(b) of the RFPA, the undersigned certifies that, to the extent applicable, the provisions of the RFPA have been complied with as to the Civil Investigative Demand issued to Wells Fargo Bank, N.A., to which this Certificate is attached.

The information obtained will be used to determine whether the persons named or referred to in the attached Civil Investigative Demand are in compliance with laws administered by the Consumer Financial Protection Bureau. The information may be transferred to another department or agency consistent with the RFPA.

Under the RFPA, good faith reliance on this certificate relieves the recipient and its employees and agents of any liability to customers in connection with the requested disclosures of financial records of these customers. *See* 12 U.S.C. § 3417(c).

Jeffrey Paul Ehrlich

Digitally signed by Jeffrey Paul
Ehrlich
Date: 2016.06.28 17:29:50 -04'00'

Jeffrey P. Ehrlich
Consumer Financial Protection Bureau
Deputy Director, Office of Enforcement

CONSUMER FINANCIAL PROTECTION BUREAU
Washington, D.C. 20552

Notice to Persons Supplying Information

You have been asked to supply information or speak voluntarily, or directed to provide sworn testimony, documents, or answers to questions in response to a civil investigative demand (CID) from the Consumer Financial Protection Bureau (Bureau). This notice discusses certain legal rights and responsibilities. Unless stated otherwise, the information below applies whether you are providing information voluntarily or in response to a CID.

A. False Statements; Perjury

False Statements. Section 1001 of Title 18 of the United States Code provides as follows:

[W]hoever, in any matter within the jurisdiction of the executive ... branch of the Government of the United States, knowingly and willfully-- (1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact; (2) makes any materially false, fictitious, or fraudulent statement or representation; or (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry; shall be fined under this title ...[or] imprisoned not more than 5 years ..., or both.

Perjury. Section 1621 of Title 18 of the United States Code provides as follows:

Whoever ... having taken an oath before a competent tribunal, officer, or person, in any case in which a law of the United States authorizes an oath to be administered, that he will testify, declare, depose, or certify truly or that any written testimony, declaration, deposition, or certificate by him subscribed, is true willfully and contrary to such oath states or subscribes any material matter which he does not believe to be true ... is guilty of perjury and shall, except as otherwise expressly provided by law, be fined under this title or imprisoned not more than five years, or both. This section is applicable whether the statement or subscription is made within or without the United States.

B. The Fifth Amendment; Your Right to Counsel

Fifth Amendment. Information you provide may be used against you in any federal, state, local or foreign administrative, civil or criminal proceeding brought by the Bureau or any other agency. If you are an individual, you may refuse, in accordance with the rights guaranteed to you by the Fifth Amendment to the Constitution of the United States, to give any information that may tend to incriminate you or subject you to criminal liability, including fine, penalty or forfeiture.

Counsel. You have the right to be accompanied, represented and advised by counsel of your choice. For further information, you should consult Bureau regulations at 12 C.F.R. § 1080.9(b).

C. Effect of Not Supplying Information

Persons Directed to Supply Information Pursuant to CID. If you fail to comply with the CID, the Bureau may seek a court order requiring you to do so. If such an order is obtained and you still fail to supply the information, you may be subject to civil and criminal sanctions for contempt of court.

Persons Requested to Supply Information Voluntarily. There are no sanctions for failing to provide all or any part of the requested information. If you do not provide the requested information, the Bureau may choose to send you a CID or subpoena.

D. Privacy Act Statement

The information you provide will assist the Bureau in its determinations regarding violations of Federal consumer financial laws. The information will be used by and disclosed to Bureau personnel and contractors or other agents who need the information to assist in activities related to enforcement of Federal consumer financial laws. The information may also be disclosed for statutory or regulatory purposes, or pursuant to the Bureau's published Privacy Act system of records notice, to:

- a court, magistrate, administrative tribunal, or a party in litigation;
- another federal or state agency or regulatory authority;
- a member of Congress; and
- others as authorized by the Bureau to receive this information.

This collection of information is authorized by 12 U.S.C. §§ 5511, 5562.

III. Instructions

A. **Sharing of Information:** This CID relates to a nonpublic, law-enforcement investigation being conducted by the Bureau. The Bureau may make its files available to other civil and criminal federal, state, or local law-enforcement agencies under 12 C.F.R. §§ 1070.43(b)(1) and 1070.45(a)(5). Information you provide may be used in any civil or criminal proceeding by the Bureau or other agencies. As stated in 12 C.F.R. § 1080.14, information you provide in response to this CID is subject to the requirements and procedures relating to the disclosure of records and information set forth in 12 C.F.R. pt. 1070.

B. **Meet and Confer:** As stated in 12 C.F.R. § 1080.6(c), you must contact Enforcement Attorney **Lawrence D. Brown** at **(202) 435-7116** as soon as possible to schedule a meeting (telephonic or in person) to discuss your response to the CID. The meeting must be held within **10** calendar days after you receive this CID or before the deadline for filing a petition to modify or set aside the CID, whichever is earlier.

C. **Applicable Period for Responsive Materials:** Unless otherwise directed, the applicable period for the request is from **January 1, 2011 until the date of this CID.**

D. **Privilege Claims:** If any material responsive to this CID is withheld on the grounds of privilege, you must make the privilege claim no later than the date set for the production of the material. As stated in 12 C.F.R. § 1080.8(a), any such claim must include a schedule of the documents, information, or tangible things withheld that states, for each:

1. its type, specific subject matter, and date;
2. the names, addresses, positions, and organizations of all authors and direct or indirect recipients;
3. the specific grounds for claiming the privilege;
4. the request to which the privileged document, information, or thing is responsive; and
5. its Bates number or range.

In addition, the person who submits the schedule and the attorney stating the grounds for the privilege must sign it. A person withholding material solely based on a claim of privilege must comply with the requirements of 12 C.F. R. § 1080.8 rather than file a petition for an order modifying or setting aside a demand under 12 C.F.R. § 1080.6(e). Please follow the enclosed Document Submission Standards for further instructions about producing redacted privileged documents.

E. **Document Retention:** Until you are notified otherwise, you are required to retain all documents and other tangible things that you used or relied on in responding to this CID. In addition, you must retain, and suspend any procedures that may result in the destruction of, documents, information, or tangible things that are in any way relevant to the investigation, as described in the CID's Notification of Purpose. You are required to prevent the destruction of relevant material irrespective of whether you believe such material is protected from future disclosure or discovery by privilege or otherwise. *See* 18 U.S.C. §§ 1505, 1519.

F. **Modification Requests:** If you believe that the scope of the search or response required by this CID can be narrowed consistent with the Bureau's need for documents or information, you are encouraged to discuss such possible modifications, including modifications of the requirements of these instructions, with Enforcement Attorney **Lawrence D. Brown** at **(202) 435-7116**. Modifications must be agreed to in writing by the Enforcement Director or a Deputy Enforcement Director. 12 C.F.R. § 1080.6(d).

G. **Petition for Order Modifying or Setting Aside Demand:** Under 12 U.S.C. § 5562(f) and 12 C.F.R. § 1080.6(e), you may petition the Bureau for an order modifying or setting aside this CID. To file a petition, you must send it by e-mail to the Bureau's Executive Secretary at ExecSec@cfpb.gov, copying the Enforcement Director at Enforcement@cfpb.gov, within 20 calendar days of service of the CID or, if the return date is less than 20 calendar days after service, before the return date. The subject line of the e-mail must say "Petition to Modify or Set Aside Civil Investigative Demand." If a request for confidential treatment is filed, you must file a redacted public petition in addition to the unredacted petition. All requests for confidential treatment must be supported by a showing of good cause in light of applicable statutes, rules, Bureau orders, court orders, or other relevant authority.

H. **Certification:** The person to whom the CID is directed or, if it is directed to an entity, any person having knowledge of the facts and circumstances relating to the production, must certify that the response to this CID is true and complete. This certification must be made on the form declaration included with this CID or by a sworn affidavit.

I. **Scope of Search:** This CID covers materials and information in your possession, custody, or control, including but not limited to documents in the possession, custody, or control of your attorneys, accountants, other agents or consultants, directors, officers, and employees.

J. **Document Production:** The Bureau encourages the electronic production of

all material responsive to this CID; please follow the enclosed Document Submission Standards.

All productions sent by U.S. Postal Service should be addressed to:

Consumer Financial Protection Bureau
1700 G Street, NW
ATTN: Roshonda Ledbetter c/o Andrew Lubash, SEFL, Office of
Enforcement,
Room 4083-B
Washington, DC 20552

All productions sent by FedEx, UPS, or other courier should be addressed to:

Consumer Financial Protection Bureau
1625 Eye Street NW
ATTN: Roshonda Ledbetter c/o Andrew Lubash, SEFL, Office of
Enforcement,
Room 4083-B
Washington, DC 20006

Please provide your intended method of production and any tracking numbers by e-mail or telephone to Enforcement Attorney **Lawrence D. Brown** at **(202) 435-7116**, or **Lawrence.Brown@cfpb.gov**.

K. Document Identification: Documents that may be responsive to more than one request of this CID need not be submitted more than once. All documents responsive to this CID must be accompanied by an index that identifies: (i) the name of each custodian of each responsive document; (ii) the corresponding Bates number or range used to identify that person's documents; and (iii) the request or requests to which each document responds.

L. Sensitive Personally Identifiable Information: If any material called for by these requests contains sensitive personally identifiable information, sensitive health information of any individual, or Suspicious Activities Reports, please contact Enforcement Attorney **Lawrence D. Brown** at **(202) 435-7116** before sending those materials to discuss ways to protect the information during production. You must encrypt electronic copies of such materials with encryption software acceptable to the Bureau. When submitting encrypted material, you must provide the encryption key, certificate, or passcode in a separate communication.

For purposes of this CID, sensitive personally identifiable information includes an individual's Social Security number alone or an individual's name, address, or phone number *in combination with* one or more of the following: date of birth, Social Security number, driver's-license number or other state-identification number, or a foreign country equivalent, passport number, financial-account number, credit-card number, or debit-card number. Sensitive health information includes medical records and other

individually identifiable health information relating to the past, present, or future physical or mental health or conditions of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual.

M. **Information Identification:** Each request for a written report or interrogatory in this CID must be answered separately and fully in writing under oath. All information submitted must clearly and precisely identify the request or requests to which it is responsive.

N. **Declaration Certifying Records of Regularly Conducted Business Activity:** Attached is a Declaration Certifying Records of Regularly Conducted Business Activity, which may limit the need to subpoena you to testify at future proceedings to establish the admissibility of documents produced in response to this CID. Please execute this Declaration and provide it with your response.

CERTIFICATE OF COMPLIANCE – DOCUMENTS

I, _____, pursuant to 28 U.S.C. § 1746, declare that:

1. I have made a diligent inquiry of all persons who likely have possession of responsive documents and information, and I have confirmed that a diligent search has been made of all of the locations and files that likely contained responsive documents and information in the possession, custody, or control of Wells Fargo Bank, N.A.
2. All of the documents and information identified through the search described in paragraph 1 above required by the Civil Investigative Demand dated March 21, 2016 that are within the possession, custody, or control of Wells Fargo Bank, N.A. have been submitted to the Bureau custodian or deputy custodian identified in this Civil Investigative Demand.
3. If a document or tangible thing responsive to this Civil Investigative Demand has not been submitted, a claim of privilege in compliance with 12 C.F.R. § 1080.8 has been submitted.

I certify under penalty of perjury that the foregoing is true and correct. Executed on _____, 2016.

Signature

CERTIFICATE OF COMPLIANCE – INTERROGATORY ANSWERS

I, _____, pursuant to 28 U.S.C. § 1746, declare that:

1. In preparing all answers and reports in response to the enclosed Civil Investigative Demand, I have made a diligent inquiry of all persons who likely have possession of responsive documents and information, and I have confirmed that a diligent search has been made of all of the locations and files that likely contained responsive documents and information within the possession, custody, control, or knowledge of Wells Fargo Bank, N.A.
2. Based on the information identified through the search described in paragraph 1 above, all answers and reports prepared in response to the enclosed required by the Civil Investigative Demand dated March 21, 2016 are true, correct, and complete.
3. If an interrogatory or a portion of an interrogatory has not been fully answered or a report or a portion of a report has not been completed, a claim of privilege in compliance with 12 C.F.R. § 1080.8 has been submitted.

I certify under penalty of perjury that the foregoing is true and correct. Executed on _____, 2016.

Signature

**DECLARATION CERTIFYING RECORDS OF
REGULARLY CONDUCTED BUSINESS ACTIVITY**
Pursuant to 28 U.S.C. § 1746

I, _____, pursuant to 28 U.S.C. § 1746, declare that:

1. I am employed by _____ as _____
and by reason of my position am authorized and qualified to certify the authenticity of the records produced by Wells Fargo Bank, N.A. and submitted with this Declaration.
2. The documents produced and submitted with this Declaration by Wells Fargo Bank, N.A. are true copies of records of regularly conducted activity that were:
 - a. made at or near the time of the occurrence of the matters set forth, by, or from information transmitted by, a person with knowledge of those matters;
 - b. kept in the course of the regularly conducted business activity; and
 - c. made by the regularly conducted business activity as a regular practice.

I certify under penalty of perjury that the foregoing is true and correct. Executed on _____, 2016.

Signature

§ 1081.405 Decision of the Director.

(a) Upon appeal from or upon further review of a recommended decision, the Director will consider such parts of the record as are cited or as may be necessary to resolve the issues presented and, in addition, will, to the extent necessary or desirable, exercise all powers which he or she could have exercised if he or she had made the recommended decision. In proceedings before the Director, the record shall consist of all items part of the record below in accordance with § 1081.306; any notices of appeal or order directing review; all briefs, motions, submissions, and other papers filed on appeal or review; and the transcript of any oral argument held. Review by the Director of a recommended decision may be limited to the issues specified in the notice(s) of appeal or the issues, if any, specified in the order directing further briefing. On notice to all parties, however, the Director may, at any time prior to issuance of his or her decision, raise and determine any other matters that he or she deems material, with opportunity for oral or written argument thereon by the parties.

(b) Decisional employees may advise and assist the Director in the consideration and disposition of the case.

(c) In rendering his or her decision, the Director will affirm, adopt, reverse, modify, set aside, or remand for further proceedings the recommended decision and will include in the decision a statement of the reasons or basis for his or her actions and the findings of fact upon which the decision is predicated.

(d) At the expiration of the time permitted for the filing of reply briefs with the Director, the Office of Administrative Adjudication will notify the parties that the case has been submitted for final Bureau decision. The Director will issue and the Office of Administrative Adjudication will serve the Director's final decision and order within 90 days after such notice, unless within that time the Director orders that the adjudication proceeding or any aspect thereof be remanded to the hearing officer for further proceedings.

(e) Copies of the final decision and order of the Director shall be served upon each party to the proceeding, upon other persons required by statute, and, if directed by the Director or required by statute, upon any appropriate State or Federal supervisory authority. The final decision and order will also be published on the Bureau's Web site or as otherwise deemed appropriate by the Bureau.

§ 1081.406 Reconsideration.

Within 14 days after service of the Director's final decision and order, any party may file with the Director a petition for reconsideration, briefly and specifically setting forth the relief desired and the grounds in support thereof. Any petition filed under this section must be confined to new questions raised by the final decision or final order and upon which the petitioner had no opportunity to argue, in writing or orally, before the Director. No response to a petition for reconsideration shall be filed unless requested by the Director, who will request such response before granting any petition for reconsideration. The filing of a petition for reconsideration shall not operate to stay the effective date of the final decision or order or to toll the running of any statutory period affecting such decision or order unless specifically so ordered by the Director.

§ 1081.407 Effective date; stays pending judicial review.

(a) Other than consent orders, which shall become effective at the time specified therein, an order to cease and desist or for other affirmative action under section 1053(b) of the Dodd-Frank Act becomes effective at the expiration of 30 days after the date of service pursuant to § 1081.113(d)(2), unless the Director agrees to stay the effectiveness of the order pursuant to this section.

(b) Any party subject to a final decision and order, other than a consent order, may apply to the Director for a stay of all or part of that order pending judicial review.

(c) A motion for stay shall state the reasons a stay is warranted and the facts relied upon, and shall include supporting affidavits or other sworn statements, and a copy of the relevant portions of the record. The motion shall address the likelihood of the movant's success on appeal, whether the movant will suffer irreparable harm if a stay is not granted, the degree of injury to other parties if a stay is granted, and why the stay is in the public interest.

(d) A motion for stay shall be filed within 30 days of service of the order on the party. Any party opposing the motion may file a response within five days after receipt of the motion. The movant may file a reply brief, limited to new matters raised by the response, within three days after receipt of the response.

(e) The commencement of proceedings for judicial review of a final decision and order of the Director does not, unless specifically ordered by the Director or a reviewing court, operate as a stay of any order issued by the

Director. The Director may, in his or her discretion, and on such terms as he or she finds just, stay the effectiveness of all or any part of an order pending a final decision on a petition for judicial review of that order.

Dated: June 4, 2012.

Richard Cordray,
Director, Bureau of Consumer Financial Protection.

[FR Doc. 2012-14061 Filed 6-28-12; 8:45 am]

BILLING CODE 4810-AM-P

BUREAU OF CONSUMER FINANCIAL PROTECTION

12 CFR Part 1080

[Docket No.: CFPB-2011-0007]

RIN 3170-AA03

Rules Relating to Investigations

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Final rule.

SUMMARY: After considering the public comments on its interim final rule for the Rules Relating to Investigations, the Bureau of Consumer Financial Protection (Bureau), pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), is making revisions to its procedures for investigations under section 1052 of the Dodd-Frank Act.

DATES: The final rule is effective June 29, 2012.

FOR FURTHER INFORMATION CONTACT: Peter G. Wilson, Office of the General Counsel, Consumer Financial Protection Bureau, 1700 G Street NW., Washington, DC 20552, (202) 435-7585.

SUPPLEMENTARY INFORMATION:

I. Background

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) was signed into law on July 21, 2010. Title X of the Dodd-Frank Act established the Bureau of Consumer Financial Protection (Bureau) to regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws. The Dodd-Frank Act transferred to the Bureau the consumer financial protection functions formerly carried out by the Federal banking agencies, as well as certain authorities formerly carried out by the Department of Housing and Urban Development (HUD) and the Federal Trade Commission (FTC). As required by section 1062 of the Dodd-Frank Act, 12 U.S.C. 5582, the Secretary of the Treasury selected a

designated transfer date and the Federal banking agencies' functions and authorities transferred to the Bureau on July 21, 2011.

The Dodd-Frank Act authorizes the Bureau to conduct investigations to ascertain whether any person is or has been engaged in conduct that, if proved, would constitute a violation of any provision of Federal consumer financial law. Section 1052 of the Dodd-Frank Act sets forth the parameters that govern these investigations. 12 U.S.C. 5562. Section 1052 became effective immediately upon transfer on July 21, 2011 and did not require rules to implement its provisions. On July 28, 2011, the Bureau issued the interim final rule for the Rules Relating to Investigations (Interim Final Rule) to provide parties involved in Bureau investigations with clarification on how to comply with the statutory requirements relating to Bureau investigations.

II. Summary of the Final Rule

Consistent with section 1052 of the Dodd-Frank Act, the final rule for the Rules Relating to Investigations (Final Rule) describes a number of Bureau policies and procedures that apply in an investigational, nonadjudicative setting. Among other things, the Final Rule sets forth (1) the Bureau's authority to conduct investigations, and (2) the rights of persons from whom the Bureau seeks to compel information in investigations.

Like the Interim Final Rule, the Final Rule is modeled on investigative procedures of other law enforcement agencies. For guidance, the Bureau reviewed the procedures currently used by the FTC, the Securities and Exchange Commission (SEC), and the prudential regulators, as well as the FTC's recently proposed amendments to its nonadjudicative procedures. In light of the similarities between section 1052 of the Dodd-Frank Act and section 20 of the Federal Trade Commission Act (FTC Act), 15 U.S.C. 41 *et seq.*, the Bureau drew most heavily from the FTC's nonadjudicative procedures in constructing the rules.

The Final Rule lays out the Bureau's authority to conduct investigations before instituting judicial or administrative adjudicatory proceedings under Federal consumer financial law. The Final Rule authorizes the Director, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement to issue civil investigative demands (CIDs) for documentary material, tangible things, written reports, answers to questions, or oral testimony. The

demands may be enforced in district court by the Director, the General Counsel, or the Assistant Director of the Office of Enforcement. The Final Rule also details the authority of the Bureau's investigators to conduct investigations and hold investigational hearings pursuant to civil investigative demands for oral testimony.

Furthermore, the Final Rule sets forth the rights of persons from whom the Bureau seeks to compel information in an investigation. Specifically, the Final Rule describes how such persons should be notified of the purpose of the Bureau's investigation. It also details the procedures for filing a petition for an order modifying or setting aside a CID, which the Director is authorized to rule upon. And it describes the process by which persons may obtain copies of or access to documents or testimony they have provided in response to a civil investigative demand. In addition, the Final Rule describes a person's right to counsel at investigational hearings.

III. Legal Authority

As noted above, section 1052 of the Dodd-Frank Act outlines how the Bureau will conduct investigations and describes the rights of persons from whom the Bureau seeks information in investigations. This section became effective immediately upon the designated transfer date, July 21, 2011, without any requirement that the Bureau first issue procedural rules. Nevertheless, the Bureau believes that the legislative purpose of section 1052 will be furthered by the issuance of rules that specify the manner in which persons can comply with its provisions.

Section 1022 of the Dodd-Frank Act authorizes the Director to prescribe rules as may be necessary or appropriate for the Bureau to administer and carry out the purposes and objectives of Federal consumer financial laws and to prevent evasion of those laws. 12 U.S.C. 5512. The Bureau believes that the Final Rule will effectuate the purpose of section 1052 and facilitate compliance with Bureau investigations.

IV. Overview of Public Comments on the Interim Final Rule

After publication of the Interim Final Rule on July 28, 2011, the Bureau accepted public comments until September 26, 2011. During the comment period, the Bureau received seven comments. Two of the comments were submitted by individual consumers. Four trade associations and a mortgage company also submitted comments. The trade associations represent credit unions, banks, consumer credit companies, members of

the real estate finance industry, and other financial institutions.

The commenters generally support the Interim Final Rule. Most sections of the Interim Final Rule received no comment and are being finalized without change. The comments did, however, contain questions and recommendations for the Bureau.

Several of the commenters expressed concern that the Interim Final Rule appeared to provide staff-level Bureau employees with unchecked authority to initiate investigations and issue CIDs, or that the Interim Final Rule otherwise did not provide sufficient oversight for particular actions.

A number of commenters expressed concern about sections of the Interim Final Rule that relate to CIDs. One trade association recommended that a statement of "the purpose and scope" of a Bureau investigation—in addition to a notification of the nature of the conduct constituting the alleged violation under investigation and the applicable provisions of law—be included in CIDs. A commenter suggested that the Bureau require a conference between CID recipients and the Assistant Director of the Office of Enforcement to negotiate the terms of compliance with the demand. Three of the trade associations noted concern with the statement that extensions of time are disfavored for petitions to modify or set aside CIDs. Two commenters questioned who would rule on such petitions without a confirmed Director. One trade association commented that witnesses should be permitted to object to questions demanding information outside of the scope of the investigation during an investigational hearing pursuant to a CID for oral testimony.

A number of commenters expressed concern about maintaining the confidentiality of demand material, sharing information with other State and Federal agencies, and the duties of the custodians of those materials. For example, one trade association and the mortgage company recommended that investigations should remain confidential in all circumstances. Another trade association asserted that the Bureau is not permitted to engage in joint investigations with State attorneys general.

The Bureau reviewed all of the comments on its Interim Final Rule thoroughly and addresses the significant issues they raise herein. Although most sections of the Interim Final Rule received no comment and are being finalized without change, the Bureau has made several changes to the Interim Final Rule based on the comments it received. The comments and these

changes are discussed in more detail in parts V and VI of the **SUPPLEMENTARY INFORMATION**.

V. General Comments

Some comments on the Interim Final Rule were not directed at a specific section but rather concerned issues of general applicability. The Bureau addresses those comments in this section and addresses comments related to specific sections of the Interim Final Rule in part VI.

One commenter asked the Bureau to specify who would rule on petitions to set aside or modify CIDs while the Bureau lacked a Director. This commenter also asked who would review requests to the Attorney General under § 1080.12 for authority to immunize witnesses and to order them to testify or provide other information. The President appointed a Director of the Bureau on January 4, 2012. Therefore, both questions posed by this commenter are moot. The Director or any official to whom the Director has delegated his authority pursuant to 12 U.S.C. 5492(b) will rule on petitions to set aside or modify CIDs. Furthermore, the Bureau has revised § 1080.12 to clarify that only the Director has the authority to request approval from the Attorney General for the issuance of an order immunizing witnesses.

A commenter asserted that section 1052(c)(1) of the Dodd-Frank Act prohibits the Bureau from issuing CIDs after the institution of any proceedings under Federal consumer financial laws, including proceedings initiated by a State or a private party. The commenter argued that a CID should be accompanied by a certification that the demand will have no bearing on any ongoing proceeding. Section 1052(c)(1) provides, in relevant part, that “the Bureau may, before the institution of any proceedings under the Federal consumer financial law, issue in writing, and cause to be served upon such person, a civil investigative demand.” The language “before the institution of any proceeding under Federal consumer financial law” refers to the institution of proceedings by the Bureau. It does not limit the Bureau’s authority to issue CIDs based upon the commencement of a proceeding by other parties.

Another commenter requested that the Bureau exempt all credit unions from Bureau investigations. The Bureau believes that granting an exemption from the Bureau’s enforcement authority through the Final Rule would be inappropriate and that there is an insufficient record to support such an exemption.

A commenter recommended that covered persons be allowed to recover attorneys’ fees and costs incurred by defending against an investigation that is shown to be without merit. The Dodd-Frank Act does not provide the right to recover fees and costs by defending against an investigation. Further, as explained below, the Bureau believes that the procedures for petitioning to modify or set aside a CID set forth in § 1080.6(d) of the Interim Final Rule (now 1080.6(e) of the Final Rule) provide sufficient protections to a recipient of a demand it believes lacks merit.

VI. Section-by-Section Summary

Section 1080.1 Scope

This section describes the scope of the Interim Final Rule. It makes clear that these rules only apply to investigations under section 1052 of the Dodd-Frank Act. The Bureau received no comment on § 1080.1 of the Interim Final Rule and is adopting it as the Final Rule without change.

Section 1080.2 Definitions

This section of the Interim Final Rule defines several terms used throughout the rules. Many of these definitions also may be found in section 1051 of the Dodd-Frank Act.

A commenter questioned the breadth of the definition of the term “Assistant Director of the Division of Enforcement.” The commenter argued that because that term was defined to include “any Bureau employee to whom the Assistant Director of the Division of Enforcement has delegated authority to act under this part,” the Interim Final Rule could give Bureau employees inappropriately broad authority to take certain actions, such as issuing CIDs.

The Bureau has revised the Final Rule in response to these comments. The Final Rule identifies those with authority to take particular actions under each section of the Final Rule. Sections 1080.4 (initiating and conducting investigations) and 1080.6 (civil investigative demands) of the Final Rule clarify that the authority to initiate investigations and issue CIDs cannot be delegated by the identified officials. The Final Rule also changes the defined term “Division of Enforcement” to “Office of Enforcement” to reflect the Bureau’s current organizational structure.

Section 1080.3 Policy as to Private Controversies

This section of the Interim Final Rule states the Bureau’s policy of pursuing investigations that are in the public

interest. Section 1080.3 is consistent with the Bureau’s mission to protect consumers by investigating potential violations of Federal consumer financial law. The Bureau received no comments on § 1080.3 of the Interim Final Rule and is adopting it as the Final Rule without change.

Section 1080.4 Initiating and Conducting Investigations

This section of the Interim Final Rule explains that Bureau investigators are authorized to conduct investigations pursuant to section 1052 of the Dodd-Frank Act.

A commenter observed that this section of the Interim Final Rule did not explicitly provide a procedure for senior agency officials to authorize the opening of an investigation. The commenter argued that only senior agency officials should decide whether to initiate investigations. The commenter questioned whether staff-level employees could open investigations and issue CIDs without sufficient supervision, and noted that the FTC’s analogous rule specifically lists the senior officials to whom the Commission has delegated, without power of redelegation, the authority to initiate investigations.

A commenter also expressed concern that the FTC’s analogous rule explicitly provides that FTC investigators must comply with the laws of the United States and FTC regulations. According to the commenter, such language is necessary to ensure that the Bureau complies with the Right to Financial Privacy Act (RFPA) to the extent that statute applies to the Bureau. The commenter also believes that this language is needed to guard against investigations undertaken for what the commenter characterized as the impermissible purpose of aiding State attorneys general or State regulators. The commenter suggested that the Bureau add a statement to this section of the Interim Final Rule similar to the FTC’s rule requiring compliance with Federal law and agency regulations.

The Final Rule clarifies that only the Assistant Director or any Deputy Assistant Director of the Office of Enforcement has the authority to initiate investigations. The Bureau has significant discretion to determine whether and when to open an investigation, and the public benefits from a process whereby the Bureau can open and close investigations efficiently. But the Bureau did not intend its rules to be interpreted so broadly as to suggest that any staff-level employee could unilaterally open an investigation or issue a CID. The Final

Rule also provides that Bureau investigators will perform their duties in accordance with Federal law and Bureau regulations.

Section 1080.5 Notification of Purpose

This section of the Interim Final Rule specifies that a person compelled to provide information to the Bureau or to testify in an investigational hearing must be advised of the nature of the conduct constituting the alleged violation under investigation and the applicable provisions of law. This section of the Interim Final Rule implements the requirements for CIDs described in section 1052(c)(2) of the Dodd-Frank Act.

Commenters noted that although the Dodd-Frank Act and the FTC Act both require CIDs to state “the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable to such violation,” the two agencies’ implementing regulations on this topic differ. Both agencies’ regulations require a statement of the nature of the conduct at issue and the relevant provisions of law, but the FTC rule also requires that the recipient of the CID be advised of “the purpose and scope” of the investigation. Commenters argued that the Bureau should add this phrase to its rule because excluding it would lead to requests for materials outside the scope of an investigation. One commenter argued that only senior agency officials should authorize investigations to ensure that CIDs are relevant to the purpose and scope of the Bureau’s investigations.

The language in § 1080.5 of the Interim Final Rule mirrors the language of the Dodd-Frank Act, which provides that “[e]ach civil investigative demand shall state the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable to such violation.” The Bureau believes that the information covered by this statutory language provides sufficient notice to recipients of CIDs. As discussed above, § 1080.4 (initiating and conducting investigations) of the Final Rule limits the authority to open investigations to the Assistant Director or any Deputy Assistant Director of the Office of Enforcement. Similarly, § 1080.6 of the Final Rule (civil investigative demands) limits the authority to issue CIDs to the Director of the Bureau, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement. Thus, one of these identified officials will review and approve the initiation of all investigations and the issuance of all

CIDs. In addition, to the extent recipients of CIDs consider the demands to be for an unauthorized purpose or outside the scope of the investigation, they will have an opportunity to negotiate the terms of compliance pursuant to § 1080.6(c) of the Interim Final Rule (now § 1080.6(d) of the Final Rule) or to petition to set aside or modify the demand pursuant to § 1080.6(d) of the Interim Final Rule (now § 1080.6(e) of the Final Rule).

The Bureau therefore adopts this section of the Interim Final Rule as the Final Rule without change.

Section 1080.6 Civil Investigative Demands

This section of the Interim Final Rule lays out the Bureau’s procedures for issuing CIDs. It authorizes the Assistant Director of the Office of Enforcement to issue CIDs for documentary material, tangible things, written reports, answers to questions, and oral testimony. This section of the Interim Final Rule details the information that must be included in CIDs and the requirement that responses be made under a sworn certificate. Section 1080.6 of the Interim Final Rule also authorizes the Assistant Director of the Office of Enforcement to negotiate and approve the terms of compliance with CIDs and grant extensions for good cause. Finally, this section of the Interim Final Rule describes the procedures for seeking an order to modify or set aside a CID, which the Director is authorized to rule upon.

One commenter argued that § 1080.6(a) permits almost any Bureau employee to issue CIDs without sufficient supervision. The commenter stated that this lack of oversight is problematic and does not reflect Congress’ intent when it enacted the Act.

Section 1080.6(a) of the Final Rule limits the authority to issue CIDs to the Director, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement. This change to the Final Rule balances the efficiency of the Bureau’s investigative process with appropriate supervision and oversight.

A commenter suggested that the Bureau require a conference between the CID recipient and the Assistant Director of the Office of Enforcement within ten days of service of the CID to negotiate and approve the terms of compliance. The commenter envisioned a conference analogous to a discovery planning conference under the Federal Rules of Civil Procedure, during which the parties could discuss requests for information, appropriate limitations on

the scope of requests, issues related to electronically stored information (ESI), issues related to privilege and confidential information, and a reasonable time for compliance. The commenter stated that this type of conference would better ensure prompt and efficient production of material and information related to the investigation.

The Bureau agrees that a conference between the parties within ten calendar days of serving a CID is likely to improve the efficiency of investigations, and § 1080.6(c) of the Final Rule provides for such a conference. The Final Rule does not, however, adopt the suggestion that the Assistant Director of the Office of Enforcement preside over all such conferences.

Several commenters also noted concern with the statement in § 1080.6(d) of the Interim Final Rule disfavoring extensions of time for petitioning for an order modifying or setting aside CIDs. One commenter argued that the 20-day period to file petitions, for which extensions of time are disfavored, is inconsistent with the “reasonable” period of time for compliance with the CID set forth in § 1080.6(a). The commenter also argued that this timeframe leaves a short period for the CID recipient to decide which documents are privileged or otherwise protected and to file a petition articulating privilege and scope objections. Another commenter noted that the analogous FTC rules do not include a provision disfavoring extensions for petitions to modify or set aside a CID. These commenters recommended that the Bureau delete the sentence related to disfavoring extensions. One commenter recommended that the rules be corrected to provide an independent review if a covered person believes a CID is without merit.

Like the Interim Final Rule, the Final Rule includes a provision disfavoring extensions of time for petitions to modify or set aside a CID. The Bureau believes its policy of disfavoring extensions is appropriate in light of its significant interest in promoting an efficient process for seeking materials through CIDs. By disfavoring extensions, the Bureau means to prompt recipients to decide within 20 days whether they intend to comply with the CID. The Final Rule also clarifies that this 20-day period should be computed with calendar days.

The Bureau notes that § 1080.6(d) of the Interim Final Rule (now § 1080.6(e) of the Final Rule) only provides the due date for a petition for an order modifying or setting aside a CID. It does not require recipients to comply fully

with CIDs within 20 days. In addition, the Final Rule provides several options to recipients of CIDs that need additional time to respond. For example, the recipient may negotiate for a reasonable extension of time for compliance or a rolling document production schedule pursuant to § 1080.6(c) of the Interim Final Rule (now § 1080.6(d) of the Final Rule).

Section 1080.6(e) of the Final Rule clarifies that recipients of CIDs should not assert claims of privilege through a petition for an order modifying or setting aside a CID. Instead, when privilege is the only basis for withholding particular materials, they should utilize the procedures set forth in § 1080.8 (withholding requested material) of the Final Rule. Section 1080.6(e) of the Final Rule also lays out the authority of Bureau investigators to provide to the Director a reply to a petition seeking an order modifying or setting aside a CID. Specifically, the Final Rule states that Bureau investigators may provide the Director with a statement setting forth any factual and legal responses to a petition. The Bureau will not make these statements or any other internal deliberations part of the Bureau's public records. Section 1080.6(g) of the Final Rule clarifies that the Bureau, however, will make publicly available both the petition and the Director's order in response. Section 1080.6(g) of the Final Rule also clarifies that if a CID recipient wants to prevent the Director from making the petition public, any showing of good cause must be made no later than the time the petition is filed. The Final Rule also adds a provision clarifying how the Bureau will serve the petitioner with the Director's order.

Finally, the Bureau believes the procedures for petitions to modify or set aside a CID set forth in the Final Rule adequately protect a covered person who believes a CID is without merit, and that an additional independent review is unnecessary.

Section 1080.7 Investigational Hearings

This section of the Interim Final Rule describes the procedures for investigational hearings initiated pursuant to a CID for oral testimony. It also lays out the roles and responsibilities of the Bureau investigator conducting the investigational hearing, which include excluding unauthorized persons from the hearing room and ensuring that the investigational hearing is transcribed, the witness is duly sworn, the transcript is a true record of the testimony, and the

transcript is provided to the designated custodian.

A commenter argued that the Bureau is not authorized to conduct joint investigations with State attorneys general under the Dodd-Frank Act and, correspondingly, State attorneys general cannot attend an investigational hearing as a representative of an agency with whom the Bureau is conducting a joint investigation. The commenter argued that Congress distinguished between State attorneys general and State regulatory agencies in section 1042 of the Dodd-Frank Act and that State attorneys general are therefore not "agencies" with whom the Bureau can partner. The commenter also asserted that the Bureau cannot share a copy of the transcript of an investigational hearing with another agency without the consent of the witness.

Another commenter argued that representatives of agencies with which the Bureau is conducting a joint investigation may be present at an investigational hearing only with the witness's consent. This commenter stated that the Bureau should recognize in the rules that a witness who does not consent to the presence of a representative of another agency at an investigational hearing should not be presumed guilty.

The Dodd-Frank Act states that the Bureau "may engage in joint investigations and requests for information, as authorized under this title." This statutory language permits the Bureau to engage in joint investigations with State or Federal law enforcement agencies, including State attorneys general, with jurisdiction that overlaps with the Bureau's. The Bureau's disclosure rules also permit the Bureau to share certain confidential information, including investigational hearing transcripts, with Federal or State agencies to the extent the disclosure is relevant to the exercise of an agency's statutory or regulatory authority. See 12 CFR 1070.43(b). In addition, neither the Dodd-Frank Act nor the rules require the consent of the witness to permit a representative of an agency with which the Bureau is conducting a joint investigation to be present at the hearing. Consent is required only when people other than those listed in the rule are included.

Thus, the Bureau adopts § 1080.7 of the Interim Final Rule as the Final Rule without change.

Section 1080.8 Withholding Requested Material

This section of the Interim Final Rule describes the procedures that apply when persons withhold material

responsive to a CID. It requires the recipient of the CID to assert a privilege by the production date and, if so directed in the CID, also to submit a detailed schedule of the items withheld. Section 1080.8 also sets forth the procedures for handling the disclosure of privileged or protected information or communications.

The Bureau received no comment on § 1080.8 of the Interim Final Rule and is adopting it as the Final Rule without substantive change.

Section 1080.9 Rights of Witnesses in Investigations

This section of the Interim Final Rule describes the rights of persons compelled to submit information or provide testimony in an investigation. It details the procedures for obtaining a copy of submitted documents or a copy of or access to a transcript of the person's testimony. This section of the Interim Final Rule also describes a witness's right to make changes to his or her transcript and the rules for signing the transcript.

Section 1080.9 of the Interim Final Rule lays out a person's right to counsel at an investigational hearing and describes his or her counsel's right to advise the witness as to any question posed for which an objection may properly be made. It also describes the witness's or counsel's rights to object to questions or requests that the witness is privileged to refuse to answer. This section of the Interim Final Rule states that counsel for the witness may not otherwise object to questions or interrupt the examination to make statements on the record but may request that the witness have an opportunity to clarify any of his or her answers. Finally, this section of the Interim Final Rule authorizes the Bureau investigator to take all necessary action during the course of the hearing to avoid delay and to prevent or restrain disorderly, dilatory, obstructionist, or contemptuous conduct, or contemptuous language.

A commenter noted that under the Interim Final Rule witnesses could not object during an investigational hearing on the ground that a question was outside the scope of the investigation. The commenter argued that a covered person's inability to raise such objections might allow "a fishing expedition." The commenter recommended amending § 1080.9(b) to allow objections based on scope.

Section 1052(c)(13)(D)(iii) of the Dodd-Frank Act states, in relevant part:

[a]n objection may properly be made, received, and entered upon the record when it is claimed that such person is entitled to

refuse to answer the question on grounds of any constitutional or other legal right or privilege, including the privilege against self-incrimination, but the person shall not otherwise object to or refuse to answer any question, and such person or attorney shall not otherwise interrupt the oral examination.

Thus, to the extent the scope objection was grounded in a witness's constitutional or other legal right, it would be a proper objection.

The Final Rule clarifies that counsel may confer with a witness while a question is pending or instruct a witness not to answer a question only if an objection based on privilege or work product may properly be made. The Final Rule also describes counsel's limited ability to make additional objections based on other constitutional or legal rights. The Final Rule provides that if an attorney has refused to comply with his or her obligations in the rules of this part, or has allegedly engaged in disorderly, dilatory, obstructionist, or contumacious conduct, or contemptuous language during an investigational hearing, the Bureau may take further action, including action to suspend or disbar the attorney from further participation in the investigation or further practice before the Bureau pursuant to 12 CFR 1081.107(c). The Final Rule also includes other nonsubstantive changes, including clarifying that the 30-day period that the witness has to sign and submit his or her transcript should be computed using calendar days.

Section 1080.10 Noncompliance With Civil Investigative Demands

This section of the Interim Final Rule authorizes the Director, the Assistant Director of the Office of Enforcement, and the General Counsel to initiate an action to enforce a CID in connection with the failure or refusal of a person to comply with, or to obey, a CID. In addition, they are authorized to seek civil contempt or other appropriate relief in cases where a court order enforcing a CID has been violated.

The Bureau received no comment on § 1080.10 of the Interim Final Rule and is adopting it as the Final Rule without substantive change.

Section 1080.11 Disposition

This section of the Interim Final Rule explains that an enforcement action may be instituted in Federal or State court or through administrative proceedings when warranted by the facts disclosed by an investigation. It further provides that the Bureau may refer investigations to appropriate Federal, State, or foreign government agencies as appropriate. This section of the Interim Final Rule

also authorizes the Assistant Director of the Office of Enforcement to close the investigation when the facts of an investigation indicate an enforcement action is not necessary or warranted in the public interest.

One commenter indicated that the Bureau's authority to refer investigations to other law enforcement agencies should be limited to circumstances when it is expressly authorized to do so by the Dodd-Frank Act, an enumerated consumer financial law, or other Federal law, because of potential risks to the confidentiality of the investigatory files.

The Bureau's ability to refer matters to appropriate law enforcement agencies is inherent in the Bureau's authority and is a corollary to the Bureau's statutorily recognized ability to conduct joint investigations. The documentary materials and tangible things obtained by the Bureau pursuant to a CID are subject to the requirements and procedures relating to disclosure of records and information in part 1070 of this title. These procedures for sharing information with law enforcement agencies provide significant and sufficient protections for these materials.

The Bureau has amended § 1080.11 to clarify that the Assistant Director and any Deputy Assistant Director of the Office of Enforcement are authorized to close investigations.

The Bureau adopts § 1080.11 of the Interim Final Rule with the changes discussed above.

Section 1080.12 Orders Requiring Witnesses To Testify or Provide Other Information and Granting Immunity

This section of the Interim Final Rule authorizes the Assistant Director of the Office of Enforcement to request approval from the Attorney General for the issuance of an order requiring a witness to testify or provide other information and granting immunity under 18 U.S.C. 6004. The Interim Final Rule also sets forth the Bureau's right to review the exercise of these functions and states that the Bureau will entertain an appeal from an order requiring a witness to testify or provide other information only upon a showing that a substantial question is involved, the determination of which is essential to serve the interests of justice. Finally, this section of the Interim Final Rule describes the applicable rules and time limits for such appeals.

A commenter questioned whether this section of the Interim Final Rule would permit any Bureau employee to request that the Attorney General approve the issuance of an order granting immunity

under 18 U.S.C. 6004 and requiring a witness to testify or provide information. The commenter noted that the Dodd-Frank Act authorizes the Bureau, with the Attorney General's permission, to compel a witness to testify under 18 U.S.C. 6004 if the witness invokes his or her privilege against self-incrimination. The commenter argued that this section should delegate the authority to seek permission to compel testimony to a specific individual to provide accountability and ensure that information is not disclosed to the Attorney General in a manner that violates the Right to Financial Privacy Act. The commenter noted that the FTC's analogous rule specifically lists the senior agency officials who are authorized to make such requests to the Attorney General, and identifies a liaison officer through whom such requests must be made. The commenter also suggested that § 1080.12(b) of the Interim Final Rule, which provides that the Assistant Director's exercise of this authority is subject to review by "the Bureau," specify who will conduct this review.

The Final Rule provides that only the Director of the Bureau has the authority to request approval from the Attorney General for the issuance of an order requiring a witness to testify or provide other information and granting immunity under 18 U.S.C. 6004. This change addresses the concern that requests for witness immunity would be made without oversight. Limiting this authority to the Director provides sufficient accountability.

Section 1080.13 Custodians

This section of the Interim Final Rule describes the procedures for designating a custodian and deputy custodian for material produced pursuant to a CID in an investigation. It also states that these materials are for the official use of the Bureau, but, upon notice to the custodian, must be made available for examination during regular office hours by the person who produced them.

A commenter suggested that the Bureau should detail the particular duties of custodians designated under this section and that, without an enumerated list of duties, the custodian would not have any responsibilities regarding CID materials. The commenter noted that the FTC Act requires the custodian to take specific actions, while the Dodd-Frank Act does not. The commenter suggested specifying a series of custodial duties, including (1) taking and maintaining custody of all materials submitted pursuant to CIDs or subpoenas that the Bureau issues,

including transcripts of oral testimony taken by the Bureau; (2) maintaining confidentiality of those materials as required by applicable law; (3) providing the materials to either House of Congress upon request, after ten days notice to the party that owns or submitted the materials; (4) producing any materials as required by a court of competent jurisdiction; and (5) complying at all times with the Trade Secrets Act.

Section 1052 of the Dodd-Frank Act sets forth the duties of the Bureau's custodian. Sections 1052(c)(3) through (c)(6) of the Dodd-Frank Act give the custodian responsibility for receiving documentary material, tangible things, written reports, answers to questions, and transcripts of oral testimony given by any person in compliance with any CID. Section 1052(d) of the Dodd-Frank Act, as well as the Bureau's Rules for Disclosure of Records and Information in part 1070 of this title, outline the requirements for the confidential treatment of demand material. Section 1052(g) addresses custodial control and provides that a person may file, in the district court of the United States for the judicial district within which the office of the custodian is situated, a petition for an order of such court requiring the performance by the custodian of any duty imposed upon him by section 1052 of the Dodd-Frank Act or by Bureau rule. These duties and obligations do not require additional clarification by rule.

The Final Rule clarifies that the custodian has the powers and duties of both section 1052 of the Dodd-Frank Act and 12 CFR 1070.3.

The Bureau adopts § 1080.13 of the Interim Final Rule with the changes discussed above.

Section 1080.14 Confidential Treatment of Demand Material and Non-Public Nature of Investigations

Section 1080.14 of the Interim Final Rule explains that documentary materials, written reports, answers to questions, tangible things, or transcripts of oral testimony received by the Bureau in any form or format pursuant to a CID are subject to the requirements and procedures relating to disclosure of records and information in part 1070 of this title. This section of the Interim Final Rule also states that investigations generally are non-public. A Bureau investigator may disclose the existence of an investigation to the extent necessary to advance the investigation.

A commenter recommended that the Bureau revise this section to mandate that Bureau investigations remain confidential. The commenter noted the

potential reputation risk to an entity if an investigation is disclosed to the public. In addition, the commenter argued that failing to conduct investigations confidentially will increase litigation risk. One commenter recommended that the Bureau issue a public absolution of a company if the Bureau does not maintain the confidentiality of an investigation.

Section 1080.14 of the Interim Final Rule provides that investigations generally will not be disclosed to the public, but permits Bureau investigators to disclose the existence of an investigation when necessary to advance the investigation. The Interim Final Rule does not contemplate publicizing an investigation, but rather disclosing the existence of the investigation to, for example, a potential witness or third party with potentially relevant information when doing so is necessary to advance the investigation. This limited exception sufficiently balances the concerns expressed by the commenter with the Bureau's need to obtain information efficiently.

Thus, the Bureau adopts § 1080.14 of the Interim Final Rule as the Final Rule without change.

VII. Section 1022(b)(2) Provisions

In developing the Final Rule, the Bureau has considered the potential benefits, costs, and impacts, and has consulted or offered to consult with the prudential regulators, HUD, the SEC, the Department of Justice, and the FTC, including with regard to consistency with any prudential, market, or systemic objectives administered by such agencies.¹

The Final Rule neither imposes any obligations on consumers nor is expected to have any appreciable impact on their access to consumer financial products or services. Rather, the Final Rule provides a clear, efficient mechanism for investigating compliance with the Federal consumer financial laws, which benefits consumers by creating a systematic process to protect them from unlawful behavior.

¹ Section 1022(b)(2)(A) of the Dodd-Frank Act addresses the consideration of the potential benefits and costs of regulation to consumers and covered persons, including the potential reduction of access by consumers to consumer financial products or services; the impact on depository institutions and credit unions with \$10 billion or less in total assets as described in section 1026 of the Dodd-Frank Act; and the impact on consumers in rural areas. Section 1022(b)(2)(B) addresses consultation between the Bureau and other Federal agencies during the rulemaking process. The manner and extent to which these provisions apply to procedural rules and benefits, costs and impacts that are compelled by statutory changes rather than discretionary Bureau action is unclear. Nevertheless, to inform this rulemaking more fully, the Bureau performed the described analyses and consultations.

The Final Rule imposes certain obligations on covered persons who receive CIDs in Bureau investigations. Specifically, as described above, the Final Rule sets forth the process for complying with or objecting to CIDs for documentary material, tangible things, written reports or answers to questions, and oral testimony. Most obligations in the Final Rule stem from express language in the Dodd-Frank Act and do not impose additional burdens on covered persons.

To the extent that the Final Rule includes provisions not expressly required by statute, these provisions benefit covered persons by providing clarity and certainty. In addition, the Final Rule vests the Bureau with discretion to modify CIDs or extend the time for compliance for good cause. This flexibility benefits covered persons by enabling the Bureau to assess the cost of compliance with a civil investigative demand in a particular circumstance and take appropriate steps to mitigate any unreasonable compliance burden.

Moreover, because the Final Rule is largely based on section 20 of the FTC Act and its corresponding regulations, it should present an existing, stable model of investigatory procedures to covered persons. This likely familiarity to covered persons should further reduce the compliance costs for covered persons.

The Final Rule provides that requests for extensions of time to file petitions to modify or set aside CIDs are disfavored. This may impose a burden on covered entities in some cases, but it may also lead to a more expeditious resolution of matters, reducing uncertainty. Furthermore, the Final Rule has no unique impact on insured depository institutions or insured credit unions with less than \$10 billion in assets as described in section 1026(a) of the Dodd-Frank Act. Nor does the Final Rule have a unique impact on rural consumers.

A commenter suggested that the Bureau conduct a nonpublic study of the impact of complying with a CID on the entities who have been subjected to them by other agencies, with specific focus on those that were found not to have violated the law. As the commenter implicitly recognizes, such data does not currently exist and thus was not reasonably available to the Bureau in finalizing the Interim Final Rule. Moreover, as explained above, most of the costs associated with complying with a CID result from the Dodd-Frank Act, which authorizes the Bureau to issue such demands.

A commenter asserted that disfavoring extensions of petitions to

modify or set aside CIDs will require the recipient to conduct a full review of the demanded material within the normal 20-day period in order to comply with the deadline for filing a petition. Under the Final Rule, recipients of a CID are not required to comply fully within twenty days; rather, they are required simply to decide whether they will comply with the demand at all. The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement have the discretion to negotiate and approve the terms of satisfactory compliance with CIDs and, for good cause shown, may extend the time prescribed for compliance. Thus, the Final Rule provides reasonable steps to mitigate compliance burden while simultaneously protecting the Bureau's law enforcement interests.

Another commenter stated that the four interim final rules that the Bureau promulgated together on July 28, 2011 failed to satisfy the rulemaking requirements under section 1022 of the Dodd-Frank Act. Specifically, the commenter stated that "the CFPB's analysis of the costs and benefits of its rules does not recognize the significant costs the CFPB imposes on covered persons." The Bureau believes that it appropriately considered the benefits, costs, and impacts of the Interim Final Rule pursuant to section 1022. Notably, the commenter did not identify any specific costs to covered persons that are not discussed in Part C of the SUPPLEMENTARY INFORMATION to the Interim Final Rule.

VIII. Procedural Requirements

As noted in publishing the Interim Final Rule, under the Administrative Procedure Act, 5 U.S.C. 553(b), notice and comment is not required for rules of agency organization, procedure, or practice. As discussed in the preamble to the Interim Final Rule, the Bureau confirms its finding that this is a procedural rule for which notice and comment is not required. In addition, because the Final Rule relates solely to agency procedure and practice, it is not subject to the 30-day delayed effective date for substantive rules under section 553(d) of the Administrative Procedure Act, 5 U.S.C. 551 *et seq.* Because no notice of proposed rulemaking is required, the requirements of the Regulatory Flexibility Act, 5 U.S.C. 601(2) do not apply. Finally, the Bureau has determined that this Final Rule does not impose any new recordkeeping, reporting, or disclosure requirements on covered entities or members of the public that would be collections of

information requiring approval under 44 U.S.C. 3501. *et seq.*

List of Subjects in 12 CFR Part 1080

Administrative practice and procedure, Banking, Banks, Consumer protection, Credit, Credit unions, Investigations, Law enforcement, National banks, Savings associations, Trade practices.

For the reasons set forth in the preamble, the Bureau of Consumer Financial Protection revises part 1080 to Chapter X in Title 12 of the Code of Federal Regulations to read as follows:

PART 1080—RULES RELATING TO INVESTIGATIONS

Sec.

- 1080.1 Scope.
- 1080.2 Definitions.
- 1080.3 Policy as to private controversies.
- 1080.4 Initiating and conducting investigations.
- 1080.5 Notification of purpose.
- 1080.6 Civil investigative demands.
- 1080.7 Investigational hearings.
- 1080.8 Withholding requested material.
- 1080.9 Rights of witnesses in investigations.
- 1080.10 Noncompliance with civil investigative demands.
- 1080.11 Disposition.
- 1080.12 Orders requiring witnesses to testify or provide other information and granting immunity.
- 1080.13 Custodians.
- 1080.14 Confidential treatment of demand material and non-public nature of investigations.

Authority: Pub. L. 111–203, Title X, 12 U.S.C. 5481 *et seq.*

§ 1080.1 Scope.

The rules of this part apply to Bureau investigations conducted pursuant to section 1052 of the Dodd-Frank Act, 12 U.S.C. 5562.

§ 1080.2 Definitions.

For the purposes of this part, unless explicitly stated to the contrary:

Bureau means the Bureau of Consumer Financial Protection.

Bureau investigation means any inquiry conducted by a Bureau investigator for the purpose of ascertaining whether any person is or has been engaged in any conduct that is a violation.

Bureau investigator means any attorney or investigator employed by the Bureau who is charged with the duty of enforcing or carrying into effect any Federal consumer financial law.

Custodian means the custodian or any deputy custodian designated by the Bureau for the purpose of maintaining custody of information produced pursuant to this part.

Director means the Director of the Bureau or a person authorized to

perform the functions of the Director in accordance with the law.

Documentary material means the original or any copy of any book, document, record, report, memorandum, paper, communication, tabulation, chart, log, electronic file, or other data or data compilation stored in any medium, including electronically stored information.

Dodd-Frank Act means the Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010, as amended, Public Law 111–203 (July 21, 2010), Title X, codified at 12 U.S.C. 5481 *et seq.*

Electronically stored information (ESI) means any information stored in any electronic medium from which information can be obtained either directly or, if necessary, after translation by the responding party into a reasonably usable form.

Office of Enforcement means the office of the Bureau responsible for enforcement of Federal consumer financial law.

Person means an individual, partnership, company, corporation, association (incorporated or unincorporated), trust, estate, cooperative organization, or other entity.

Violation means any act or omission that, if proved, would constitute a violation of any provision of Federal consumer financial law.

§ 1080.3 Policy as to private controversies.

The Bureau shall act only in the public interest and will not initiate an investigation or take other enforcement action when the alleged violation is merely a matter of private controversy and does not tend to affect adversely the public interest.

§ 1080.4 Initiating and conducting investigations.

The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement have the nondelegable authority to initiate investigations. Bureau investigations are conducted by Bureau investigators designated and duly authorized under section 1052 of the Dodd-Frank Act, 12 U.S.C. 5562, to conduct such investigations. Bureau investigators are authorized to exercise and perform their duties in accordance with the laws of the United States and the regulations of the Bureau.

§ 1080.5 Notification of purpose.

Any person compelled to furnish documentary material, tangible things, written reports or answers to questions, oral testimony, or any combination of

such material, answers, or testimony to the Bureau shall be advised of the nature of the conduct constituting the alleged violation that is under investigation and the provisions of law applicable to such violation.

§ 1080.6 Civil investigative demands.

(a) *In general.* In accordance with section 1052(c) of the Act, the Director of the Bureau, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement, have the nondelegable authority to issue a civil investigative demand in any Bureau investigation directing the person named therein to produce documentary material for inspection and copying or reproduction in the form or medium requested by the Bureau; to submit tangible things; to provide a written report or answers to questions; to appear before a designated representative at a designated time and place to testify about documentary material, tangible things, or other information; and to furnish any combination of such material, things, answers, or testimony.

(1) *Documentary material.* (i) Civil investigative demands for the production of documentary material shall describe each class of material to be produced with such definiteness and certainty as to permit such material to be fairly identified, prescribe a return date or dates that will provide a reasonable period of time within which the material so demanded may be assembled and made available for inspection and copying or reproduction, and identify the custodian to whom such material shall be made available. Documentary material for which a civil investigative demand has been issued shall be made available as prescribed in the civil investigative demand.

(ii) Production of documentary material in response to a civil investigative demand shall be made under a sworn certificate, in such form as the demand designates, by the person to whom the demand is directed or, if not a natural person, by any person having knowledge of the facts and circumstances relating to such production, to the effect that all of the documentary material required by the demand and in the possession, custody, or control of the person to whom the demand is directed has been produced and made available to the custodian.

(2) *Tangible things.* (i) Civil investigative demands for tangible things shall describe each class of tangible things to be produced with such definiteness and certainty as to permit such things to be fairly identified, prescribe a return date or

dates which will provide a reasonable period of time within which the things so demanded may be assembled and submitted, and identify the custodian to whom such things shall be submitted.

(ii) Submissions of tangible things in response to a civil investigative demand shall be made under a sworn certificate, in such form as the demand designates, by the person to whom the demand is directed or, if not a natural person, by any person having knowledge of the facts and circumstances relating to such production, to the effect that all of the tangible things required by the demand and in the possession, custody, or control of the person to whom the demand is directed have been submitted to the custodian.

(3) *Written reports or answers to questions.* (i) Civil investigative demands for written reports or answers to questions shall propound with definiteness and certainty the reports to be produced or the questions to be answered, prescribe a date or dates at which time written reports or answers to questions shall be submitted, and identify the custodian to whom such reports or answers shall be submitted.

(ii) Each reporting requirement or question in a civil investigative demand shall be answered separately and fully in writing under oath. Responses to a civil investigative demand for a written report or answers to questions shall be made under a sworn certificate, in such form as the demand designates, by the person to whom the demand is directed or, if not a natural person, by any person responsible for answering each reporting requirement or question, to the effect that all of the information required by the demand and in the possession, custody, control, or knowledge of the person to whom the demand is directed has been submitted to the custodian.

(4) *Oral testimony.* (i) Civil investigative demands for the giving of oral testimony shall prescribe a date, time, and place at which oral testimony shall be commenced, and identify a Bureau investigator who shall conduct the investigation and the custodian to whom the transcript of such investigation shall be submitted. Oral testimony in response to a civil investigative demand shall be taken in accordance with the procedures for investigational hearings prescribed by §§ 1080.7 and 1080.9 of this part.

(ii) Where a civil investigative demand requires oral testimony from an entity, the civil investigative demand shall describe with reasonable particularity the matters for examination and the entity must designate one or more officers, directors, or managing

agents, or designate other persons who consent to testify on its behalf. Unless a single individual is designated by the entity, the entity must designate the matters on which each designee will testify. The individuals designated must testify about information known or reasonably available to the entity and their testimony shall be binding on the entity.

(b) *Manner and form of production of ESI.* When a civil investigative demand requires the production of ESI, it shall be produced in accordance with the instructions provided by the Bureau regarding the manner and form of production. Absent any instructions as to the form for producing ESI, ESI must be produced in the form in which it is ordinarily maintained or in a reasonably usable form.

(c) *Meet and confer.* The recipient of a civil investigative demand shall meet and confer with a Bureau investigator within 10 calendar days after receipt of the demand or before the deadline for filing a petition to modify or set aside the demand, whichever is earlier, to discuss and attempt to resolve all issues regarding compliance with the civil investigative demand. The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement may authorize the waiver of this requirement for routine third-party civil investigative demands or in other circumstances where he or she determines that a meeting is unnecessary. The meeting may be in person or by telephone.

(1) *Personnel.* The recipient must make available at the meeting personnel with the knowledge necessary to resolve any issues relevant to compliance with the demand. Such personnel could include individuals knowledgeable about the recipient's information or records management systems and/or the recipient's organizational structure.

(2) *ESI.* If the civil investigative demand seeks ESI, the recipient shall ensure that a person familiar with its ESI systems and methods of retrieval participates in the meeting.

(3) *Petitions.* The Bureau will not consider petitions to set aside or modify a civil investigative demand unless the recipient has meaningfully engaged in the meet and confer process described in this subsection and will consider only issues raised during the meet and confer process.

(d) *Compliance.* The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement are authorized to negotiate and approve the terms of satisfactory compliance with civil investigative demands and, for good

cause shown, may extend the time prescribed for compliance.

(e) *Petition for order modifying or setting aside demand—in general.* Any petition for an order modifying or setting aside a civil investigative demand shall be filed with the Executive Secretary of the Bureau with a copy to the Assistant Director of the Office of Enforcement within 20 calendar days after service of the civil investigative demand, or, if the return date is less than 20 calendar days after service, prior to the return date. Such petition shall set forth all factual and legal objections to the civil investigative demand, including all appropriate arguments, affidavits, and other supporting documentation. The attorney who objects to a demand must sign any objections.

(1) *Statement.* Each petition shall be accompanied by a signed statement representing that counsel for the petitioner has conferred with counsel for the Bureau pursuant to section 1080.6(c) in a good-faith effort to resolve by agreement the issues raised by the petition and has been unable to reach such an agreement. If some of the matters in controversy have been resolved by agreement, the statement shall specify the matters so resolved and the matters remaining unresolved. The statement shall recite the date, time, and place of each such meeting between counsel, and the names of all parties participating in each such meeting.

(2) *Extensions of time.* The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement are authorized to rule upon requests for extensions of time within which to file such petitions. Requests for extensions of time are disfavored.

(3) *Bureau investigator response.* Bureau investigators may, without serving the petitioner, provide the Director with a statement setting forth any factual and legal response to a petition for an order modifying or setting aside the demand.

(4) *Disposition.* The Director has the authority to rule upon a petition for an order modifying or setting aside a civil investigative demand. The order may be served on the petitioner via email, facsimile, or any other method reasonably calculated to provide notice of the order to the petitioner.

(f) *Stay of compliance period.* The timely filing of a petition for an order modifying or setting aside a civil investigative demand shall stay the time permitted for compliance with the portion challenged. If the petition is denied in whole or in part, the ruling will specify a new return date.

(g) *Public disclosure.* All such petitions and the Director's orders in response to those petitions are part of the public records of the Bureau unless the Bureau determines otherwise for good cause shown. Any showing of good cause must be made no later than the time the petition is filed.

§ 1080.7 Investigational hearings.

(a) Investigational hearings, as distinguished from hearings in adjudicative proceedings, may be conducted pursuant to a civil investigative demand for the giving of oral testimony in the course of any Bureau investigation, including inquiries initiated for the purpose of determining whether or not a respondent is complying with an order of the Bureau.

(b) Investigational hearings shall be conducted by any Bureau investigator for the purpose of hearing the testimony of witnesses and receiving documentary material, tangible things, or other information relating to any subject under investigation. Such hearings shall be under oath or affirmation and stenographically reported, and a transcript thereof shall be made a part of the record of the investigation. The Bureau investigator conducting the investigational hearing also may direct that the testimony be recorded by audio, audiovisual, or other means, in which case the recording shall be made a part of the record of the investigation as well.

(c) In investigational hearings, the Bureau investigators shall exclude from the hearing room all persons except the person being examined, his or her counsel, the officer before whom the testimony is to be taken, any investigator or representative of an agency with which the Bureau is engaged in a joint investigation, and any individual transcribing or recording such testimony. At the discretion of the Bureau investigator, and with the consent of the person being examined, persons other than those listed in this paragraph may be present in the hearing room. The Bureau investigator shall certify or direct the individual transcribing the testimony to certify on the transcript that the witness was duly sworn and that the transcript is a true record of the testimony given by the witness. A copy of the transcript shall be forwarded promptly by the Bureau investigator to the custodian designated in section 1080.13.

§ 1080.8 Withholding requested material.

(a) Any person withholding material responsive to a civil investigative demand or any other request for

production of material shall assert a claim of privilege not later than the date set for the production of material. Such person shall, if so directed in the civil investigative demand or other request for production, submit, together with such claim, a schedule of the items withheld which states, as to each such item, the type, specific subject matter, and date of the item; the names, addresses, positions, and organizations of all authors and recipients of the item; and the specific grounds for claiming that the item is privileged. The person who submits the schedule and the attorney stating the grounds for a claim that any item is privileged must sign it.

(b) A person withholding material solely for reasons described in this subsection shall comply with the requirements of this subsection in lieu of filing a petition for an order modifying or setting aside a civil investigative demand pursuant to section 1080.6(e).

(c) Disclosure of privileged or protected information or communications produced pursuant to a civil investigative demand shall be handled as follows:

(1) The disclosure of privileged or protected information or communications shall not operate as a waiver with respect to the Bureau if:

(i) The disclosure was inadvertent;

(ii) The holder of the privilege or protection took reasonable steps to prevent disclosure; and

(iii) The holder promptly took reasonable steps to rectify the error, including notifying a Bureau investigator of the claim of privilege or protection and the basis for it.

(2) After being notified, the Bureau investigator must promptly return, sequester, or destroy the specified information and any copies; must not use or disclose the information until the claim is resolved; must take reasonable steps to retrieve the information if he or she disclosed it before being notified; and, if appropriate, may sequester such material until such time as a hearing officer or court rules on the merits of the claim of privilege or protection. The producing party must preserve the information until the claim is resolved.

(3) The disclosure of privileged or protected information or communications shall waive the privilege or protection with respect to the Bureau as to undisclosed information or communications only if:

(i) The waiver is intentional;

(ii) The disclosed and undisclosed information or communications concern the same subject matter; and

(iii) They ought in fairness to be considered together.

§ 1080.9 Rights of witnesses in investigations.

(a) Any person compelled to submit documentary material, tangible things, or written reports or answers to questions to the Bureau, or to testify in an investigational hearing, shall be entitled to retain a copy or, on payment of lawfully prescribed costs, request a copy of the materials, things, reports, or written answers submitted, or a transcript of his or her testimony. The Bureau, however, may for good cause deny such a request and limit the witness to inspection of the official transcript of the testimony. Upon completion of transcription of the testimony of the witness, the witness shall be offered an opportunity to read the transcript of his or her testimony. Any changes by the witness shall be entered and identified upon the transcript by the Bureau investigator with a statement of the reasons given by the witness for making such changes. The transcript shall then be signed by the witness and submitted to the Bureau unless the witness cannot be found, is ill, waives in writing his or her right to signature, or refuses to sign. If the signed transcript is not submitted to the Bureau within 30 calendar days of the witness being afforded a reasonable opportunity to review it, the Bureau investigator, or the individual transcribing the testimony acting at the Bureau investigator's direction, shall sign the transcript and state on the record the fact of the waiver, illness, absence of the witness, or the refusal to sign, together with any reasons given for the failure to sign.

(b) Any witness compelled to appear in person at an investigational hearing may be accompanied, represented, and advised by counsel as follows:

(1) Counsel for a witness may advise the witness, in confidence and upon the initiative of either counsel or the witness, with respect to any question asked of the witness where it is claimed that a witness is privileged to refuse to answer the question. Counsel may not otherwise consult with the witness while a question directed to the witness is pending.

(2) Any objections made under the rules in this part shall be made only for the purpose of protecting a constitutional or other legal right or privilege, including the privilege against self-incrimination. Neither the witness nor counsel shall otherwise object or refuse to answer any question. Any objection during an investigational hearing shall be stated concisely on the record in a nonargumentative and nonsuggestive manner. Following an objection, the examination shall proceed

and the testimony shall be taken, except for testimony requiring the witness to divulge information protected by the claim of privilege or work product.

(3) Counsel for a witness may not, for any purpose or to any extent not allowed by paragraphs (b)(1) and (2) of this section, interrupt the examination of the witness by making any objections or statements on the record. Petitions challenging the Bureau's authority to conduct the investigation or the sufficiency or legality of the civil investigative demand shall be addressed to the Bureau in advance of the hearing in accordance with § 1080.6(e). Copies of such petitions may be filed as part of the record of the investigation with the Bureau investigator conducting the investigational hearing, but no arguments in support thereof will be allowed at the hearing.

(4) Following completion of the examination of a witness, counsel for the witness may, on the record, request that the Bureau investigator conducting the investigational hearing permit the witness to clarify any of his or her answers. The grant or denial of such request shall be within the sole discretion of the Bureau investigator conducting the hearing.

(5) The Bureau investigator conducting the hearing shall take all necessary action to regulate the course of the hearing to avoid delay and to prevent or restrain disorderly, dilatory, obstructionist, or contumacious conduct, or contemptuous language. Such Bureau investigator shall, for reasons stated on the record, immediately report to the Bureau any instances where an attorney has allegedly refused to comply with his or her obligations under the rules in this part, or has allegedly engaged in disorderly, dilatory, obstructionist, or contumacious conduct, or contemptuous language in the course of the hearing. The Bureau will thereupon take such further action, if any, as the circumstances warrant, including actions consistent with those described in 12 CFR 1081.107(c) to suspend or disbar the attorney from further practice before the Bureau or exclude the attorney from further participation in the particular investigation.

§ 1080.10 Noncompliance with civil investigative demands.

(a) In cases of failure to comply in whole or in part with Bureau civil investigative demands, appropriate action may be initiated by the Bureau, including actions for enforcement.

(b) The Director, the Assistant Director of the Office of Enforcement,

and the General Counsel of the Bureau are authorized to:

(1) Institute, on behalf of the Bureau, an enforcement proceeding in the district court of the United States for any judicial district in which a person resides, is found, or transacts business, in connection with the failure or refusal of such person to comply with, or to obey, a civil investigative demand in whole or in part if the return date or any extension thereof has passed; and

(2) Seek civil contempt or other appropriate relief in cases where a court order enforcing a civil investigative demand has been violated.

§ 1080.11 Disposition.

(a) When the facts disclosed by an investigation indicate that an enforcement action is warranted, further proceedings may be instituted in Federal or State court or pursuant to the Bureau's administrative adjudicatory process. Where appropriate, the Bureau also may refer investigations to appropriate Federal, State, or foreign governmental agencies.

(b) When the facts disclosed by an investigation indicate that an enforcement action is not necessary or would not be in the public interest, the investigational file will be closed. The matter may be further investigated, at any time, if circumstances so warrant.

(c) The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement are authorized to close Bureau investigations.

§ 1080.12 Orders requiring witnesses to testify or provide other information and granting immunity.

The Director has the nondelegable authority to request approval from the Attorney General of the United States for the issuance of an order requiring a witness to testify or provide other information and granting immunity under 18 U.S.C. 6004.

§ 1080.13 Custodians.

(a) The Bureau shall designate a custodian and one or more deputy custodians for material to be delivered pursuant to a civil investigative demand in an investigation. The custodian shall have the powers and duties prescribed by 12 CFR 1070.3 and section 1052 of the Act, 12 U.S.C. 5562. Deputy custodians may perform all of the duties assigned to custodians.

(b) Material produced pursuant to a civil investigative demand, while in the custody of the custodian, shall be for the official use of the Bureau in accordance with the Act; but such material shall upon reasonable notice to the custodian

be made available for examination by the person who produced such material, or his or her duly authorized representative, during regular office hours established for the Bureau.

§ 1080.14 Confidential treatment of demand material and non-public nature of investigations.

(a) Documentary materials, written reports, answers to questions, tangible things or transcripts of oral testimony the Bureau receives in any form or format pursuant to a civil investigative demand are subject to the requirements and procedures relating to the disclosure of records and information set forth in part 1070 of this title.

(b) Bureau investigations generally are non-public. Bureau investigators may disclose the existence of an investigation to potential witnesses or third parties to the extent necessary to advance the investigation.

Dated: June 4, 2012.

Richard Cordray,

Director, Bureau of Consumer Financial Protection.

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BUREAU OF CONSUMER FINANCIAL PROTECTION

12 CFR Part 1082

[Docket No. CFPB-2011-0005]

RIN 3170-AA02

State Official Notification Rule

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Final rule.

SUMMARY: The Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010 (Dodd-Frank Act) requires the Bureau of Consumer Financial Protection (Bureau) to prescribe rules establishing procedures that govern the process by which State Officials notify the Bureau of actions undertaken pursuant to the authority granted to the States to enforce the Dodd-Frank Act or regulations prescribed thereunder. This final State Official Notification Rule (Final Rule) sets forth the procedures to govern this process.

DATES: The Final Rule is effective June 29, 2012.

FOR FURTHER INFORMATION CONTACT:

Veronica Spicer, Office of Enforcement, Consumer Financial Protection Bureau, 1700 G Street NW., Washington, DC 20552, at (202) 435-7545.

SUPPLEMENTARY INFORMATION:

I. Background

The Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010 (Dodd-Frank Act) was signed into law on July 21, 2010. Title X of the Dodd-Frank Act established the Bureau to regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws. Section 1042 of the Dodd-Frank Act, 12 U.S.C. 5552, governs the enforcement powers of the States under the Dodd-Frank Act. Under section 1042(a), a State attorney general or regulator (State Official) may bring an action to enforce Title X of the Dodd-Frank Act and regulations issued thereunder. Prior to initiating any such action, the State Official is required to provide notice of the action to the Bureau and the prudential regulator, if any, pursuant to section 1042(b) of the Dodd-Frank Act. Section 1042(b) further authorizes the Bureau to intervene in the State Official's action as a party, remove the action to a Federal district court, and appeal any order or judgment.

Pursuant to section 1042(c) of the Dodd-Frank Act, the Bureau is required to issue regulations implementing the requirements of section 1042. On July 28, 2011, the Bureau promulgated the State Official Notification Rule (Interim Final Rule) with a request for comment. The comment period for the Interim Final Rule ended on September 26, 2011. After reviewing and considering the issues raised by the comments, the Bureau now promulgates the Final Rule establishing a procedure for the timing and content of the notice required to be provided by State Officials pursuant to section 1042(b) of the Dodd-Frank Act, 12 U.S.C. 5552(b).

II. Summary of the Final Rule

Like the Interim Final Rule, the Final Rule implements a procedure for the timing and content of the notice required by section 1042(b), sets forth the responsibilities of the recipients of the notice, and specifies the rights of the Bureau to participate in actions brought by State Officials under section 1042(a) of the Dodd-Frank Act. In drafting the Final Rule, the Bureau endeavored to create a process that would provide both the Bureau and, where applicable, the prudential regulators with timely notice of pending actions and account for the investigation and litigation needs of State regulators and law enforcement agencies. In keeping with this approach, the Final Rule provides for a default notice period of at least ten calendar days, with exceptions for emergencies and other extenuating circumstances,

and requires substantive notice that is both straightforward and comprehensive. The Final Rule further makes clear that the Bureau can intervene as a party in an action brought by a State Official under Title X of the Dodd-Frank Act or a regulation prescribed thereunder, provides for the confidential treatment of non-public information contained in the notice if a State so requests, and provides that provision of notice shall not be deemed a waiver of any applicable privilege. In addition, the Final Rule specifies that the notice provisions do not create any procedural or substantive rights for parties in litigation against the United States or against a State that brings an action under Title X of the Dodd-Frank Act or a regulation prescribed thereunder.

III. Legal Authority

Section 1042(c) of the Dodd-Frank Act authorizes the Bureau to prescribe regulations implementing the requirements of section 1042(b). In addition, the Bureau has general rulemaking authority pursuant to section 1022(b)(1) of the Dodd-Frank Act to prescribe rules to enable the Bureau to administer and carry out the purposes and objectives of the Federal consumer financial laws and to prevent evasions thereof.

IV. Overview of Comments Received

In response to the Interim Final Rule, the Bureau received several comments. Four letters were received from associations representing the financial industry, two letters were received from financial industry regulators and supervisors, and one letter was received from an individual consumer. The Bureau also received a comment letter from a financial industry regulator in response to its **Federal Register** notification of November 21, 2011, regarding the information collection requirements associated with the Interim Final Rule pursuant to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. All of the comments are available for review on www.regulations.gov.

The financial industry associations' comments fell into several general categories. Several comments expressed concerns about the Bureau's ability to maintain confidentiality for notification materials received by the Bureau. Other commenters requested clarity as to the type of actions for which the Bureau requires notification. One commenter requested that the Bureau require uniform interpretation by States of all Federal law within the Bureau's jurisdiction.

Civil Investigative Demand Document Submission Standards

CFPB Office of Enforcement

CID Document Submission Standards

This describes the technical requirements for producing electronic document collections to the Consumer Finance Protection Bureau (“the Bureau”)’s Office of Enforcement. All documents shall be produced in complete form, in color, unredacted unless privileged, and shall not be edited, cut, or expunged. These standards must be followed for all documents you submit in response to the CID. Any proposed file formats other than those described below must be discussed with the legal and technical staff of the Bureau’s Office of Enforcement prior to submission.

Table of Contents

<i>CID Document Submission Standards.....</i>	<i>2</i>
<i>Table of Contents</i>	<i>3</i>
<i>A. Transmittal Instructions.....</i>	<i>4</i>
<i>B. Delivery Formats</i>	<i>6</i>
1) General ESI Standards	6
2) Native and Image Production	7
a) Metadata File	7
b) Document Text.....	9
c) Linked Native Files.....	10
d) Images	10
e) Image Cross Reference File	10
3) PDF File Production.....	11
4) Transactional Data	11
5) Audio/Video/Electronic Phone Records	12
<i>C. Production of Partially Privileged Documents.....</i>	<i>14</i>

A. Transmittal Instructions

- 1) A cover letter should be included with each production. The following information should be included in the letter:
 - a) Name of the party making the production and the date of the CID to which the submission is responsive.
 - b) List of each piece of media (hard drive, thumb drive, DVD or CD) included in the production (refer to the media by the unique number assigned to it, see ¶ 4)
 - c) List of custodians, identifying:
 - i) The Bates Range (and any gaps therein) for each custodian,
 - ii) Total number of images for each custodian, and
 - iii) Total number of native files for each custodian
 - d) List of fields in the order in which they are listed in the metadata load file.
 - e) Time zone in which emails were standardized during conversion (email collections only).
 - f) The specification(s) or portions thereof of the CID to which the submission is responsive.
- 2) Documents created or stored electronically MUST be produced in their original electronic format, not converted to another format such as PDF.
- 3) Data may be produced on CD, DVD, USB thumb drive, or hard drive; use the media requiring the least number of deliverables.
 - a) Magnetic media shall be carefully packed to avoid damage and must be clearly marked on the outside of the shipping container:
 - i) "MAGNETIC MEDIA – DO NOT USE METAL DETECTOR"
 - ii) "MAY BE OPENED FOR POSTAL INSPECTION"
 - b) CD-R CD-ROMs should be formatted to ISO 9660 specifications;
 - c) DVD-ROMs for Windows-compatible personal computers are acceptable;
 - d) USB 2.0 thumb drives for Windows-compatible personal computers are acceptable;

- e) USB 3.0 or USB 3.0/eSATA external hard disk drives, formatted in a Microsoft Windows-compatible file system (FAT32 or NTFS), uncompressed data are acceptable.
- 4) Label all media with the following:
 - a) Production date
 - b) Bates range
 - c) Disk number (1 of X), if applicable
 - d) Name of producing party
 - e) A unique production number identifying each production
- 5) All productions must be produced free of computer viruses. Infected productions may affect the timing of your compliance with the CID.
- 6) All produced media must be encrypted. Encryption format must be agreed upon prior to production.
 - a) Data deliveries should be encrypted at the disc level.
 - b) Decryption keys should be provided separately from the data delivery via email or phone.
- 7) Passwords for documents, files, and compressed archives should be provided separately either via email or in a separate cover letter from the data.

B. Delivery Formats

1) General ESI Standards

Before submitting any Electronically Stored Information (“ESI”) or any other documents submitted in electronic form that do not conform completely to the listed specifications, you must confirm with the Bureau that the proposed formats and media types that contain such ESI will be acceptable. You are encouraged to discuss your specific form of submission, and any related questions with the Bureau as soon as is practicable and not later than the Meet and Confer required pursuant to 12 C.F.R. § 1080.6(c).

All productions must follow the specifications outlined below:

De-duplication

De-duplication of documents should be applied across custodians (global); each custodian should be identified in the Custodian field in the metadata load file separated by semi-colon. The first name in the Custodian list should represent the original holder of the document.

Bates Numbering Documents

The Bates number must be a unique, sequential, consistently formatted identifier, i.e., an alpha prefix unique to each producing party along with a fixed length number, i.e., ABC0000001. This format must remain consistent across all productions. There should be no space in between the prefix and the number. The number of digits in the numeric portion of the format should not change in subsequent productions, nor should hyphens or other separators be added or deleted.

Document Retention / Preservation of Metadata

The recipient of this CID should use reasonable measures to maintain the original native source documents in a manner so as to preserve the metadata associated with these

electronic materials as it existed at the time of the original creation.

2) Native and Image Production

In general, and subject to the specific instructions below: (1) produce electronic documents in their complete native/original format along with corresponding bates-labeled single page TIFF images; (2) scan and process all paper documents into single page TIFF images, OCR the images, and apply bates numbers to each page of the image; (3) produce fully searchable document level text for every produced document; and (4) produce metadata for every produced document in a data file that conforms to the specific instructions below.

a) Metadata File

All produced documents, regardless of their original file format, must be produced with the below-described metadata fields in a data file (.DAT).

- i) The first line of the .DAT file must be a header row identifying the field names.
- ii) The .DAT file must use the following default delimiters:

TABLE 1: DAT FILE DELIMITERS

Comma	,	ASCII character (020)
Quote	"	ASCII character (254)
Newline	␣	ASCII character (174)

- iii) Date fields should be provided in the format: mm/dd/yyyy
- iv) All attachments should sequentially follow the parent document/email.
- v) All documents shall be produced in both their native/original form and as a corresponding bates-labeled single page TIFF image; provide the link to the original/native document in the NATIVELINK field.
- vi) Produce extracted metadata for each document in the form of a .DAT file, and include these fields (fields should be listed but left blank if not applicable):

TABLE 2: DAT FILE FIELDS

Field Name	Description
BATES_BEGIN	First Bates number of native file document/email
BATES_END	Last Bates number of native file document/email **The BATES_END field should be populated for single page documents/emails
ATTACH_BEGIN	First Bates number of attachment/family range
ATTACH_END	Last Bates number of attachment/family range
GROUP_ID	A unique family identifier used to link documents/emails and attachments
PRIV	Indicate "YES" if document has a Privilege claim
ROG_NUM	Indicate Interrogatory number(s) document is responsive to. (ROG ##) If multiple, separate by semi-colon
DR_NUM	Indicate Document Request document is responsive to. (DR ##) If multiple, separate by semi-colon
RECORDTYPE	Email: Populate field as "E-Mail" Attachment: Populate field as "Attachment" Email Attachment: Populate field as "Attachment (E-mail)" Loose Native: Populate field as "E-Document" Scanned Paper: Populate field as "Paper"
CUSTODIAN	Individual(s) or department(s) from which the record originated **semi-colon should be used to separate multiple entries
FROM	Email: Sender of email Non-email: (empty) **semi-colon should be used to separate multiple entries
TO	Email: Recipient(s) of email **semi-colon should be used to separate multiple entries
CC	Carbon copy recipient(s) **semi-colon should be used to separate multiple entries
BCC	Blind carbon copy recipient(s) **semi-colon should be used to separate multiple entries
SUBJECT	Subject line of the email
DATE_SENT	Email: Date the email was sent
TIME_SENT	Email: Time the email was sent **This data must be a separate field and cannot be combined with the DATE_SENT field

DATE_RECVD	Email: Date the email was received
TIME_RECVD	Email: Time the email was received
NATIVELINK	Hyperlink to the email or native file document **The linked file must be named per the BATES_BEGIN Number
FILE_EXT	The file extension representing the email or native file document
AUTHOR	Email: (empty) Non-email: Author of the document
DATE_CREATED	The date the electronic file was created
TIME_CREATED	The time the electronic file was created
DATE_MOD	Date an electronic file was last modified
TIME_MOD	Time an electronic file was last modified
PRINT_DATE	Date the document was last printed
PRINT_TIME	Time the document was last printed
FILE_SIZE	Size of native file document/email in KB
PGCOUNT	Number of pages in document/email
SOURCE	Email: Path to email container and email container name Non-email: Original path to source archive folder or files
FOLDERPATH	Email: Folder path within email container Non-email: Folder path to file
FILENAME	Email: Filename of loose email or subject of non-loose email Non-email: original file name
MD5HASH	The 32 digit value representing each unique document
TEXTPATH	Contains path to OCR/Extracted text file that is titled after the document BATES_BEGIN

b) Document Text

Searchable text of the entire document must be provided for every record, at the document level.

- i) Extracted text must be provided for all documents that originated in electronic format.

Note: Any document in which text cannot be extracted must be OCR'd.

- ii) For documents redacted on the basis of any privilege, provide the OCR text for unredacted/unprivileged portions.
- iii) The text should be delivered in the following method: As multi-page ASCII text

files with the files named the same as the Bates_Begin field. Text files can be placed in a separate folder or included with the .TIFF files.

c) Linked Native Files

Copies of original email and native file documents/attachments must be included for all electronic productions.

- i) Native file documents must be named per the BATES_BEGIN number (the original file name should be preserved and produced in the FILENAME metadata field).
- ii) The full path of the native file must be provided in the .DAT file in the NATIVELINK field.

d) Images

- i) Images should be single-page, Group IV TIFF files, scanned at 300 dpi.
- ii) File names should be titled per endorsed bates number.
- iii) Color should be preserved when necessary to interpret the document.
- iv) Bates numbers should be endorsed on the lower right corner of all images.
- v) For documents partially redacted on the basis of any privilege, ensure the redaction box is clearly labeled "REDACTED".

e) Image Cross Reference File

- i) The image cross-reference file is needed to link the images to the database. It is a comma-delimited file consisting of seven fields per line. There must be a line in the cross-reference file for every image in the database.

TABLE 3: IMAGE CROSS REFERENCE FILE FIELDS

Field Title	Description
ImageID	The unique designation use to identify an image.
	Note: This imageID key must be a unique and fixed length number. This number will be used in the .DAT file as the ImageID field that links the database to the images. The format of this image key must be consistent across all productions. We recommend that the format be an eight digit number to allow for the possible increase in the size of a production.
VolumeLabel	Optional
ImageFilePath	The full path to the image file.
DocumentBreak	The letter "Y" denotes the first page of a document. If this field is blank, then the page is not the first page of a document.
FolderBreak	Leave empty

BoxBreak	Leave empty
PageCount	Optional
	<i>*This file should not contain a header row.</i>

SAMPLE:

IMG0000001,OPTIONALVOLUMENAME,E:\001\IMG0000001.TIF,Y,,,3
 IMG0000002,OPTIONALVOLUMENAME,E:\001\IMG0000002.TIF,,,,
 IMG0000003,OPTIONALVOLUMENAME,E:\001\IMG0000003.TIF,,,,
 IMG0000004,OPTIONALVOLUMENAME,E:\001\IMG0000003.TIF,Y,,,1
 IMG0000005,OPTIONALVOLUMENAME,E:\001\IMG0000003.TIF,Y,,,2
 IMG0000006,OPTIONALVOLUMENAME,E:\001\IMG0000003.TIF,,,,

3) PDF File Production

When approved, Adobe PDF files may be produced in lieu of TIFF images for scanned paper productions (metadata must also be produced in accordance with the instructions above):

- a) PDF files should be produced in separate folders named by the Custodian.
- b) All PDFs must be unitized at the document level, i.e. each PDF should represent a discrete document; a single PDF cannot contain multiple documents.
- c) All attachments should sequentially follow the parent document.
- d) All PDF files must contain embedded text that includes all discernible words within the document, not selected text only. This requires all layers of the PDF to be flattened first.
- e) If PDF files are Bates endorsed, the PDF files must be named by the Bates range
- f) The metadata load file listed in 2.a. should be included.

4) Transactional Data

If transactional data must be produced, further discussion must be had to ensure the intended export is properly composed. If available, a data dictionary should accompany the production, if unavailable; a description of fields should accompany transactional data productions. The following formats are acceptable:

- SQL Backup file
- MS Access
- XML
- CSV

- TSV
- Excel (with prior approval)

5) Audio/Video/Electronic Phone Records

- a) Audio files must be produced in a format that is playable using Microsoft Windows Media Player. Types of audio files that will be accepted include:
- Nice Systems audio files (.aud). AUD files offer efficient compression and would be preferred over both NMF and WAV files.
 - Nice Systems audio files (.nmf).
 - WAV Files
 - MP3, MP4
 - WMA
 - AIF

Produced audio files must be in a separate folder compared to other data in the production.

Additionally, the call information (metadata) related to each audio recording must be produced if it exists. The metadata file must be produced in delimited text format (DAT, CSV, or TXT), using a tab or pipe delimiter. Field names must be included in the first row of the metadata file. Please note that the field names are case sensitive and should be created as listed below. The metadata must include, if available, the following fields:

TABLE 4: AUDIO METADATA FIELDS

Field Name	Description
AgentName	Name of agent/employee
AgentId	Unique identifier of agent/employee
Group	Name for a collection of agents
Supervisor	Name of the Agent's supervisor
Site	Location of call facility
DNIS	Dialed Number Identification Service, identifies the number that was originally called

Extension	Extension where call was routed
CallDirection	Identifies whether the call was inbound, outbound, or internal
CallType	Purpose of the call
DURATION	Duration of call
CustomerId	Customer's identification number
CustomerCity	Customer's city of residence
CustomerState	Customer's state of residence
CallDateTime	Date and start time of call (MM/DD/YYYY HH:MM:SS)
CUSTOMERNAME	Name of person called
FileName	Filename of audio file
BATES_BEGIN	Unique number of the audio file
CALLEDPARTYNUMBER	The call center or phone number called
CALLSIZE	File size of audio file
CALLSERVICE	Call service code
MD5HASH	The 32 digit value representing each unique document
DOC_REQ	Document request number to which the file is responsive
CUSTODIAN	Individual(s) or department(s) from which the recording originated
FOLDERPATH	Folder path of the audio file in the original source
SOURCE	Original path to where the source file resided
TIMEZONE	The time zone of the original call
GROUPID	A unique group identifier for grouping multiple calls
CODEC	Encoding/decoding of the audio digital stream
BITRATE	The number of bits that are conveyed or processed per unit of time

Supported Date Format	Example
mm/dd/yyyy hh:mm:ss am/pm	01/25/1996 10:45:15 am

The filename is used to link the metadata to the produced audio file. The file name in the metadata and the file name used to identify the corresponding audio file must match exactly.

- b) Video files must be produced in a format that is playable using Microsoft Windows

Media Player along with any available metadata. If it is known that the video files do not contain associated audio, indicate this in the accompanying transmittal letter.

Types of video files accepted include:

- MPG
- AVI
- WMV
- MOV
- FLV

C. Production of Partially Privileged Documents

If a portion of any material called for by this CID is withheld based on a claim of privilege, those portions may be redacted from the responsive material as long as the following conditions are met.

- a) If originally stored as native electronic files, the image(s) of the unredacted portions are submitted in a way that preserves the same appearance as the original without the redacted material (i.e., in a way that depicts the size and location of the redactions). The OCR text will be produced from the redacted image(s). Any redacted, privileged material should be clearly labeled to show the redactions on the tiff image(s). Any metadata not being withheld for privilege should be produced in the DAT file; any content (e.g., PowerPoint speaker notes, Word comments, Excel hidden rows, sheets or columns) contained within the native and not being withheld for privilege should be tiffed and included in the production.
- b) If originally in hard copy form, the unredacted portions are submitted in a way that depicts the size and location of the redactions; for example, if all of the content on a particular page is privileged, a blank, sequentially numbered page should be included in the production where the responsive material, had it not been privileged, would have been located.



Consumer Financial
Protection Bureau

1700 G Street NW, Washington, DC 20552

June 28, 2016

Via Electronic Mail and UPS

Mr. Anand Raman
Skadden, Arps, Slate, Meagher & Flom, LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005

Anand.Raman@skadden.com

Re: Wells Fargo Sales Practices (Interrogatories)

Dear Mr. Raman:

Enclosed, please find a CID containing additional interrogatories. It is our understanding that the bank has either already compiled or can quickly assemble the responsive information.

Please let us know by Thursday, June 30, if the bank requests any changes to the date of compliance or otherwise seeks any modification.

Sincerely,

A handwritten signature in blue ink, which appears to read 'Leanne E. Hartmann', is positioned above the typed name.

Leanne E. Hartmann
Enforcement Attorney

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: Fw: CONFIRMED: Meeting w/ AFR re: CWA Bank Workers
Date: Thursday, June 09, 2016 12:17:43 PM
Attachments: [Banking on the Hard Sell 5.31.16.pdf](#)

Interesting report.

Jeff Ehrlich
Office of Enforcement
Tel: 202 435 7598
Mob: (b) (6)

From: Pearl, Joanna (CFPB)
Sent: Thursday, June 09, 2016 10:21 AM
To: Ehrlich, Jeffrey (CFPB); Alexis, Anthony (CFPB)
Subject: FW: CONFIRMED: Meeting w/ AFR re: CWA Bank Workers

Jeff – take a look at this report.

Joanna Pearl
Office of Enforcement
Consumer Financial Protection Bureau
202 435 7411
joanna.pearl@cfpb.gov
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Criado, Alicia (CFPB)
Sent: Thursday, June 09, 2016 10:16 AM
To: Meyers, Karen (CFPB); Guidorizzi, Melissa (CFPB)
Cc: Pearl, Joanna (CFPB); Lee, Swan
Subject: CONFIRMED: Meeting w/ AFR re: CWA Bank Workers

Karen and Melissa,

Attached you will find a report that is being released at a Hill briefing tomorrow morning. It details the issues we can expect to hear from the bank workers and CWA (Communications Workers of America) union representatives during tomorrow's meeting.

Please let me know if you have any further questions.

Best,
Alicia

Alicia Criado
Regional Strategist, Office of Community Affairs
Tel: 202.435.7467

Cell: (b) (6)

consumerfinance.gov

Banking on the Hard Sell: Low Wages and Aggressive Sales Metrics Put Bank Workers and Customers at Risk

By Anastasia Christman

Executive Summary

In the aftermath of the Great Recession, regulators reined in damaging bank practices like those concerning mortgages and launched investigations of others such as overdraft fees. These new rules diminished the income streams from these practices. However, big banks continue to implement practices and policies that hurt customers and boost profits. Among these lucrative practices is the use of aggressive sales metrics and incentives programs to encourage front-line workers to push multiple banking “solutions,” or products, on often unwitting customers. As each product comes with its own set of rules and fees, customers’ financial standing can be damaged and their credit rating destroyed, and they can spend years paying for products they didn’t really need. At the same time, workers laboring under these onerous quota systems experience hostile work conditions, excessive stress, and uncertain incomes that make caring for themselves and their families nearly impossible.

Banking on the Hard Sell incorporates information gleaned from class action lawsuits, landscape literature on banking practices, and interviews with dozens of workers employed by numerous banks in many positions to investigate the dangers of aggressive sales metrics to customers and workers alike. We find that workers suffer harassment and threats in order to make ever-changing over-aggressive quotas, and that low base wages mean they need to put their own financial interests above those of the customers. We note that at least one large U.S. bank, Amalgamated, does not use these types of quotas and that in other countries, agreements between bank workers and their employers ensure decent quality jobs and banking practices that put the customer first.

Key Findings

- Even six years after launching new consumer protections, the number of complaints to the federal Consumer Financial Protection Bureau (CFPB) concerning “Bank Account or Services” and “Debt Collection” continue to rise.
- Fees and service charges on deposit accounts, credit cards, and other products accounted for more than a quarter of revenues at one big bank, Wells Fargo, while “Commission and Incentive Compensation” expenses totaled only half of that windfall, meaning that the

employees who sell the products that bring in millions of dollars for their employer reap less than half the reward, with the banks pocketing the rest.

- Workers speak out:
 - A Maryland SunTrust worker says that “the goals are constantly shifting. If you don’t hit your goal, it goes up 5 percent. If you do hit your goal, it goes up 10-15 percent.”
 - A California teller recalled, “God forbid you went home without solutions. You could be subjected to ridicule for not meeting goals.”
 - Several workers note that managers would look the other way when documentation verifying identity was lacking or when forms were turned in signed but not filled in.
 - Another worker with experience at both SunTrust and Bank of America recalled, “Managers really pushed me to ignore it when consumers say no.”
 - One Minnesota U.S. Bank collections worker said, “There was a constant battle of how you do right for the customer without sacrificing, you know, not paying a light bill or having shoes for the kids going back to school. You can’t make that sacrifice.”
- Banks in other countries—often the same banks that operate in the United States—work with bank workers to establish codes of conduct regarding sales quotas that ensure business success while still protecting customers and ensuring decent working conditions.

Introduction

With news of the recession and the mortgage crisis largely pushed off the nation’s front pages, big banks are no longer under so much public scrutiny nor the object of so much public disapproval. Meanwhile, they’ve been profiting in ways that hurt customers and their own employees alike. Bank employees walk a tightrope between offering customer service and financial advice and selling products to profit their employer, and the employer is the only one who benefits. Bank employees we interviewed reported high stress, mental distress, and physical ailments due to overwhelming pressure to sell banking products. One Bank of America worker, who ended up with an ulcer and vomiting blood after a dozen years in the industry, recalled a meeting when a coworker explained why he didn’t offer to sell a product. “He said the account was overdrawn and the customer said she was out of work and had just lost her job,” he remembered. “The manager told the worker that they should have offered a credit card because it’s not our responsibility for them to pay the bill, just to make the sale.”¹

It’s not our responsibility for them to pay the bill, just to make the sale.”

—Bank of America manager to worker on pushing credit cards

In the recession’s aftermath, regulatory agencies implemented new rules that cut into the cash streams created by subprime mortgages and massive overdraft charges, which fed big bank profit columns.² Yet, the country’s biggest banks saw impressive profit gains in the years following the recession—impressive even as compared to the profit rates they enjoyed during the boom years leading up to it.³ And while the big banks see some quarterly losses due to volatile market conditions, they report increased sales of credit cards and customer accounts.⁴ They may report lower revenues in investment banking, but their consumer

banking businesses remain profitable, with Wells Fargo, Bank of America, and J.P. Morgan all seeing increases of 3 to 4 percent in the first three months of the year.⁵ Overdraft fees at the 628 banks reporting to the Federal Financial Institutions Examination Council totaled \$11.16 billion and accounted for 5.5 percent of their pre-tax profits.⁶ In the first quarter of 2016, Bank of America issued about 1.2 million new credit cards, Wells Fargo reported a steady \$459 billion in consumer loans, and Citibank saw a significant increase in its average card loans in North America.⁷ Five years ago, a former Wall Street banker admitted that “the customer is simply an income stream and exploiting that is the purpose of the banking organization.”⁸ Last year, critics observed that Americans spent more on bank overdraft charges in 2013 (\$32 billion) than what the country spends on fresh vegetables.⁹

Bank CEOs are reaping big rewards. Bank of America CEO Brian Moynihan will take home \$16 million this year, a 23 percent raise from last year, while Michael Corbat of Citi received a 27 percent bump to \$3.5 million and Jamie Dimon of J.P. Morgan received a whopping 35 percent raise. As *Fortune* magazine points out, the average bank CEO takes home approximately 455 times the average American worker’s salary.¹⁰ As big banks ring up profits off customer fees and monthly charges, front-line bank employees still labor under extreme pressure to push dangerous products on unwitting customers. Aggressive sales quotas rest on low employee wages and complicated commission and incentive programs, creating a moral dilemma for millions of low-wage hourly workers who must balance protecting customers’ financial needs with meeting those of their own families. From numerous unnecessary credit cards, to multiple accounts and complicated financial tools they may not understand (each with its own set of fees and requirements), customers may find themselves struggling with unneeded products and unanticipated financial hardships as a result of these sales requirements. At the same time, bank workers suffer extreme stress in the workplace to meet these quotas and physical and mental problems at home trying to reconcile daily practices that feel unethical even if they are not, strictly speaking, illegal.

So long as individual workers, teams, branches, call centers, loan offices, and managers are all judged—and paid—based on their ability to meet onerous and ever-changing quotas, everyone suffers under this system. While the sales metrics systems remain in place for front-line workers—along with the accompanying bullying, threats of termination, and strong monetary incentives—there appears to be little indication that the big banks have set aside their view of customers as “simply an income stream” and workers as simply sales machines.

This paper reveals the responses to the sales quota system from workers themselves in the context of extensive literature on current consumer banking practices. Many of these critiques center on Wells Fargo which, as the defendant in several lawsuits, has been the subject of the most intense scrutiny. However, coupled with responses from bank workers from a variety of banks to a set of 75 informational interviews conducted in 18 different states, it becomes clear that Wells Fargo is not alone in implementing these policies. These workers, some current and some former bank employees, represent a variety of positions ranging from branch tellers to workers staffing collections call centers to branch managers. Taken together, their impressions about the dangers of the sales quota incentive systems in place in most big banks are troubling.

These testimonies highlight a variety of questionable sales tactics that workers are encouraged to use every day with banking customers and the harms they do to consumer finances and credit reports. It is critical for workers and customers alike that policymakers continue to reform the banking system and address these practices. In this paper, we suggest some examples from which U.S. policymakers might learn best practices.

Who Are the Bank Workers?

Roughly 1.7 million men and women work in retail banking, nearly half of whom are either bank tellers or customer service workers. They are overwhelmingly women (84.3 percent), and nearly one in three makes less than \$15 an hour. Bank tellers, the single largest occupation within this category, have a median hourly wage of \$12.44.¹¹ These wages have been stagnant for decades; the value of a teller's wages has been dropping since the 1970s.¹² With wages this low, it is little surprise that so many workers must fall back onto publicly funded safety net programs to support themselves and their families. In 2014, researchers at the University of California, Berkeley, found that nearly one-third of tellers' families were enrolled in one or more such programs (the Earned Income Tax Credit, Medicaid and/or CHIP healthcare programs, Supplemental Nutrition/Food Stamps, and TANF) at a public cost to taxpayers of nearly \$900 million per year.¹³ Thus it is also understandable that these workers would become concerned about and dependent on commission-based incentive pay offered on top of these wages for selling various banking products to customers.

The pressure to do so is extreme. According to recent studies, only about 13 percent of customer interactions with their bank involve entering a brick and mortar branch,¹⁴ which can explain in part the extraordinary pressure workers in those locations feel to offer a long list of products to every customer who walks through the door. Workers in call centers staffing phones are presented with rigid scripts and quotas to close payment commitments on outstanding bills or to sell new financial products every few minutes. As one Wells Fargo branch operations manager recalled, "I practically chase customers out the door hawking unwanted credit and debit card accounts to a clientele hailing largely from African-American communities that have already been ravaged by foreclosure and predatory lending."

What Are the Bad Banking Practices and Policies?

Banks have long counted on various fees and charges on their customers to lift their bottom line. New regulations after the Great Recession cut into some of these income streams. For example, new rules implemented in 2010 made it difficult to change the order in which transactions were processed to maximize overdraft charges or impose fees on debit and automated-teller-machine transactions unless a customer actively opted to participate in overdraft protection programs.¹⁵ By 2015, bank filings show this line item was 4 percent lower than the year before.¹⁶ After these practices were publicized and the newly formed Consumer Financial Protection Bureau (CFPB) began investigating them, more big banks began voluntarily adopting fee disclosure forms. While workers report that sometimes these forms are not properly used and they are not encouraged to educate consumers, there has nonetheless been some measurable success in addressing these harmful practices.¹⁷ As the Center for Responsible Lending pointed out, not only do abusive consumer banking practices

hurt customers' balance sheets, they also "crowd out better products by removing incentives for banks to offer lower-cost" options.¹⁸

This is why the perseverance of aggressive sales quotas and incentives programs at the nation's biggest banks is so disturbing. Without increased oversight and regulatory reform, these practices will continue to hurt workers and customers alike in order to boost the banks' bottom line. And customers are unhappy: complaints to the CFPB about "Bank Account or Services" have increased 34 percent from 2014-15 to 2015-16. In February of 2016, debt collection achieved the dubious distinction of being the single greatest source of complaints, constituting more than one-quarter of all complaints filed with the agency.¹⁹

Without enforced safeguards for customers, the banks have little incentive to stop these practices. As Wells Fargo assured shareholders, "Noninterest income was relatively stable in 2015 compared with a year ago, reflecting our ability to generate fee income despite fluctuations in market sensitive revenue."²⁰ Indeed, service charges on deposit accounts held steady at \$5.17 million (6 percent of revenue), and card fees brought in another \$3.7 million (4 percent of revenue). Other types of fees accounted for an additional \$18.7 million (21 percent of revenue). At the same time, the line item for "Commission and Incentive Compensation" expenses totaled \$10.4 million, meaning that the employees who sell the products that bring in millions of dollars for their employer aren't seeing the rewards in their paychecks.

Aggressive Sales Metrics Hurt Customers

In late 2013, the *Los Angeles Times* published the accounts of workers employed at Wells Fargo facilities across the country, revealing the aggressive sales quota systems in place there and the potential harms they caused to customers.²¹ By spring of 2015, the Los Angeles City Attorney's Office had filed a lawsuit on behalf of California customers of the bank, alleging that the San Francisco-based bank was engaged in unfair business practices by misusing personal customer information without consent or even notification.²² Six months later, *The Wall Street Journal* reported that the Office of the Comptroller of the Currency and the San Francisco Federal Reserve were also investigating the practices at Wells Fargo.²³

The Los Angeles City Attorney's Office uses language in its filing that makes the severity with which they view the dangers of the sales quota system quite clear: words like "victimized," "pernicious," "unrealistic," and "fraudulent" indicate the dangers it sees for customers and the dilemma faced by workers. Based on information given by numerous employees, the suit characterizes the working conditions as "unrelenting pressure" and notes that managers "constantly hound, berate, demean and threaten employees to meet these unreachable quotas." It seeks a stop to the practices, financial restitution to the victims where appropriate, and civil penalties levied on the bank.

This effort is not the first in California to try to redress unfair banking practices that hurt customers, though it is the first attempt to directly take on the aggressive marketing of retail consumer debt vehicles by a big bank. In 2012, Los Angeles followed the example set in Cleveland, Boston, New York, Philadelphia, and Pittsburgh of responsible banking ordinances, building on Community Reinvestment Act laws, to ensure that banks that seek to manage public funds commit to fair lending and mortgage practices in underserved

communities.²⁴ And nationally, in 2010 federal regulators required that customers actively opt-in to overdraft protection programs and are currently investigating other practices designed to maximize overdraft charges.²⁵ Furthermore, the CFPB solicits information from current and former employees of financial institutions concerning consumer protection violations.²⁶ However, given the ubiquity of these sales programs not just at Wells Fargo but at all the big banks, the potential danger to the financial well-being of area families, and the challenges that low-wage workers face in standing up to the pressure to engage in unethical behavior, it is clear that stronger safeguards need to be in place regulating the use of sales quotas in retail banking. As one Los Angeles-based Wells Fargo personal banker stated, “Wells Fargo wants customers to succeed financially while ripping them off through overdraft and monthly fees, and all the other unnecessary products they were pushed to get in order to increase the monthly fees and interest.”

**The bank “wants customers to succeed financially while ripping them off through overdraft and monthly fees.”
—Wells Fargo personal banker**

In March of 2016 alone, almost one-fifth of the more than 115,000 California consumer complaints filed with the CFPB dealt with bank accounts or services, credit cards, or other financial services. If one assumes that at least some of the 16,000 credit reporting complaints and 28,000 debt collecting complaints also originated in unwanted products or services pushed to meet worker sales quotas, it becomes clear that these practices could create serious trouble for consumers.²⁷ And with 12,000 of the state’s nearly 44,000 bank tellers, Los Angeles is the metropolitan area with the second-highest employment level in this occupation in the country (second only to the Greater New York City area), a significant number of workers laboring under stressful and troubling sales metric quotas.²⁸ Based on the information that has come to light about this element of routine banking practices since the responsible banking ordinance was last revised, the Los Angeles City Council needs to consider the dangers of aggressive sales quotas on its residents—retail banking customers and banking workers alike—and implement measures to safeguard against the unnecessary sale of banking products.

The California lawsuit is premised on the fact that practices come with numerous dangers for consumers. They may accrue fees for unknown accounts, and failing to pay them can result in accounts going to a collection agency. Unauthorized credit cards or other loans may negatively affect credit reports, making it difficult for consumers to qualify for purchases later. As one Rhode Island Bank of America worker observed, “Obviously, when you open a credit card that someone didn’t want, it lowers their credit score. Closing an account can also lower your credit score. There’s a lot of confusion it can cause; people can get all sorts of fees they don’t understand.” A lawsuit filed against Wells Fargo in Arizona alleges that as a direct result of sales metrics and quotas like the “Gr-Eight” program, bank employees opened multiple accounts for the plaintiff without her knowledge, and that as a result of fees accruing on these accounts, her information was sent to collection agencies.²⁹

Customers suffer when banks disapprove of their financial behavior. As the National Consumer Law Center points out, the majority of negative reports filed on consumers with bank-account consumer-reporting-agency databases are based on “account abuse” related to overdrafts.³⁰ However, given the practices laid out here, allegations of these consumer abuses must be taken with a grain of salt because some customers may not even be aware of these accounts. Further, the fact that these reporting agencies are frequently owned by the same big banks that sell unneeded and unwanted banking products to consumers is simply adding insult to injury. Recognizing the financial repercussions of a single bad consumer banking report, the New York attorney general negotiated deals with big banks like Citigroup, Capital One, and Santander to stop using the largest of these screening companies, ChexSystems, which reported only negative information on those seeking to open bank accounts.³¹

Shopping for a bank account can be difficult for any customer, and even legally mandated consumer information can be hard to come by and confusing, with disclosure forms running into the dozens of pages.³² The Wells Fargo “Vision and Values” pamphlet addresses this issue when it states that the bank’s “customers trust us as their financial resource.”³³ But numerous workers we interviewed expressed frustration at the speed with which they had to serve customers in order to make their quotas, often skipping clarifying questions or ensuring customers understood disclosure forms before signing them. Customers talk to bank employees expecting help and informed advice about financial products, but workers need to encourage consumers to sign up for as many products as possible—regardless of their applicability—in order to pay their own bills or even to keep their jobs.

Largest Consumer Banking Screening Companies and their Relationships to Big Banks

Check and Bank Screening Company	Affiliated Companies	Nature of Relationship and History of Bad Behavior
Certegy Check Services	Fidelity National Information Services, Inc. (<i>FNIS performs a variety of services for leading US banks, including deposit and lending systems, mobile and eBanking systems, branch automation, electronic funds transfer, and it issues credit cards and prepaid cards.</i>)	Owned by the FNIS subsidiary eFunds. In 2013, Certegy paid \$3.5 million to settle a Federal Trade Commission charge that it violated the Fair Credit Reporting Act.
ChexSystems	Fidelity National Information Services, Inc.	Owned by the FNIS subsidiary eFunds. ChexSystems is the country’s largest consumer banking screening agency, subscribers include Bank of America, JP Morgan Chase, Citibank, and Wells Fargo.
Early Warning Services	Bank of America, BB&T, Capital One, JPMorgan Chase, and Wells Fargo	Co-owned. Told the New York Times that approximately 80 percent of the largest American banks subscribe to its deposit-check service. (“Over a Million Are Denied Bank Accounts for Past Errors,” New York Times, July 30, 2013.)
TeleCheck Services	First Data Corporation. (<i>First Data, a spin-off from American Express, handles e-commerce services including bank transactions and credit and debit card issuing and processing. It runs the STAR network that links ATM machines across numerous banking systems. Its CEO is Frank Bisignano, formerly the COO of JP Morgan Chase.</i>)	Wholly owned subsidiary. TeleCheck and its affiliate TRS Recovery Services, a debt collection company, settled with the Federal Trade Commission in 2014 for violations of the Federal Credit Reporting Act.

The Structure of Abusive Sales Metric Systems

As Wells Fargo explains to shareholders, they use “cross-sell metrics” to determine how well they are serving their customers. However, they note, products that qualify for inclusion in the retail household cross-sell metrics must “have the potential for revenue generation and long-term viability.” Thus, the types of baseline banking products that most customers would request, including ATM cards, online banking, and direct deposit, are not included in the metrics.³⁴ Instead, the bank counts only products such as credit cards, debit cards, auto and student loans, mortgages, and home equity loans. For 2015, Wells Fargo’s household cross-sell was 6.11, or just over six banking products on average per accountholder address.³⁵ A company pamphlet on vision and values states a desire to increase this number: “We want to get to eight...and beyond.”³⁶

To fulfill these kinds of growth plans, banks need to implement aggressive sales quotas at numerous levels: for the company overall, regionally, by location, and for each individual worker. Employees at every level explain extreme pressure to meet these goals, which often change and are sometimes not revealed to the workers in a timely manner. As one former manager for a Santander branch explains, goals for each employee of his facility came pre-packaged from the regional branch with a rate that was “always almost impossible, but always increasing.”³⁷ A Wells Fargo personal banker told *The Wall Street Journal* that his branch has daily and hourly goals set by the company, which changed based on the season.³⁸

Workers are enticed to meet their daily quota with a reward system that attaches value to each “solution” or product the worker sells to a customer, sometimes in the form of points that lead toward a set commission and sometimes as a dollar value. While the Wells Fargo “Gr-Eight” program, which set the goal of eight banking products per household, has come under the greatest public scrutiny, other banks have similar systems to compel front-line workers to push products such as “the Hustle” (or HSSL: High Speed Swim Lane) program at Countrywide (later a subsidiary of the Bank of America), which compensated employees solely on the volume of mortgage loans they originated and resulted in a \$1.27 billion settlement.³⁹

Quota “Lingo”

The culture of constant cross-selling and sales metrics comes with its own special vocabulary.⁴⁰

Solutions: Blanket term for those financial products that qualify for incentive points, including student loans, car loans, credit cards, additional accounts, automatic overdraft protection, or “express send” for overseas money transfers. While the term “solutions” implies a clearly stated problem, often customers were not aware they were receiving these products or that they were optional.

Sandbagging: Because sales goals are often pinned to a particular reporting periods or special targeted days, bank workers might hold off processing a new account application until it can count toward that date without the customer’s knowledge. (Often in connection with named sales promotions such as “Jump Into January,” during which quotas at Wells Fargo were increased dramatically with hopes for impressive numbers for first quarter shareholder reports.)

Bundling: In order to make sales goals, bank workers might imply—or even explicitly claim—that some products were only available when combined with other ones, compelling customers to take on accounts or credit cards they did not want in order to get those they did. (Also known as “Packed Accounts.”)

Pinning: A lawsuit filed by the Los Angeles City Attorney against Wells Fargo alleges that employees would at times assign a Personal Identification Number (PIN) code to new ATM cards in order to later enroll the customers in online services without their consent.

Gypsy Accounts: Accounts opened in order to make a sales quota, but with the intention of soon closing them, and often containing only a few dollars.

Tapped Out: The condition of a bank employee’s family after that worker has asked them to open new accounts or take on new credit cards in order to help him or her achieve sales quotas.

Gaming: Opening accounts fraudulently by omitting signatures, adding secondary accounts without permission, or misrepresenting costs or benefits to customers.

Sales Quotas Are Ever-Changing and Unpredictable

Workers at many levels within the banks report that they struggle to meet their sales goals often without even knowing what those goals are for a given period.

- One Bankruptcy Relationship Manager at U.S. Bank said in late 2015 that her employer was “getting ready to change the bonus structure AGAIN in January,” even though she did not know even at that late date what her current quota numbers were.
- A Maryland SunTrust worker says that “the goals are constantly shifting. If you don’t hit your goal, it goes up 5 percent. If you do hit your goal, it goes up 10-15 percent.”
- A collections worker at U.S. Bank observed, “The goals for bonuses are never announced in advance, so it’s hard to know from month to month” what expectations are, while another elaborated that because goals were routinely not released until the 10th or 15th of the month, they were largely unattainable.
- Another U.S. Bank collections worker stated, “It’s really hard to do a budget when I don’t know what the bonus is even going to be until halfway through the next month. I wish they’d be more transparent.”
- Managers, too, feel the pressure of these individual goals for tellers and personal bankers. One Wells Fargo manager said that while he was responsible “on paper” for making sure that each employee he oversaw met their expected goals, “off paper the expectation is that as a manager it all falls on your shoulders.” A long-time Santander branch manager said that if an employee leaves before a full year on the job, the manager’s own incentive pay was affected.

Quotas Pit Workers Against One Another and Create a Hostile Work Environment

According to workers, failure to meet one’s sales quotas doesn’t only come with financial repercussions in the form of lost incentive pay. Workers are also publicly mocked and threatened in front of their peers.

- The lawsuit filed against Wells Fargo in California alleges, “Managers constantly harass, berate, demean, and threaten employees to meet these unreachable quotas.” A Wells Fargo employee cited in the complaint relates that if an employee failed to meet his or her quota, they were threatened or embarrassed during morning meetings. A Bank of America customer service representative wrote an op-ed in which he referred to “Hunger Games” scheduling, in which the most convenient or desirable work shifts were allocated after workers submit “bids” based on their quota incentive points, pitting workers with child care needs against those with transportation challenges. As he noted, “Here, our time rather than a bonus or promotion opportunity, is the prize.”⁴²
- A former teller at Wells Fargo revealed of management, “They would put everyone’s metrics up in the break room.”
- A California teller recalled, “God forbid you went home without solutions. You could be subjected to ridicule for not meeting goals.”
- A branch manager explained that he was expected to hover behind employees during each conversation with a customer, and to draw the employee away mid-transaction if necessary to remind him or her to offer another product or ask why they were not doing so. “This was so terrorizing, it was unbelievable.”
- A Los Angeles personal banker stated, “Entry-level Wells Fargo employees are being treated like hostages. We lack the job security and a healthy environment for work that is not stress, discrimination, or harassment free”

Sales Pressures Hurt Workers and Their Families

Workers laboring under these high-pressure incentive programs bring their work home with them. Many report suffering physical manifestations and ailments as a result of their stressful workplaces, and they struggle to make ends meet and care for their families on their low wages. In numerous cases, managers encourage them to pursue sales opportunities among family and friends in order to hit their goals.

- Workers open accounts that family members don't need just to make their numbers. One manager in Florida with experience at both Bank of America and Wells Fargo said that she opened an account for her daughter that she knew they would soon close, and that one of her bankers opened an account for each of his 11 grandchildren just to make quota numbers.
- Another teller in Florida admitted that she enrolled her sister for a credit card that the sister did not really understand. "She maxed it out, and she still has that maxed-out credit card 10 years later."
- Upon being asked if he made a living wage, one former Bank of America personal banker replied, "Oh gosh no. Food for my son was really hard. He's 12. I couldn't put him in any extracurricular activities."
- One Minnesota U.S. Bank collections worker said, "There was a constant battle of how you do right for the customer without sacrificing, you know, not paying a light bill or having shoes for the kids going back to school. You can't make that sacrifice."
- A Rhode Island call-center worker said, "I used to cry every day. Eventually, I learned how to compartmentalize."

To Meet Sales Expectations, Workers Must Weigh Their Interests Against Customer Interests

While many workers say they enjoy helping people and working in a customer service role, they find that these functions too often have to take a back seat to moving various banking "solutions" in order to meet their goals and earn critical incentive pay.

- A call-center worker alleges that her manager told her to keep numbers on call lists even after customers ask for their removal, and when she questioned whether that was a violation of the Fair Debt Collection Practices Act, she was written up.
- Several workers note that managers would look the other way when documentation verifying identity was lacking or when forms were turned in signed but not filled in.
- A former personal banker admitted, "I had never in my life been the sort of person to see dollar signs when people walk in. I always liked building relationships. But these inane goals really affected how I saw them. I didn't think about meeting their needs, I thought about how can I meet my goals."
- One Florida personal banker with Bank of America admitted, "I had days that even though I tried really hard, I couldn't sell, and that's very scary. It's not a financial service position, it's a sales position. And that means it's not about the customer."
- A Rhode Island Bank of America service specialist recalled, "If someone's getting married, tell them to get a credit card. Any life event that happened, you were supposed to say 'get a credit card for it.' If you heard kids in the background, the answer was a credit card."
- A former Pennsylvania Wells Fargo branch manager admitted that some tellers would "churn," or open new accounts for current customers, but manipulate the recording of the transaction to make it appear that new accounts were being opened, and that sometimes second or third accounts were being opened for customers without their approval.

Workers Have No Viable Avenue for Reporting Unethical or Illegal Policies

Workers frequently express discomfort with the tactics they must use to sell bank products, but find little redress when they go to managers with their concerns. In fact, in most cases, workers say that their managers are already aware of the practices in their branches and even encourage them.

- A Minnesota worker says he had at least two conversations with his manager about unrealistic sales goals and was told, “What do you want me to do, brother? My hands are tied and I just do what they tell me to do.”
- A Chase Bank sales and service associate noted that “the managers were the ones who told us to push the products.”
- A U.S. Bank collections worker couldn’t share concerns with management because “they created an environment to get the payment, no matter how long it takes.”

Another worker with experience at both SunTrust and Bank of America recalled, “Managers really pushed me to ignore it when consumers say no.”

Workers Can Be Part of the Solution

There is nothing inherently wrong with businesses setting goals, establishing benchmarks, and encouraging all employees to help make the business successful. But the current structure of the quota system within the country’s big banks bends those practices into a set of internal policies that benefit bank CEOs and shareholders, but are bad for nearly everyone else. This does not have to be the case. Amalgamated Bank, whose employees are unionized, recently signed a contract that ensured all its bank workers will earn a starting wage of at least \$15 per hour, which gives them some ability to plan family budgets and care for themselves and their children. These men and women do not depend on sales incentives or rewards to make ends meet; in fact, while the bank does set goals for its branches, it does so with the best interests of the customer first and foremost and does not mandate individual goals nor offer individual rewards.⁴³

There are also examples in other countries of codes of conduct that address the issue of over-aggressive sales quotas and incentives plans. The Finance Sector division of UNI, the global union organization, works with financial regulators and banking leaders in the European Union to protect worker interests, including ensuring that “the use of sales targets should be limited in order to avoid conflicts of interests and to reduce pressure on employees.”⁴⁴ In 2010, after workers employed by financial companies across the globe shared their stories about aggressive sales practices, UNI Finance adopted a Model Charter on Responsible Sales of Financial Products. Recognizing that customers depend on bank employees for responsible advice and aid in their financial dealings, the Charter calls for realistic, fair, and transparent incentive systems for employees and states that rewards should be given for good customer service and qualified advice, not for selling specific products.⁴⁵ Furthermore, UNI Finance Sector worked to get whistleblower protections written into compulsory financial regulations adopted by the European Commission, giving concerned banking employees a process by which to alert lawmakers if their employer asks them to engage in unethical behaviors on the job.⁴⁶

Additionally, in Brazil after a 2014 industry-wide strike, workers at numerous private and public banks won a pay raise and language addressing sales practices in that country.⁴⁷

Santander Bank—one of the banks operating in the United States using aggressive sales metrics in its branches, according to workers interviewed for this report—has an agreement with its workers there that addresses many of the abuses reported by workers in this country. Managers are prohibited from publicly posting employees' rankings and from mocking workers who are not meeting their goals. They are encouraged to tailor sales offers to the needs and financial capacity of each banking customer and to ensure customers understand all the conditions attached to products before employees close the sale.⁴⁸ In Denmark and Finland, UNI reports that sales targets are set after consultation and negotiation with worker-led bodies and that targets are linked to customer service.⁴⁹

The majority of bank and finance sector workers around the world, including those employed by U.S. banks operating in other countries, are union members who are covered by collective bargaining agreements. Finance workers who have a voice on the job and whose fundamental rights are protected through collective agreements can be instrumental in mitigating abusive labor practices that can lead to customer harm. When workers are empowered inside the workplace they have the ability to ensure, on a day-to-day basis, that customer interactions are not tied to excessive goals accompanied by the threat of loss of incentive pay, discipline, or termination. Through collective bargaining, they can implement methods that ensure that interactions with customers focus on meeting financial service needs and uphold high standards of ethical sales practices.

Less than a decade ago, poor practices and the pursuit of consumer-generated revenue by the big banks triggered the worst recession this country had seen in generations. Policymakers addressed some of those practices, but in the process, banks developed a policy of replacing some of those revenue streams with fees and penalties generated by multiple accounts and banking products. In order to generate these profits, low-wage front-line workers must engage in sales tactics that range from the uncomfortable and unethical to some that border on illegality. It is time for policymakers to support front-line workers who suffer under these systems and to continue the task of cleaning up the financial services industry and protecting consumers by crafting new regulations to cease these practices.

Endnotes

- ¹ This and other worker quotes from our interviews are published here without identifying information in order to protect the worker from retribution or reprimand for speaking about their sales metrics or the workplace culture in which they work. Copies of interview sheets are on file with NELP.
- ² Notably, the Dodd-Frank Wall Street Reform and Consumer Protection Act, Approved July 21, 2010; and amendments to Regulation E to 12 CFR Part 205, November 2009;
- ³ Richard Leong, "Profits at big U.S. banks soar since crisis: New York Fed," *Reuters*, October 7, 2015.
- ⁴ Michael Corkery, "A Tough Year for Banking Takes Shape," *New York Times*, April 14, 2016.
- ⁵ Christina Rexrode and Peter Rudegeair, "Citi's Results Add to Banks' Upbeat Views," *Wall Street Journal*, April 15, 2016.
- ⁶ "New Insights on bank overdraft fees and 4 ways to avoid them," Consumer Financial Protection Bureau, February 24, 2016.
- ⁷ Bank of America Reports, First Quarter 2016 Financial Results, available at: http://newsroom.bankofamerica.com/files/doc_library/additional/Q1_2016_Financial_Results_Press_Release.pdf; Wells Fargo, "Wells Fargo Reports \$5.5 Billion in Quarterly Net Income," News Release, April 14, 2016, available at: <https://www08.wellsfargomedia.com/assets/pdf/about/press/2016/first-quarter-earnings.pdf>; Citigroup, First Quarter 2016 Earnings Review, April 15, 2016, available at: <http://www.citigroup.com/citi/investor/data/p160415a.pdf>
- ⁸ Matthew Goldstein and Jennifer Ablan, "Insight: The Wall Street Disconnect," *Reuters*, November 18, 2011.
- ⁹ Ram Palaniappan, "Your Bank Should be More Like Your Waiter and Less Like Your Landlord," *Techcrunch*, June 19, 2015.
- ¹⁰ Stephen Gandel, "The Only Thing UP on Wall Street is CEO Pay," *Fortune*, March 22, 2016.
- ¹¹ National Employment Law Project, "A \$15 Minimum Wage for Bank Workers," August 2015.
- ¹² NELP, "A \$15 Minimum Wage for Bank Workers"; Mario Vasquez, "Behind the Business Attire, Many Bank Workers Earn Poverty Wages," *In These Times*, August 27, 2015; Timothy Noah, "The United States of Inequality," *Slate*, September 8, 2010.
- ¹³ Sylvia Allegretto, Ken Jacobs, Dave Graham-Squire, and Megan Emiko Scott, "The Public Cost of Low-Wage Jobs in the Banking Industry," UC Berkeley Center for Labor Research and Education, October 2014.
- ¹⁴ Niraj Chokshi, "Say goodbye to your neighborhood bank branch," *The Washington Post*, April 19, 2016.
- ¹⁵ Board of Governors of the Federal Reserve System, "Press Release," dated November 12, 2009. Available at: <https://www.federalreserve.gov/newsevents/press/bcreg/20091112a.htm>
- ¹⁶ Annamaria Andriotis and Peter Rudegeair, "Banks Feel Pinch from Declining Overdraft Fees," *Wall Street Journal*, June 16, 2015.
- ¹⁷ The Pew Charitable Trusts, "Checks and Balances: 2015 Update," May 2015.
- ¹⁸ Center for Responsible Lending, "High-Cost Overdraft Practices: The State of Lending in America & its Impact on U.S. Households," July 2013, page 2.
- ¹⁹ Consumer Financial Protection Bureau, "Monthly Complaint Report, Vol. 9," March 2016. Available at: http://files.consumerfinance.gov/f/201603_cfpb_monthly-complaint-report-vol-9.pdf Of the companies tracked by the CFPB, Wells Fargo received the greatest number of complaints, with Bank of America, JP Morgan Chase, and Citibank following closely behind, all of them receiving complaints about bank services, credit cards, credit reporting, mortgages, and debt collection.
- ²⁰ Wells Fargo & Company, "Annual Report, 2015," page 34. Available at: <https://www08.wellsfargomedia.com/assets/pdf/about/investor-relations/annual-reports/2015-annual-report.pdf>
- ²¹ E. Scott Reckard, "Wells Fargo's pressure-cooker sales culture comes at a cost," *Los Angeles Times*, December 21, 2013.
- ²² The People of the State of California v. Wells Fargo & Company and Wells Fargo Bank, National Association, filed in the Superior Court of the State of California, County of Los Angeles, May 4, 2015; E. Scott Reckard, "L.A. sues Wells Fargo, alleging 'unlawful and fraudulent conduct,'" *Los Angeles Times*, May 4, 2015. One month later, a class action suit was filed on behalf of Wells Fargo customers nationally against Wells Fargo alleging "illegal, fraudulent, and deceptive tactics to generate sales of their banking and financial products." Kaylee Heffelfinger, et. al., v. Wells Fargo & Company and Wells Fargo Bank, N.A., filed in the United States District Court, Northern District of California, June 24, 2015.
- ²³ Emily Glazer, "At Wells Fargo, How Far Did Bank's Sales Culture Go?" *Wall Street Journal*, November 30, 2015.
- ²⁴ "Responsible Banking Investment Monitoring Program," §20.95.1, Chapter 5.1, Los Angeles Administrative Code. See also, Ryan Holeywell, "Cities Using Deposits to Gain Leverage Over Banks," *California Bankers Association Letter*, May 2, 2012; Tommy Wright, "Monterey City Council passes responsible banking ordinance," *Monterey Herald*, October 26, 2015. While part of the reporting element of the New York City responsible banking ordinance was struck down in August 2015, the basic premise of these laws has been upheld and, in fact, the Cleveland ordinance has been in operation for twenty years. ("Court Strikes NYC's 'Responsible Banking Act,'" *Harvard Law School Forum on Corporate Governance and Financial Regulation*, April 18, 2016. Available at: <https://corpgov.law.harvard.edu/2016/04/18/13-observations-about-the-secs-enforcement-program/4/>)
- ²⁵ See Consumer Financial Protection Bureau, "CFPB Study of Overdraft Programs," June 2013, available at: http://files.consumerfinance.gov/f/201306_cfpb_whitepaper_overdraft-practices.pdf, and Consumer Financial Protection Bureau, "Data Point: Checking Account Overdraft," June 2014, available at: http://files.consumerfinance.gov/f/201407_cfpb_report_data-point_overdrafts.pdf
- ²⁶ "The CFPB wants you to blow the whistle on lawbreakers," December 15, 2011, available on the CFPB website: <http://www.consumerfinance.gov/about-us/blog/the-cfpb-wants-you-to-blow-the-whistle-on-lawbreakers/>
- ²⁷ CFPB Monthly Complaint Report, Vol. 9, March 2016, page 26. Available at: http://files.consumerfinance.gov/f/201603_cfpb_monthly-complaint-report-vol-9.pdf
- ²⁸ Bureau of Labor Statistics, "Occupational Employment and Wages, May 2015, 43-3071 Tellers," available at: [http://www.bls.gov/oes/current/oes433071.htm#\(9\)](http://www.bls.gov/oes/current/oes433071.htm#(9))
- ²⁹ Kaylee Heffelfinger v. Wells Fargo & Company and Wells Fargo Bank, N.A., United States District Court, Northern District of California, filed June 24, 2015.
- ³⁰ "Introduction to Account Screening Consumer Reporting Agencies," National Consumer Law Center, 2014.
- ³¹ "Consumer groups cheer move to rein in banking 'blacklist'," CBS Money Watch, January 29, 2015; "A.G. Schneiderman Announces Commitment by Santander Bank to Eliminate Barriers that Unfairly Exclude Low-Income Americans from Mainstream Financial Services," Press Release, New York State Office of the Attorney General, February 20, 2015. Available at: <http://www.ag.ny.gov/press-release/ag-schneiderman-announces-commitment-santander-bank-eliminate-barriers-unfairly>
- ³² US PIRG, "Big Banks, Bigger Fees, 2011," and Pew, "Checks and Balances." Though it is important to note that the Pew study finds that more banks are adopting best practices when it comes to disclosure, although a significant minority have yet to do so.
- ³³ Wells Fargo, "Values and Vision," page 9.
- ³⁴ Wells Fargo Annual Report 2015, page 46.
- ³⁵ Wells Fargo Annual Report 2015, pages 46-47.

36 Wells Fargo “Vision and Values” page 26, version available at:
<http://www.damcofcg.com/files/74720/Vision%20%26%20Values.pdf> The version currently available on the Wells Fargo
 website does not include a section on opportunities nor sets explicit numerical goals for increasing the cross-sell metric.
 Available at: <https://www08.wellsfargomedia.com/assets/pdf/about/corporate/vision-and-values.pdf>
 37 Worker phone interview, April 22, 2016. On file with NELP.
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 39 Linette Lopez, “In Preet Bharara’s Suit Against BofA, He Reveals A Program Called ‘The Hustle’,” *Business Insider*, October 24,
 2012; Christina Rexrode, “Bank of America Appeals \$1.27 Billion ‘Hustle’ Penalty,” *Wall Street Journal*, April 22, 2015. This
 problem is not limited to United States banks (see for example, Jill Treanor and Jennifer Rankin, “Lloyds Banking Group fined
 record £28m in new mis-selling scandal,” *The Guardian*, December 11, 2013), but in other nations organized labor within the
 UNI Global Union federation has been successfully advocating for codes of conduct limiting the effect of sales quotas in the
 industry. Notably, UNI officials note that European bankers point to extreme opposition to such agreements from United
 States banks. See Josh Eidelson, “Union Seeks to Shield Bank Workers from Sales Quotas,” *Bloomberg Businessweek*, March
 19, 2015.
 40 These terms come largely from the lawsuit filed against Wells Fargo by the Los Angeles City Attorney on behalf of the People
 of the State of California, dated May 4, 2015, and from interviews with various individual workers on file with NELP.
 42 Tony Hempfer, “RI [Rhode Island] workers need fair scheduling on the job,” *RI Future.org*, March 15, 2016. Available at:
<http://www.rifuture.org/ri-workers-fair-scheduling.html>
 43 Conversation with Keith Maestrich, CEO Amalgamated Bank, and Justin Miller, “Banking on More than \$15,” *American*
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Buzzfeed, August 6, 2015.
 44 See the UNI Finance Sector webpage on EU regulatory reform and G20 Summits, available at:
<http://www.uniglobalunion.org/sectors/finance/regulation-and-policies>
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http://uniglobalunion.org/sites/default/files/imce/sales_and_advice_charter-fin-e.pdf
 46 See “Report of PSI and UNI Global Union Strategy Meeting on Fighting Corruption and Securing Whistleblower Protection,”
 published September 29, 2015 available at: [http://www.uniglobalunion.org/news/report-psi-and-uni-global-union-](http://www.uniglobalunion.org/news/report-psi-and-uni-global-union-strategy-meeting-fighting-corruption-and-securing-whistleblower)
[strategy-meeting-fighting-corruption-and-securing-whistleblower](http://www.uniglobalunion.org/news/report-psi-and-uni-global-union-strategy-meeting-fighting-corruption-and-securing-whistleblower)
 47 See “Brasil—Most Brazilian bank workers approve agreement and put an end on their national strike,” UNI Global Union,
 October 9, 2014, available at: [http://www.uniglobalunion.org/news/brasil-most-brazilian-bank-workers-approve-](http://www.uniglobalunion.org/news/brasil-most-brazilian-bank-workers-approve-agreement-and-put-end-their-national-strike)
[agreement-and-put-end-their-national-strike](http://www.uniglobalunion.org/news/brasil-most-brazilian-bank-workers-approve-agreement-and-put-end-their-national-strike)
 48 “RELAÇÕES LABORAIS E PRESTAÇÃO DE SERVIÇOS FINANCEIROS (Labor Relations and the Delivery of Financial Services),”
 Agreement between Sao Paulo Bank Workers and Santander Banks, on file with NELP.
 49 UNI Global Union, Finance Sector, “Banking: the Human Crisis,” 2013, available at:
<http://www.uniglobalunion.org/sites/default/files/attachments/pdf/final%20job%20loss%20survey-e.pdf>

From: [Ledbetter, Roshonda \(Contractor\)\(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: FW: Data Load Request for 2016-1667-02 [Wells Fargo Sales Practice] created
Date: Tuesday, July 19, 2016 11:41:21 AM
Attachments: [2016.07.15 Wells Fargo Letter D Welch to L Brown 07 15 16 Endorsed.pdf](#)

FYI

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Hemou, Esther (Contractor)(CFPB)
Sent: Tuesday, July 19, 2016 11:40 AM
To: Ledbetter, Roshonda (Contractor)(CFPB)
Cc: Lohr, Douglas (CFPB)
Subject: FW: Data Load Request for 2016-1667-02 [Wells Fargo Sales Practice] created

Roshonda,
Per your request, please see attached the endorsed version of the cover letter that will be loaded in Relativity.

Thank you.

Esther Hemou
Enforcement Team
Email: esther.hemou@cfpb.gov
Desk: 202.435.7576
Mobile: (b) (6)
consumerfinance.gov

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From: eLaw - Discovery [mailto:CFPB_SharePoint@cfpb.gov]
Sent: Tuesday, July 19, 2016 10:01 AM
To: Ledbetter, Roshonda (Contractor)(CFPB)
Cc: Berhe, Genet (Contractor)(CFPB); Gershfang, Leonid (Contractor)(CFPB); Hennessy, Kevin (Contractor)(CFPB); Jewell, Ronnie (Contractor)(CFPB); Lwin, Peter (Contractor)(CFPB); Hemou, Esther (Contractor)(CFPB); Merrifield, Rene (Contractor)(CFPB); Sutorus, Shannon (Contractor)(CFPB); Gholizadeh, Farinoush (Contractor)(CFPB); Solomon, Michael (Contractor)(CFPB); Singh, Raman (Contractor)(CFPB); Batra, Sammy (CFPB); Calvarese, Joe (CFPB); Chesnokov, Dmitry (CFPB); Lohr, Douglas (CFPB); Melcher, Glenn (CFPB); Van Atta, Tracy (CFPB); Williams, Michael (CFPB)
Subject: Data Load Request for 2016-1667-02 [Wells Fargo Sales Practice] created

Please select 'Reply All' if you respond to this message.

Ledbetter, Roshonda(Contractor)(CFPB),

Thank you for submitting load request [2016-1667-02-0K](#), for case 2016-1667-02 [Wells Fargo Sales Practice].

The following special instructions were provided with the request:

Please add the attached cover letter and responses to our CID into relativity. Also please bates stamp this to be forwarded to the OCC. Thank you!

The media will be retrieved from the safe at our next scheduled collection time and be placed into the processing queue.

Our standard work hours are M-F from 9 AM until 6 PM, with collection times scheduled at 11 AM and 3 PM daily.

If this is a rush request or you need to reach us outside our standard work hours, please email the Enforcement eDiscovery distribution list: DL_CFPB_eDiscoveryIT@cfpb.gov.

From: [Reiferson, Barry \(CFPB\)](#)
To: [Ledbetter, Roshonda](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Message from Konica
Date: Friday, May 13, 2016 12:51:35 PM

Good. Thanks.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Ledbetter, Roshonda
Sent: Friday, May 13, 2016 12:35 PM
To: Brown, Lawrence (CFPB); Reiferson, Barry (CFPB)
Subject: RE: Message from Konica

The revised CID.

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Brown, Lawrence (CFPB)
Sent: Friday, May 13, 2016 12:13 PM
To: Ledbetter, Roshonda; Reiferson, Barry (CFPB)
Subject: RE: Message from Konica

The cover letter needs to be addressed to Anand Raman at Skadden

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Ledbetter, Roshonda
Sent: Friday, May 13, 2016 12:10 PM
To: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: RE: Message from Konica

Let me know if you approve this draft.

Thanks,
Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Reiferson, Barry (CFPB)
Sent: Friday, May 13, 2016 12:08 PM
To: Ledbetter, Roshonda
Subject: RE: Message from Konica

Thank you.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Ledbetter, Roshonda
Sent: Friday, May 13, 2016 12:07 PM
To: Reiferson, Barry (CFPB)

Subject: RE: Message from Konica

I do. I am putting everything together.

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Reiferson, Barry (CFPB)
Sent: Friday, May 13, 2016 12:06 PM
To: Ledbetter, Roshonda
Subject: RE: Message from Konica

Do you have the notice and other documents to complete the package?

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Ledbetter, Roshonda
Sent: Friday, May 13, 2016 12:02 PM
To: Reiferson, Barry (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: RE: Message from Konica

Thanks!

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Reiferson, Barry (CFPB)
Sent: Friday, May 13, 2016 12:01 PM

To: Ledbetter, Roshonda
Cc: Brown, Lawrence (CFPB)
Subject: FW: Message from Konica

Here's a cover letter for the CID. Thanks.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: NYC-4FI-Konica@cfpb.gov [<mailto:NYC-4FI-Konica@cfpb.gov>]
Sent: Friday, May 13, 2016 12:02 PM
To: Reiferson, Barry (CFPB)
Subject: Message from Konica



Consumer Financial
Protection Bureau

1700 G Street NW, Washington, DC 20552

May 13, 2016

Via U.S. Certified Mail and Electronic Mail

Mr. Anand Raman
Skadden, Arps, Slate, Meagher & Flom, LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005

Anand.Raman@skadden.com

Re: Civil Investigative Demand served on Wells Fargo Bank, N. A.
on May 13, 2016

Dear Mr. Raman:

Attached is a civil investigative demand (CID) issued to Wells Fargo Bank, N.A. by the Consumer Financial Protection Bureau (Bureau) under 12 C.F.R. § 1080.6 and section 1052(c) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 12 U.S.C. § 5562.

Rule 1080.6(c) of the Bureau's Rules Relating to Investigations requires that you contact me as soon as possible to schedule a meeting (by telephone or in person) to be held within ten (10) calendar days of receipt of this CID in order to discuss and attempt to resolve all issues regarding timely compliance with this demand. 12 C.F.R. § 1080.6(c); see also Instruction III., subpart (B). The rule requires that you make available at this meeting personnel with the knowledge necessary to resolve any such issues. Please be prepared to discuss your planned compliance schedule, and whether it is possible to tier your production by providing portions of the response prior to the due date.

Please contact me immediately to schedule a meeting, which must be held within ten (10) days of the date of issue of this CID. My telephone number is (212) 328-7020. I look forward to your call.

Sincerely,

A handwritten signature in blue ink, appearing to read "Barry", is located below the word "Sincerely,".

Barry E. Reiferson
Enforcement Attorney

Enclosures

Civil Investigative Demand

To **Wells Fargo Bank, N.A.**
c/o Anand Raman
Skadden, Arps, Slate, Meagher & Flom
1440 New York Avenue, N.W.
Washington, D.C. 20005

This demand is issued pursuant to Section 1052 of the Consumer Financial Protection Act of 2010 and 12 C.F.R. Part 1080 to determine whether there is or has been a violation of any laws enforced by the Bureau of Consumer Financial Protection.

Action Required (choose all that apply)

☐ **Appear and Provide Oral Testimony**

Location of Investigational Hearing	Date and Time of Investigational Hearing
	Bureau Investigators

☒ **Produce Documents and/or Tangible Things**, as set forth in the attached document, by the following date 06/10/2016

☒ **Provide Written Reports and/or Answers to Questions**, as set forth in the attached document, by the following date 06/10/2016

Notification of Purpose Pursuant to 12 C.F.R. § 1080.5

The purpose of this investigation is to determine whether depository institutions or other persons have engaged or are engaging in unlawful acts or practices in connection with unauthorized consumer bank, credit card, and other accounts in violation of §§ 1031 and 1036 of the Consumer Financial Protection Act of 2010, 12 U.S.C. §§ 5531, 5536; the Truth In Savings Act, 12 U.S.C. § 4301 et seq.; the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq.; the Truth in Lending Act, 15 U.S.C. § 1601 et seq.; the Electronic Fund Transfer Act, 15 U.S.C. § 1693 et seq.; their implementing regulations; or any other Federal consumer financial law. The purpose of this investigation is also to determine whether Bureau action to obtain legal or equitable relief would be in the public interest.

Custodian / Deputy Custodian

Jeffrey Paul Ehrlich, Custodian/Roshonda Ledbetter, Deputy Custodian
Consumer Financial Protection Bureau
Attention: Enforcement
1700 G Street, NW
Washington, DC 20552

Bureau Counsel

Lawrence D. Brown
Email: Lawrence.Brown@cfpb.gov
Phone: (202) 435-7116

Date Issued

05/13/2016

Signature

Jeffrey Paul Ehrlich

Digitally signed by Jeffrey Paul Ehrlich
DN: cn=Jeffrey Paul Ehrlich, o=CFPB, ou=Enforcement,
email=jeff.ehrlich@cfpb.gov, c=US
Date: 2016.05.13 11:11:50 -04'00'

Name / Title

Jeffrey Paul Ehrlich, Deputy Enforcement Director

Service

The delivery of this demand to you by any method prescribed by the Consumer Financial Protection Act of 2010, 12 U.S.C. § 5562, is legal service. If you fail to comply with this demand, the Bureau may seek a court order requiring your compliance.

Travel Expenses

Request a travel voucher to claim compensation to which you are entitled as a witness before the Bureau pursuant to Section 1052 of the Consumer Financial Protection Act of 2010, 12 U.S.C. § 5562.

Right to Regulatory Enforcement Fairness

The CFPB is committed to fair regulatory enforcement. If you are a small business under Small Business Administration standards, you have a right to contact the Small Business Administration's National Ombudsman at 1-888-REGFAIR (1-888-734-3247) or www.sba.gov/ombudsman regarding the fairness of the compliance and enforcement activities of the agency. You should understand, however, that the National Ombudsman cannot change, stop, or delay a federal agency enforcement action.

Paperwork Reduction Act

This demand does not require approval by OMB under the Paperwork Reduction Act of 1980.

CERTIFICATE OF COMPLIANCE WITH RFPA

The Right to Financial Privacy Act of 1978 (RFPA) does not apply to the disclosure of financial records or information to the Consumer Financial Protection Bureau (CFPB) “in the exercise of its authority with respect to a financial institution.” 12 U.S.C. § 3413(r). This civil investigative demand is also issued in connection with an investigation within the meaning of section 3413(h)(1)(A) of the RFPA. Therefore, in accordance with section 3403(b) of the RFPA, the undersigned certifies that, to the extent applicable, the provisions of the RFPA have been complied with as to the Civil Investigative Demand to Wells Fargo Bank, N.A., to which this Certificate is attached.

The information obtained will be used to determine whether the persons named or referred to in the attached Civil Investigative Demand are in compliance with laws administered by the Consumer Financial Protection Bureau. The information may be transferred to another department or agency consistent with the RFPA.

Under the RFPA, good-faith reliance on this certificate relieves the recipient and its employees and agents of any liability to customers in connection with the requested disclosures of financial records of these customers. *See* 12 U.S.C. § 3417(c).

Jeffrey Paul Ehrlich

Digitally signed by Jeffrey Paul Ehrlich
DN: cn=Jeffrey Paul Ehrlich, o=CFPB,
ou=Enforcement, email=jeff.ehrlich@cfpb.gov, c=US
Date: 2016.05.13 11:12:14 -04'00'

Jeffrey P. Ehrlich
Deputy Assistant Director, Office of Enforcement
Consumer Financial Protection Bureau

CONSUMER FINANCIAL PROTECTION BUREAU
Washington, D.C. 20552

Notice to Persons Supplying Information

You have been asked to supply information or speak voluntarily, or directed to provide sworn testimony, documents, or answers to questions in response to a civil investigative demand (CID) from the Consumer Financial Protection Bureau (Bureau). This notice discusses certain legal rights and responsibilities. Unless stated otherwise, the information below applies whether you are providing information voluntarily or in response to a CID.

A. False Statements; Perjury

False Statements. Section 1001 of Title 18 of the United States Code provides as follows:

[W]hoever, in any matter within the jurisdiction of the executive ... branch of the Government of the United States, knowingly and willfully-- (1) falsifies, conceals, or covers up by any trick, scheme, or device a material fact; (2) makes any materially false, fictitious, or fraudulent statement or representation; or (3) makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry; shall be fined under this title ...[or] imprisoned not more than 5 years ..., or both.

Perjury. Section 1621 of Title 18 of the United States Code provides as follows:

Whoever ... having taken an oath before a competent tribunal, officer, or person, in any case in which a law of the United States authorizes an oath to be administered, that he will testify, declare, depose, or certify truly or that any written testimony, declaration, deposition, or certificate by him subscribed, is true willfully and contrary to such oath states or subscribes any material matter which he does not believe to be true ... is guilty of perjury and shall, except as otherwise expressly provided by law, be fined under this title or imprisoned not more than five years, or both. This section is applicable whether the statement or subscription is made within or without the United States.

B. The Fifth Amendment; Your Right to Counsel

Fifth Amendment. Information you provide may be used against you in any federal, state, local or foreign administrative, civil or criminal proceeding brought by the Bureau or any other agency. If you are an individual, you may refuse, in accordance with the rights guaranteed to you by the Fifth Amendment to the Constitution of the United States, to give any information that may tend to incriminate you or subject you to criminal liability, including fine, penalty or forfeiture.

Counsel. You have the right to be accompanied, represented and advised by counsel of your choice. For further information, you should consult Bureau regulations at 12 C.F.R. § 1080.9(b).

C. Effect of Not Supplying Information

Persons Directed to Supply Information Pursuant to CID. If you fail to comply with the CID, the Bureau may seek a court order requiring you to do so. If such an order is obtained and you still fail to supply the information, you may be subject to civil and criminal sanctions for contempt of court.

Persons Requested to Supply Information Voluntarily. There are no sanctions for failing to provide all or any part of the requested information. If you do not provide the requested information, the Bureau may choose to send you a CID or subpoena.

D. Privacy Act Statement

The information you provide will assist the Bureau in its determinations regarding violations of Federal consumer financial laws. The information will be used by and disclosed to Bureau personnel and contractors or other agents who need the information to assist in activities related to enforcement of Federal consumer financial laws. The information may also be disclosed for statutory or regulatory purposes, or pursuant to the Bureau's published Privacy Act system of records notice, to:

- a court, magistrate, administrative tribunal, or a party in litigation;
- another federal or state agency or regulatory authority;
- a member of Congress; and
- others as authorized by the Bureau to receive this information.

This collection of information is authorized by 12 U.S.C. §§ 5511, 5562.

III. Instructions

A. **Sharing of Information:** This CID relates to a nonpublic, law-enforcement investigation being conducted by the Bureau. The Bureau may make its files available to other civil and criminal federal, state, or local law-enforcement agencies under 12 C.F.R. §§ 1070.43(b)(1) and 1070.45(a)(5). Information you provide may be used in any civil or criminal proceeding by the Bureau or other agencies. As stated in 12 C.F.R. § 1080.14, information you provide in response to this CID is subject to the requirements and procedures relating to the disclosure of records and information set forth in 12 C.F.R. pt. 1070.

B. **Meet and Confer:** As stated in 12 C.F.R. § 1080.6(c), you must contact Enforcement Attorney **Lawrence D. Brown** at **(202) 435-7116** as soon as possible to schedule a meeting (telephonic or in person) to discuss your response to the CID. The meeting must be held within **10** calendar days after you receive this CID or before the deadline for filing a petition to modify or set aside the CID, whichever is earlier.

C. **Applicable Period for Responsive Materials:** Unless otherwise directed, the applicable period for the request is from **January 1, 2011 until the date of this CID.**

D. **Privilege Claims:** If any material responsive to this CID is withheld on the grounds of privilege, you must make the privilege claim no later than the date set for the production of the material. As stated in 12 C.F.R. § 1080.8(a), any such claim must include a schedule of the documents, information, or tangible things withheld that states, for each:

1. its type, specific subject matter, and date;

2. the names, addresses, positions, and organizations of all authors and direct or indirect recipients;
3. the specific grounds for claiming the privilege;
4. the request to which the privileged document, information, or thing is responsive; and
5. its Bates number or range.

In addition, the person who submits the schedule and the attorney stating the grounds for the privilege must sign it. A person withholding material solely based on a claim of privilege must comply with the requirements of 12 C.F. R. § 1080.8 rather than file a petition for an order modifying or setting aside a demand under 12 C.F.R. § 1080.6(e). Please follow the enclosed Document Submission Standards for further instructions about producing redacted privileged documents.

E. **Document Retention:** Until you are notified otherwise, you are required to retain all documents and other tangible things that you used or relied on in responding to this CID. In addition, you must retain, and suspend any procedures that may result in the destruction of, documents, information, or tangible things that are in any way relevant to the investigation, as described in the CID's Notification of Purpose. You are required to prevent the destruction of relevant material irrespective of whether you believe such material is protected from future disclosure or discovery by privilege or otherwise. *See* 18 U.S.C. §§ 1505, 1519.

F. **Modification Requests:** If you believe that the scope of the search or response required by this CID can be narrowed consistent with the Bureau's need for documents or information, you are encouraged to discuss such possible modifications, including modifications of the requirements of these instructions, with Enforcement Attorney **Lawrence D. Brown** at **(202) 435-7116**. Modifications must be agreed to in writing by the Enforcement Director or a Deputy Enforcement Director. 12 C.F.R. § 1080.6(d).

G. **Petition for Order Modifying or Setting Aside Demand:** Under 12 U.S.C. § 5562(f) and 12 C.F.R. § 1080.6(e), you may petition the Bureau for an order modifying or setting aside this CID. To file a petition, you must send it by e-mail to the Bureau's Executive Secretary at ExecSec@cfpb.gov, copying the Enforcement Director at Enforcement@cfpb.gov, within 20 calendar days of service of the CID or, if the return date is less than 20 calendar days after service, before the return date. The subject line of the e-mail must say "Petition to Modify or Set Aside Civil Investigative Demand." If a request for confidential treatment is filed, you must file a redacted public petition in addition to the unredacted petition. All requests for confidential treatment must be supported by a showing of good cause in light of applicable statutes, rules, Bureau orders, court orders, or other relevant authority.

H. **Certification:** The person to whom the CID is directed or, if it is directed to an

entity, any person having knowledge of the facts and circumstances relating to the production, must certify that the response to this CID is true and complete. This certification must be made on the form declaration included with this CID or by a sworn affidavit.

I. Scope of Search: This CID covers materials and information in your possession, custody, or control, including but not limited to documents in the possession, custody, or control of your attorneys, accountants, other agents or consultants, directors, officers, and employees.

J. Document Production: The Bureau encourages the electronic production of all material responsive to this CID; please follow the enclosed Document Submission Standards.

All productions sent by U.S. Postal Service should be addressed to:

Consumer Financial Protection Bureau
1700 G Street, NW
ATTN: Roshonda Ledbetter c/o Andrew Lubash, SEFL, Office of
Enforcement,
Room 4083-B
Washington, DC 20552

All productions sent by FedEx, UPS, or other courier should be addressed to:

Consumer Financial Protection Bureau
1625 Eye Street NW
ATTN: Roshonda Ledbetter c/o Andrew Lubash, SEFL, Office of
Enforcement,
Room 4083-B
Washington, DC 20006

Please provide your intended method of production and any tracking numbers by e-mail or telephone to Enforcement Attorney **Lawrence D. Brown** at **(202) 435-7116**, or **Lawrence.Brown@cfpb.gov**.

K. Document Identification: Documents that may be responsive to more than one request of this CID need not be submitted more than once. All documents responsive to this CID must be accompanied by an index that identifies: (i) the name of each custodian of each responsive document; (ii) the corresponding Bates number or range used to identify that person's documents; and (iii) the request or requests to which each document responds.

L. Sensitive Personally Identifiable Information: If any material called for by these requests contains sensitive personally identifiable information, sensitive health information of any individual, or Suspicious Activities Reports, please contact Enforcement Attorney **Lawrence D. Brown** at **(202) 435-7116** before sending those

materials to discuss ways to protect the information during production. You must encrypt electronic copies of such materials with encryption software acceptable to the Bureau. When submitting encrypted material, you must provide the encryption key, certificate, or passcode in a separate communication.

For purposes of this CID, sensitive personally identifiable information includes an individual's Social Security number alone or an individual's name, address, or phone number *in combination with* one or more of the following: date of birth, Social Security number, driver's-license number or other state-identification number, or a foreign country equivalent, passport number, financial-account number, credit-card number, or debit-card number. Sensitive health information includes medical records and other individually identifiable health information relating to the past, present, or future physical or mental health or conditions of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual.

M. Information Identification: Each request for a written report or interrogatory in this CID must be answered separately and fully in writing under oath. All information submitted must clearly and precisely identify the request or requests to which it is responsive.

N. Declaration Certifying Records of Regularly Conducted Business Activity: Attached is a Declaration Certifying Records of Regularly Conducted Business Activity, which may limit the need to subpoena you to testify at future proceedings to establish the admissibility of documents produced in response to this CID. Please execute this Declaration and provide it with your response.

A. **CERTIFICATE OF COMPLIANCE – DOCUMENTS**

I, _____, pursuant to 28 U.S.C. § 1746, declare that:

1. I have made a diligent inquiry of all persons who likely have possession of responsive documents and information, and I have confirmed that a diligent search has been made of all of the locations and files that likely contained responsive documents and information in the possession, custody, or control of Wells Fargo Bank, N.A.
2. All of the documents and information identified through the search described in paragraph 1 above required by the Civil Investigative Demand dated May 13, 2016 that are within the possession, custody, or control of Wells Fargo Bank, N.A. have been submitted to the Bureau custodian or deputy custodian identified in this Civil Investigative Demand.
3. If a document or tangible thing responsive to this Civil Investigative Demand has not been submitted, a claim of privilege in compliance with 12 C.F.R. § 1080.8 has been submitted.

I certify under penalty of perjury that the foregoing is true and correct. Executed on _____, 2016.

Signature

CERTIFICATE OF COMPLIANCE – INTERROGATORY ANSWERS

I, _____, pursuant to 28 U.S.C. § 1746, declare that:

1. In preparing all answers and reports in response to the enclosed Civil Investigative Demand, I have made a diligent inquiry of all persons who likely have possession of responsive documents and information, and I have confirmed that a diligent search has been made of all of the locations and files that likely contained responsive documents and information within the possession, custody, control, or knowledge of Wells Fargo Bank, N.A.
2. Based on the information identified through the search described in paragraph 1 above, all answers and reports prepared in response to the enclosed required by the Civil Investigative Demand dated May 13, 2016 are true, correct, and complete.
3. If an interrogatory or a portion of an interrogatory has not been fully answered or a report or a portion of a report has not been completed, a claim of privilege in compliance with 12 C.F.R. § 1080.8 has been submitted.

I certify under penalty of perjury that the foregoing is true and correct. Executed on _____, 2016.

Signature

§ 1081.405 Decision of the Director.

(a) Upon appeal from or upon further review of a recommended decision, the Director will consider such parts of the record as are cited or as may be necessary to resolve the issues presented and, in addition, will, to the extent necessary or desirable, exercise all powers which he or she could have exercised if he or she had made the recommended decision. In proceedings before the Director, the record shall consist of all items part of the record below in accordance with § 1081.306; any notices of appeal or order directing review; all briefs, motions, submissions, and other papers filed on appeal or review; and the transcript of any oral argument held. Review by the Director of a recommended decision may be limited to the issues specified in the notice(s) of appeal or the issues, if any, specified in the order directing further briefing. On notice to all parties, however, the Director may, at any time prior to issuance of his or her decision, raise and determine any other matters that he or she deems material, with opportunity for oral or written argument thereon by the parties.

(b) Decisional employees may advise and assist the Director in the consideration and disposition of the case.

(c) In rendering his or her decision, the Director will affirm, adopt, reverse, modify, set aside, or remand for further proceedings the recommended decision and will include in the decision a statement of the reasons or basis for his or her actions and the findings of fact upon which the decision is predicated.

(d) At the expiration of the time permitted for the filing of reply briefs with the Director, the Office of Administrative Adjudication will notify the parties that the case has been submitted for final Bureau decision. The Director will issue and the Office of Administrative Adjudication will serve the Director's final decision and order within 90 days after such notice, unless within that time the Director orders that the adjudication proceeding or any aspect thereof be remanded to the hearing officer for further proceedings.

(e) Copies of the final decision and order of the Director shall be served upon each party to the proceeding, upon other persons required by statute, and, if directed by the Director or required by statute, upon any appropriate State or Federal supervisory authority. The final decision and order will also be published on the Bureau's Web site or as otherwise deemed appropriate by the Bureau.

§ 1081.406 Reconsideration.

Within 14 days after service of the Director's final decision and order, any party may file with the Director a petition for reconsideration, briefly and specifically setting forth the relief desired and the grounds in support thereof. Any petition filed under this section must be confined to new questions raised by the final decision or final order and upon which the petitioner had no opportunity to argue, in writing or orally, before the Director. No response to a petition for reconsideration shall be filed unless requested by the Director, who will request such response before granting any petition for reconsideration. The filing of a petition for reconsideration shall not operate to stay the effective date of the final decision or order or to toll the running of any statutory period affecting such decision or order unless specifically so ordered by the Director.

§ 1081.407 Effective date; stays pending judicial review.

(a) Other than consent orders, which shall become effective at the time specified therein, an order to cease and desist or for other affirmative action under section 1053(b) of the Dodd-Frank Act becomes effective at the expiration of 30 days after the date of service pursuant to § 1081.113(d)(2), unless the Director agrees to stay the effectiveness of the order pursuant to this section.

(b) Any party subject to a final decision and order, other than a consent order, may apply to the Director for a stay of all or part of that order pending judicial review.

(c) A motion for stay shall state the reasons a stay is warranted and the facts relied upon, and shall include supporting affidavits or other sworn statements, and a copy of the relevant portions of the record. The motion shall address the likelihood of the movant's success on appeal, whether the movant will suffer irreparable harm if a stay is not granted, the degree of injury to other parties if a stay is granted, and why the stay is in the public interest.

(d) A motion for stay shall be filed within 30 days of service of the order on the party. Any party opposing the motion may file a response within five days after receipt of the motion. The movant may file a reply brief, limited to new matters raised by the response, within three days after receipt of the response.

(e) The commencement of proceedings for judicial review of a final decision and order of the Director does not, unless specifically ordered by the Director or a reviewing court, operate as a stay of any order issued by the

Director. The Director may, in his or her discretion, and on such terms as he or she finds just, stay the effectiveness of all or any part of an order pending a final decision on a petition for judicial review of that order.

Dated: June 4, 2012.

Richard Cordray,
Director, Bureau of Consumer Financial Protection.

[FR Doc. 2012-14061 Filed 6-28-12; 8:45 am]

BILLING CODE 4810-AM-P

BUREAU OF CONSUMER FINANCIAL PROTECTION

12 CFR Part 1080

[Docket No.: CFPB-2011-0007]

RIN 3170-AA03

Rules Relating to Investigations

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Final rule.

SUMMARY: After considering the public comments on its interim final rule for the Rules Relating to Investigations, the Bureau of Consumer Financial Protection (Bureau), pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), is making revisions to its procedures for investigations under section 1052 of the Dodd-Frank Act.

DATES: The final rule is effective June 29, 2012.

FOR FURTHER INFORMATION CONTACT: Peter G. Wilson, Office of the General Counsel, Consumer Financial Protection Bureau, 1700 G Street NW., Washington, DC 20552, (202) 435-7585.

SUPPLEMENTARY INFORMATION:

I. Background

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) was signed into law on July 21, 2010. Title X of the Dodd-Frank Act established the Bureau of Consumer Financial Protection (Bureau) to regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws. The Dodd-Frank Act transferred to the Bureau the consumer financial protection functions formerly carried out by the Federal banking agencies, as well as certain authorities formerly carried out by the Department of Housing and Urban Development (HUD) and the Federal Trade Commission (FTC). As required by section 1062 of the Dodd-Frank Act, 12 U.S.C. 5582, the Secretary of the Treasury selected a

designated transfer date and the Federal banking agencies' functions and authorities transferred to the Bureau on July 21, 2011.

The Dodd-Frank Act authorizes the Bureau to conduct investigations to ascertain whether any person is or has been engaged in conduct that, if proved, would constitute a violation of any provision of Federal consumer financial law. Section 1052 of the Dodd-Frank Act sets forth the parameters that govern these investigations. 12 U.S.C. 5562. Section 1052 became effective immediately upon transfer on July 21, 2011 and did not require rules to implement its provisions. On July 28, 2011, the Bureau issued the interim final rule for the Rules Relating to Investigations (Interim Final Rule) to provide parties involved in Bureau investigations with clarification on how to comply with the statutory requirements relating to Bureau investigations.

II. Summary of the Final Rule

Consistent with section 1052 of the Dodd-Frank Act, the final rule for the Rules Relating to Investigations (Final Rule) describes a number of Bureau policies and procedures that apply in an investigational, nonadjudicative setting. Among other things, the Final Rule sets forth (1) the Bureau's authority to conduct investigations, and (2) the rights of persons from whom the Bureau seeks to compel information in investigations.

Like the Interim Final Rule, the Final Rule is modeled on investigative procedures of other law enforcement agencies. For guidance, the Bureau reviewed the procedures currently used by the FTC, the Securities and Exchange Commission (SEC), and the prudential regulators, as well as the FTC's recently proposed amendments to its nonadjudicative procedures. In light of the similarities between section 1052 of the Dodd-Frank Act and section 20 of the Federal Trade Commission Act (FTC Act), 15 U.S.C. 41 *et seq.*, the Bureau drew most heavily from the FTC's nonadjudicative procedures in constructing the rules.

The Final Rule lays out the Bureau's authority to conduct investigations before instituting judicial or administrative adjudicatory proceedings under Federal consumer financial law. The Final Rule authorizes the Director, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement to issue civil investigative demands (CIDs) for documentary material, tangible things, written reports, answers to questions, or oral testimony. The

demands may be enforced in district court by the Director, the General Counsel, or the Assistant Director of the Office of Enforcement. The Final Rule also details the authority of the Bureau's investigators to conduct investigations and hold investigational hearings pursuant to civil investigative demands for oral testimony.

Furthermore, the Final Rule sets forth the rights of persons from whom the Bureau seeks to compel information in an investigation. Specifically, the Final Rule describes how such persons should be notified of the purpose of the Bureau's investigation. It also details the procedures for filing a petition for an order modifying or setting aside a CID, which the Director is authorized to rule upon. And it describes the process by which persons may obtain copies of or access to documents or testimony they have provided in response to a civil investigative demand. In addition, the Final Rule describes a person's right to counsel at investigational hearings.

III. Legal Authority

As noted above, section 1052 of the Dodd-Frank Act outlines how the Bureau will conduct investigations and describes the rights of persons from whom the Bureau seeks information in investigations. This section became effective immediately upon the designated transfer date, July 21, 2011, without any requirement that the Bureau first issue procedural rules. Nevertheless, the Bureau believes that the legislative purpose of section 1052 will be furthered by the issuance of rules that specify the manner in which persons can comply with its provisions.

Section 1022 of the Dodd-Frank Act authorizes the Director to prescribe rules as may be necessary or appropriate for the Bureau to administer and carry out the purposes and objectives of Federal consumer financial laws and to prevent evasion of those laws. 12 U.S.C. 5512. The Bureau believes that the Final Rule will effectuate the purpose of section 1052 and facilitate compliance with Bureau investigations.

IV. Overview of Public Comments on the Interim Final Rule

After publication of the Interim Final Rule on July 28, 2011, the Bureau accepted public comments until September 26, 2011. During the comment period, the Bureau received seven comments. Two of the comments were submitted by individual consumers. Four trade associations and a mortgage company also submitted comments. The trade associations represent credit unions, banks, consumer credit companies, members of

the real estate finance industry, and other financial institutions.

The commenters generally support the Interim Final Rule. Most sections of the Interim Final Rule received no comment and are being finalized without change. The comments did, however, contain questions and recommendations for the Bureau.

Several of the commenters expressed concern that the Interim Final Rule appeared to provide staff-level Bureau employees with unchecked authority to initiate investigations and issue CIDs, or that the Interim Final Rule otherwise did not provide sufficient oversight for particular actions.

A number of commenters expressed concern about sections of the Interim Final Rule that relate to CIDs. One trade association recommended that a statement of "the purpose and scope" of a Bureau investigation—in addition to a notification of the nature of the conduct constituting the alleged violation under investigation and the applicable provisions of law—be included in CIDs. A commenter suggested that the Bureau require a conference between CID recipients and the Assistant Director of the Office of Enforcement to negotiate the terms of compliance with the demand. Three of the trade associations noted concern with the statement that extensions of time are disfavored for petitions to modify or set aside CIDs. Two commenters questioned who would rule on such petitions without a confirmed Director. One trade association commented that witnesses should be permitted to object to questions demanding information outside of the scope of the investigation during an investigational hearing pursuant to a CID for oral testimony.

A number of commenters expressed concern about maintaining the confidentiality of demand material, sharing information with other State and Federal agencies, and the duties of the custodians of those materials. For example, one trade association and the mortgage company recommended that investigations should remain confidential in all circumstances. Another trade association asserted that the Bureau is not permitted to engage in joint investigations with State attorneys general.

The Bureau reviewed all of the comments on its Interim Final Rule thoroughly and addresses the significant issues they raise herein. Although most sections of the Interim Final Rule received no comment and are being finalized without change, the Bureau has made several changes to the Interim Final Rule based on the comments it received. The comments and these

changes are discussed in more detail in parts V and VI of the **SUPPLEMENTARY INFORMATION**.

V. General Comments

Some comments on the Interim Final Rule were not directed at a specific section but rather concerned issues of general applicability. The Bureau addresses those comments in this section and addresses comments related to specific sections of the Interim Final Rule in part VI.

One commenter asked the Bureau to specify who would rule on petitions to set aside or modify CIDs while the Bureau lacked a Director. This commenter also asked who would review requests to the Attorney General under § 1080.12 for authority to immunize witnesses and to order them to testify or provide other information. The President appointed a Director of the Bureau on January 4, 2012. Therefore, both questions posed by this commenter are moot. The Director or any official to whom the Director has delegated his authority pursuant to 12 U.S.C. 5492(b) will rule on petitions to set aside or modify CIDs. Furthermore, the Bureau has revised § 1080.12 to clarify that only the Director has the authority to request approval from the Attorney General for the issuance of an order immunizing witnesses.

A commenter asserted that section 1052(c)(1) of the Dodd-Frank Act prohibits the Bureau from issuing CIDs after the institution of any proceedings under Federal consumer financial laws, including proceedings initiated by a State or a private party. The commenter argued that a CID should be accompanied by a certification that the demand will have no bearing on any ongoing proceeding. Section 1052(c)(1) provides, in relevant part, that “the Bureau may, before the institution of any proceedings under the Federal consumer financial law, issue in writing, and cause to be served upon such person, a civil investigative demand.” The language “before the institution of any proceeding under Federal consumer financial law” refers to the institution of proceedings by the Bureau. It does not limit the Bureau’s authority to issue CIDs based upon the commencement of a proceeding by other parties.

Another commenter requested that the Bureau exempt all credit unions from Bureau investigations. The Bureau believes that granting an exemption from the Bureau’s enforcement authority through the Final Rule would be inappropriate and that there is an insufficient record to support such an exemption.

A commenter recommended that covered persons be allowed to recover attorneys’ fees and costs incurred by defending against an investigation that is shown to be without merit. The Dodd-Frank Act does not provide the right to recover fees and costs by defending against an investigation. Further, as explained below, the Bureau believes that the procedures for petitioning to modify or set aside a CID set forth in § 1080.6(d) of the Interim Final Rule (now 1080.6(e) of the Final Rule) provide sufficient protections to a recipient of a demand it believes lacks merit.

VI. Section-by-Section Summary

Section 1080.1 Scope

This section describes the scope of the Interim Final Rule. It makes clear that these rules only apply to investigations under section 1052 of the Dodd-Frank Act. The Bureau received no comment on § 1080.1 of the Interim Final Rule and is adopting it as the Final Rule without change.

Section 1080.2 Definitions

This section of the Interim Final Rule defines several terms used throughout the rules. Many of these definitions also may be found in section 1051 of the Dodd-Frank Act.

A commenter questioned the breadth of the definition of the term “Assistant Director of the Division of Enforcement.” The commenter argued that because that term was defined to include “any Bureau employee to whom the Assistant Director of the Division of Enforcement has delegated authority to act under this part,” the Interim Final Rule could give Bureau employees inappropriately broad authority to take certain actions, such as issuing CIDs.

The Bureau has revised the Final Rule in response to these comments. The Final Rule identifies those with authority to take particular actions under each section of the Final Rule. Sections 1080.4 (initiating and conducting investigations) and 1080.6 (civil investigative demands) of the Final Rule clarify that the authority to initiate investigations and issue CIDs cannot be delegated by the identified officials. The Final Rule also changes the defined term “Division of Enforcement” to “Office of Enforcement” to reflect the Bureau’s current organizational structure.

Section 1080.3 Policy as to Private Controversies

This section of the Interim Final Rule states the Bureau’s policy of pursuing investigations that are in the public

interest. Section 1080.3 is consistent with the Bureau’s mission to protect consumers by investigating potential violations of Federal consumer financial law. The Bureau received no comments on § 1080.3 of the Interim Final Rule and is adopting it as the Final Rule without change.

Section 1080.4 Initiating and Conducting Investigations

This section of the Interim Final Rule explains that Bureau investigators are authorized to conduct investigations pursuant to section 1052 of the Dodd-Frank Act.

A commenter observed that this section of the Interim Final Rule did not explicitly provide a procedure for senior agency officials to authorize the opening of an investigation. The commenter argued that only senior agency officials should decide whether to initiate investigations. The commenter questioned whether staff-level employees could open investigations and issue CIDs without sufficient supervision, and noted that the FTC’s analogous rule specifically lists the senior officials to whom the Commission has delegated, without power of redelegation, the authority to initiate investigations.

A commenter also expressed concern that the FTC’s analogous rule explicitly provides that FTC investigators must comply with the laws of the United States and FTC regulations. According to the commenter, such language is necessary to ensure that the Bureau complies with the Right to Financial Privacy Act (RFPA) to the extent that statute applies to the Bureau. The commenter also believes that this language is needed to guard against investigations undertaken for what the commenter characterized as the impermissible purpose of aiding State attorneys general or State regulators. The commenter suggested that the Bureau add a statement to this section of the Interim Final Rule similar to the FTC’s rule requiring compliance with Federal law and agency regulations.

The Final Rule clarifies that only the Assistant Director or any Deputy Assistant Director of the Office of Enforcement has the authority to initiate investigations. The Bureau has significant discretion to determine whether and when to open an investigation, and the public benefits from a process whereby the Bureau can open and close investigations efficiently. But the Bureau did not intend its rules to be interpreted so broadly as to suggest that any staff-level employee could unilaterally open an investigation or issue a CID. The Final

Rule also provides that Bureau investigators will perform their duties in accordance with Federal law and Bureau regulations.

Section 1080.5 Notification of Purpose

This section of the Interim Final Rule specifies that a person compelled to provide information to the Bureau or to testify in an investigational hearing must be advised of the nature of the conduct constituting the alleged violation under investigation and the applicable provisions of law. This section of the Interim Final Rule implements the requirements for CIDs described in section 1052(c)(2) of the Dodd-Frank Act.

Commenters noted that although the Dodd-Frank Act and the FTC Act both require CIDs to state “the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable to such violation,” the two agencies’ implementing regulations on this topic differ. Both agencies’ regulations require a statement of the nature of the conduct at issue and the relevant provisions of law, but the FTC rule also requires that the recipient of the CID be advised of “the purpose and scope” of the investigation. Commenters argued that the Bureau should add this phrase to its rule because excluding it would lead to requests for materials outside the scope of an investigation. One commenter argued that only senior agency officials should authorize investigations to ensure that CIDs are relevant to the purpose and scope of the Bureau’s investigations.

The language in § 1080.5 of the Interim Final Rule mirrors the language of the Dodd-Frank Act, which provides that “[e]ach civil investigative demand shall state the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable to such violation.” The Bureau believes that the information covered by this statutory language provides sufficient notice to recipients of CIDs. As discussed above, § 1080.4 (initiating and conducting investigations) of the Final Rule limits the authority to open investigations to the Assistant Director or any Deputy Assistant Director of the Office of Enforcement. Similarly, § 1080.6 of the Final Rule (civil investigative demands) limits the authority to issue CIDs to the Director of the Bureau, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement. Thus, one of these identified officials will review and approve the initiation of all investigations and the issuance of all

CIDs. In addition, to the extent recipients of CIDs consider the demands to be for an unauthorized purpose or outside the scope of the investigation, they will have an opportunity to negotiate the terms of compliance pursuant to § 1080.6(c) of the Interim Final Rule (now § 1080.6(d) of the Final Rule) or to petition to set aside or modify the demand pursuant to § 1080.6(d) of the Interim Final Rule (now § 1080.6(e) of the Final Rule).

The Bureau therefore adopts this section of the Interim Final Rule as the Final Rule without change.

Section 1080.6 Civil Investigative Demands

This section of the Interim Final Rule lays out the Bureau’s procedures for issuing CIDs. It authorizes the Assistant Director of the Office of Enforcement to issue CIDs for documentary material, tangible things, written reports, answers to questions, and oral testimony. This section of the Interim Final Rule details the information that must be included in CIDs and the requirement that responses be made under a sworn certificate. Section 1080.6 of the Interim Final Rule also authorizes the Assistant Director of the Office of Enforcement to negotiate and approve the terms of compliance with CIDs and grant extensions for good cause. Finally, this section of the Interim Final Rule describes the procedures for seeking an order to modify or set aside a CID, which the Director is authorized to rule upon.

One commenter argued that § 1080.6(a) permits almost any Bureau employee to issue CIDs without sufficient supervision. The commenter stated that this lack of oversight is problematic and does not reflect Congress’ intent when it enacted the Act.

Section 1080.6(a) of the Final Rule limits the authority to issue CIDs to the Director, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement. This change to the Final Rule balances the efficiency of the Bureau’s investigative process with appropriate supervision and oversight.

A commenter suggested that the Bureau require a conference between the CID recipient and the Assistant Director of the Office of Enforcement within ten days of service of the CID to negotiate and approve the terms of compliance. The commenter envisioned a conference analogous to a discovery planning conference under the Federal Rules of Civil Procedure, during which the parties could discuss requests for information, appropriate limitations on

the scope of requests, issues related to electronically stored information (ESI), issues related to privilege and confidential information, and a reasonable time for compliance. The commenter stated that this type of conference would better ensure prompt and efficient production of material and information related to the investigation.

The Bureau agrees that a conference between the parties within ten calendar days of serving a CID is likely to improve the efficiency of investigations, and § 1080.6(c) of the Final Rule provides for such a conference. The Final Rule does not, however, adopt the suggestion that the Assistant Director of the Office of Enforcement preside over all such conferences.

Several commenters also noted concern with the statement in § 1080.6(d) of the Interim Final Rule disfavoring extensions of time for petitioning for an order modifying or setting aside CIDs. One commenter argued that the 20-day period to file petitions, for which extensions of time are disfavored, is inconsistent with the “reasonable” period of time for compliance with the CID set forth in § 1080.6(a). The commenter also argued that this timeframe leaves a short period for the CID recipient to decide which documents are privileged or otherwise protected and to file a petition articulating privilege and scope objections. Another commenter noted that the analogous FTC rules do not include a provision disfavoring extensions for petitions to modify or set aside a CID. These commenters recommended that the Bureau delete the sentence related to disfavoring extensions. One commenter recommended that the rules be corrected to provide an independent review if a covered person believes a CID is without merit.

Like the Interim Final Rule, the Final Rule includes a provision disfavoring extensions of time for petitions to modify or set aside a CID. The Bureau believes its policy of disfavoring extensions is appropriate in light of its significant interest in promoting an efficient process for seeking materials through CIDs. By disfavoring extensions, the Bureau means to prompt recipients to decide within 20 days whether they intend to comply with the CID. The Final Rule also clarifies that this 20-day period should be computed with calendar days.

The Bureau notes that § 1080.6(d) of the Interim Final Rule (now § 1080.6(e) of the Final Rule) only provides the due date for a petition for an order modifying or setting aside a CID. It does not require recipients to comply fully

with CIDs within 20 days. In addition, the Final Rule provides several options to recipients of CIDs that need additional time to respond. For example, the recipient may negotiate for a reasonable extension of time for compliance or a rolling document production schedule pursuant to § 1080.6(c) of the Interim Final Rule (now § 1080.6(d) of the Final Rule).

Section 1080.6(e) of the Final Rule clarifies that recipients of CIDs should not assert claims of privilege through a petition for an order modifying or setting aside a CID. Instead, when privilege is the only basis for withholding particular materials, they should utilize the procedures set forth in § 1080.8 (withholding requested material) of the Final Rule. Section 1080.6(e) of the Final Rule also lays out the authority of Bureau investigators to provide to the Director a reply to a petition seeking an order modifying or setting aside a CID. Specifically, the Final Rule states that Bureau investigators may provide the Director with a statement setting forth any factual and legal responses to a petition. The Bureau will not make these statements or any other internal deliberations part of the Bureau's public records. Section 1080.6(g) of the Final Rule clarifies that the Bureau, however, will make publicly available both the petition and the Director's order in response. Section 1080.6(g) of the Final Rule also clarifies that if a CID recipient wants to prevent the Director from making the petition public, any showing of good cause must be made no later than the time the petition is filed. The Final Rule also adds a provision clarifying how the Bureau will serve the petitioner with the Director's order.

Finally, the Bureau believes the procedures for petitions to modify or set aside a CID set forth in the Final Rule adequately protect a covered person who believes a CID is without merit, and that an additional independent review is unnecessary.

Section 1080.7 Investigational Hearings

This section of the Interim Final Rule describes the procedures for investigational hearings initiated pursuant to a CID for oral testimony. It also lays out the roles and responsibilities of the Bureau investigator conducting the investigational hearing, which include excluding unauthorized persons from the hearing room and ensuring that the investigational hearing is transcribed, the witness is duly sworn, the transcript is a true record of the testimony, and the

transcript is provided to the designated custodian.

A commenter argued that the Bureau is not authorized to conduct joint investigations with State attorneys general under the Dodd-Frank Act and, correspondingly, State attorneys general cannot attend an investigational hearing as a representative of an agency with whom the Bureau is conducting a joint investigation. The commenter argued that Congress distinguished between State attorneys general and State regulatory agencies in section 1042 of the Dodd-Frank Act and that State attorneys general are therefore not "agencies" with whom the Bureau can partner. The commenter also asserted that the Bureau cannot share a copy of the transcript of an investigational hearing with another agency without the consent of the witness.

Another commenter argued that representatives of agencies with which the Bureau is conducting a joint investigation may be present at an investigational hearing only with the witness's consent. This commenter stated that the Bureau should recognize in the rules that a witness who does not consent to the presence of a representative of another agency at an investigational hearing should not be presumed guilty.

The Dodd-Frank Act states that the Bureau "may engage in joint investigations and requests for information, as authorized under this title." This statutory language permits the Bureau to engage in joint investigations with State or Federal law enforcement agencies, including State attorneys general, with jurisdiction that overlaps with the Bureau's. The Bureau's disclosure rules also permit the Bureau to share certain confidential information, including investigational hearing transcripts, with Federal or State agencies to the extent the disclosure is relevant to the exercise of an agency's statutory or regulatory authority. See 12 CFR 1070.43(b). In addition, neither the Dodd-Frank Act nor the rules require the consent of the witness to permit a representative of an agency with which the Bureau is conducting a joint investigation to be present at the hearing. Consent is required only when people other than those listed in the rule are included.

Thus, the Bureau adopts § 1080.7 of the Interim Final Rule as the Final Rule without change.

Section 1080.8 Withholding Requested Material

This section of the Interim Final Rule describes the procedures that apply when persons withhold material

responsive to a CID. It requires the recipient of the CID to assert a privilege by the production date and, if so directed in the CID, also to submit a detailed schedule of the items withheld. Section 1080.8 also sets forth the procedures for handling the disclosure of privileged or protected information or communications.

The Bureau received no comment on § 1080.8 of the Interim Final Rule and is adopting it as the Final Rule without substantive change.

Section 1080.9 Rights of Witnesses in Investigations

This section of the Interim Final Rule describes the rights of persons compelled to submit information or provide testimony in an investigation. It details the procedures for obtaining a copy of submitted documents or a copy of or access to a transcript of the person's testimony. This section of the Interim Final Rule also describes a witness's right to make changes to his or her transcript and the rules for signing the transcript.

Section 1080.9 of the Interim Final Rule lays out a person's right to counsel at an investigational hearing and describes his or her counsel's right to advise the witness as to any question posed for which an objection may properly be made. It also describes the witness's or counsel's rights to object to questions or requests that the witness is privileged to refuse to answer. This section of the Interim Final Rule states that counsel for the witness may not otherwise object to questions or interrupt the examination to make statements on the record but may request that the witness have an opportunity to clarify any of his or her answers. Finally, this section of the Interim Final Rule authorizes the Bureau investigator to take all necessary action during the course of the hearing to avoid delay and to prevent or restrain disorderly, dilatory, obstructionist, or contemptuous conduct, or contemptuous language.

A commenter noted that under the Interim Final Rule witnesses could not object during an investigational hearing on the ground that a question was outside the scope of the investigation. The commenter argued that a covered person's inability to raise such objections might allow "a fishing expedition." The commenter recommended amending § 1080.9(b) to allow objections based on scope.

Section 1052(c)(13)(D)(iii) of the Dodd-Frank Act states, in relevant part:

[a]n objection may properly be made, received, and entered upon the record when it is claimed that such person is entitled to

refuse to answer the question on grounds of any constitutional or other legal right or privilege, including the privilege against self-incrimination, but the person shall not otherwise object to or refuse to answer any question, and such person or attorney shall not otherwise interrupt the oral examination.

Thus, to the extent the scope objection was grounded in a witness's constitutional or other legal right, it would be a proper objection.

The Final Rule clarifies that counsel may confer with a witness while a question is pending or instruct a witness not to answer a question only if an objection based on privilege or work product may properly be made. The Final Rule also describes counsel's limited ability to make additional objections based on other constitutional or legal rights. The Final Rule provides that if an attorney has refused to comply with his or her obligations in the rules of this part, or has allegedly engaged in disorderly, dilatory, obstructionist, or contumacious conduct, or contemptuous language during an investigational hearing, the Bureau may take further action, including action to suspend or disbar the attorney from further participation in the investigation or further practice before the Bureau pursuant to 12 CFR 1081.107(c). The Final Rule also includes other nonsubstantive changes, including clarifying that the 30-day period that the witness has to sign and submit his or her transcript should be computed using calendar days.

Section 1080.10 Noncompliance With Civil Investigative Demands

This section of the Interim Final Rule authorizes the Director, the Assistant Director of the Office of Enforcement, and the General Counsel to initiate an action to enforce a CID in connection with the failure or refusal of a person to comply with, or to obey, a CID. In addition, they are authorized to seek civil contempt or other appropriate relief in cases where a court order enforcing a CID has been violated.

The Bureau received no comment on § 1080.10 of the Interim Final Rule and is adopting it as the Final Rule without substantive change.

Section 1080.11 Disposition

This section of the Interim Final Rule explains that an enforcement action may be instituted in Federal or State court or through administrative proceedings when warranted by the facts disclosed by an investigation. It further provides that the Bureau may refer investigations to appropriate Federal, State, or foreign government agencies as appropriate. This section of the Interim Final Rule

also authorizes the Assistant Director of the Office of Enforcement to close the investigation when the facts of an investigation indicate an enforcement action is not necessary or warranted in the public interest.

One commenter indicated that the Bureau's authority to refer investigations to other law enforcement agencies should be limited to circumstances when it is expressly authorized to do so by the Dodd-Frank Act, an enumerated consumer financial law, or other Federal law, because of potential risks to the confidentiality of the investigatory files.

The Bureau's ability to refer matters to appropriate law enforcement agencies is inherent in the Bureau's authority and is a corollary to the Bureau's statutorily recognized ability to conduct joint investigations. The documentary materials and tangible things obtained by the Bureau pursuant to a CID are subject to the requirements and procedures relating to disclosure of records and information in part 1070 of this title. These procedures for sharing information with law enforcement agencies provide significant and sufficient protections for these materials.

The Bureau has amended § 1080.11 to clarify that the Assistant Director and any Deputy Assistant Director of the Office of Enforcement are authorized to close investigations.

The Bureau adopts § 1080.11 of the Interim Final Rule with the changes discussed above.

Section 1080.12 Orders Requiring Witnesses To Testify or Provide Other Information and Granting Immunity

This section of the Interim Final Rule authorizes the Assistant Director of the Office of Enforcement to request approval from the Attorney General for the issuance of an order requiring a witness to testify or provide other information and granting immunity under 18 U.S.C. 6004. The Interim Final Rule also sets forth the Bureau's right to review the exercise of these functions and states that the Bureau will entertain an appeal from an order requiring a witness to testify or provide other information only upon a showing that a substantial question is involved, the determination of which is essential to serve the interests of justice. Finally, this section of the Interim Final Rule describes the applicable rules and time limits for such appeals.

A commenter questioned whether this section of the Interim Final Rule would permit any Bureau employee to request that the Attorney General approve the issuance of an order granting immunity

under 18 U.S.C. 6004 and requiring a witness to testify or provide information. The commenter noted that the Dodd-Frank Act authorizes the Bureau, with the Attorney General's permission, to compel a witness to testify under 18 U.S.C. 6004 if the witness invokes his or her privilege against self-incrimination. The commenter argued that this section should delegate the authority to seek permission to compel testimony to a specific individual to provide accountability and ensure that information is not disclosed to the Attorney General in a manner that violates the Right to Financial Privacy Act. The commenter noted that the FTC's analogous rule specifically lists the senior agency officials who are authorized to make such requests to the Attorney General, and identifies a liaison officer through whom such requests must be made. The commenter also suggested that § 1080.12(b) of the Interim Final Rule, which provides that the Assistant Director's exercise of this authority is subject to review by "the Bureau," specify who will conduct this review.

The Final Rule provides that only the Director of the Bureau has the authority to request approval from the Attorney General for the issuance of an order requiring a witness to testify or provide other information and granting immunity under 18 U.S.C. 6004. This change addresses the concern that requests for witness immunity would be made without oversight. Limiting this authority to the Director provides sufficient accountability.

Section 1080.13 Custodians

This section of the Interim Final Rule describes the procedures for designating a custodian and deputy custodian for material produced pursuant to a CID in an investigation. It also states that these materials are for the official use of the Bureau, but, upon notice to the custodian, must be made available for examination during regular office hours by the person who produced them.

A commenter suggested that the Bureau should detail the particular duties of custodians designated under this section and that, without an enumerated list of duties, the custodian would not have any responsibilities regarding CID materials. The commenter noted that the FTC Act requires the custodian to take specific actions, while the Dodd-Frank Act does not. The commenter suggested specifying a series of custodial duties, including (1) taking and maintaining custody of all materials submitted pursuant to CIDs or subpoenas that the Bureau issues,

including transcripts of oral testimony taken by the Bureau; (2) maintaining confidentiality of those materials as required by applicable law; (3) providing the materials to either House of Congress upon request, after ten days notice to the party that owns or submitted the materials; (4) producing any materials as required by a court of competent jurisdiction; and (5) complying at all times with the Trade Secrets Act.

Section 1052 of the Dodd-Frank Act sets forth the duties of the Bureau's custodian. Sections 1052(c)(3) through (c)(6) of the Dodd-Frank Act give the custodian responsibility for receiving documentary material, tangible things, written reports, answers to questions, and transcripts of oral testimony given by any person in compliance with any CID. Section 1052(d) of the Dodd-Frank Act, as well as the Bureau's Rules for Disclosure of Records and Information in part 1070 of this title, outline the requirements for the confidential treatment of demand material. Section 1052(g) addresses custodial control and provides that a person may file, in the district court of the United States for the judicial district within which the office of the custodian is situated, a petition for an order of such court requiring the performance by the custodian of any duty imposed upon him by section 1052 of the Dodd-Frank Act or by Bureau rule. These duties and obligations do not require additional clarification by rule.

The Final Rule clarifies that the custodian has the powers and duties of both section 1052 of the Dodd-Frank Act and 12 CFR 1070.3.

The Bureau adopts § 1080.13 of the Interim Final Rule with the changes discussed above.

Section 1080.14 Confidential Treatment of Demand Material and Non-Public Nature of Investigations

Section 1080.14 of the Interim Final Rule explains that documentary materials, written reports, answers to questions, tangible things, or transcripts of oral testimony received by the Bureau in any form or format pursuant to a CID are subject to the requirements and procedures relating to disclosure of records and information in part 1070 of this title. This section of the Interim Final Rule also states that investigations generally are non-public. A Bureau investigator may disclose the existence of an investigation to the extent necessary to advance the investigation.

A commenter recommended that the Bureau revise this section to mandate that Bureau investigations remain confidential. The commenter noted the

potential reputation risk to an entity if an investigation is disclosed to the public. In addition, the commenter argued that failing to conduct investigations confidentially will increase litigation risk. One commenter recommended that the Bureau issue a public absolution of a company if the Bureau does not maintain the confidentiality of an investigation.

Section 1080.14 of the Interim Final Rule provides that investigations generally will not be disclosed to the public, but permits Bureau investigators to disclose the existence of an investigation when necessary to advance the investigation. The Interim Final Rule does not contemplate publicizing an investigation, but rather disclosing the existence of the investigation to, for example, a potential witness or third party with potentially relevant information when doing so is necessary to advance the investigation. This limited exception sufficiently balances the concerns expressed by the commenter with the Bureau's need to obtain information efficiently.

Thus, the Bureau adopts § 1080.14 of the Interim Final Rule as the Final Rule without change.

VII. Section 1022(b)(2) Provisions

In developing the Final Rule, the Bureau has considered the potential benefits, costs, and impacts, and has consulted or offered to consult with the prudential regulators, HUD, the SEC, the Department of Justice, and the FTC, including with regard to consistency with any prudential, market, or systemic objectives administered by such agencies.¹

The Final Rule neither imposes any obligations on consumers nor is expected to have any appreciable impact on their access to consumer financial products or services. Rather, the Final Rule provides a clear, efficient mechanism for investigating compliance with the Federal consumer financial laws, which benefits consumers by creating a systematic process to protect them from unlawful behavior.

¹ Section 1022(b)(2)(A) of the Dodd-Frank Act addresses the consideration of the potential benefits and costs of regulation to consumers and covered persons, including the potential reduction of access by consumers to consumer financial products or services; the impact on depository institutions and credit unions with \$10 billion or less in total assets as described in section 1026 of the Dodd-Frank Act; and the impact on consumers in rural areas. Section 1022(b)(2)(B) addresses consultation between the Bureau and other Federal agencies during the rulemaking process. The manner and extent to which these provisions apply to procedural rules and benefits, costs and impacts that are compelled by statutory changes rather than discretionary Bureau action is unclear. Nevertheless, to inform this rulemaking more fully, the Bureau performed the described analyses and consultations.

The Final Rule imposes certain obligations on covered persons who receive CIDs in Bureau investigations. Specifically, as described above, the Final Rule sets forth the process for complying with or objecting to CIDs for documentary material, tangible things, written reports or answers to questions, and oral testimony. Most obligations in the Final Rule stem from express language in the Dodd-Frank Act and do not impose additional burdens on covered persons.

To the extent that the Final Rule includes provisions not expressly required by statute, these provisions benefit covered persons by providing clarity and certainty. In addition, the Final Rule vests the Bureau with discretion to modify CIDs or extend the time for compliance for good cause. This flexibility benefits covered persons by enabling the Bureau to assess the cost of compliance with a civil investigative demand in a particular circumstance and take appropriate steps to mitigate any unreasonable compliance burden.

Moreover, because the Final Rule is largely based on section 20 of the FTC Act and its corresponding regulations, it should present an existing, stable model of investigatory procedures to covered persons. This likely familiarity to covered persons should further reduce the compliance costs for covered persons.

The Final Rule provides that requests for extensions of time to file petitions to modify or set aside CIDs are disfavored. This may impose a burden on covered entities in some cases, but it may also lead to a more expeditious resolution of matters, reducing uncertainty. Furthermore, the Final Rule has no unique impact on insured depository institutions or insured credit unions with less than \$10 billion in assets as described in section 1026(a) of the Dodd-Frank Act. Nor does the Final Rule have a unique impact on rural consumers.

A commenter suggested that the Bureau conduct a nonpublic study of the impact of complying with a CID on the entities who have been subjected to them by other agencies, with specific focus on those that were found not to have violated the law. As the commenter implicitly recognizes, such data does not currently exist and thus was not reasonably available to the Bureau in finalizing the Interim Final Rule. Moreover, as explained above, most of the costs associated with complying with a CID result from the Dodd-Frank Act, which authorizes the Bureau to issue such demands.

A commenter asserted that disfavoring extensions of petitions to

modify or set aside CIDs will require the recipient to conduct a full review of the demanded material within the normal 20-day period in order to comply with the deadline for filing a petition. Under the Final Rule, recipients of a CID are not required to comply fully within twenty days; rather, they are required simply to decide whether they will comply with the demand at all. The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement have the discretion to negotiate and approve the terms of satisfactory compliance with CIDs and, for good cause shown, may extend the time prescribed for compliance. Thus, the Final Rule provides reasonable steps to mitigate compliance burden while simultaneously protecting the Bureau's law enforcement interests.

Another commenter stated that the four interim final rules that the Bureau promulgated together on July 28, 2011 failed to satisfy the rulemaking requirements under section 1022 of the Dodd-Frank Act. Specifically, the commenter stated that "the CFPB's analysis of the costs and benefits of its rules does not recognize the significant costs the CFPB imposes on covered persons." The Bureau believes that it appropriately considered the benefits, costs, and impacts of the Interim Final Rule pursuant to section 1022. Notably, the commenter did not identify any specific costs to covered persons that are not discussed in Part C of the SUPPLEMENTARY INFORMATION to the Interim Final Rule.

VIII. Procedural Requirements

As noted in publishing the Interim Final Rule, under the Administrative Procedure Act, 5 U.S.C. 553(b), notice and comment is not required for rules of agency organization, procedure, or practice. As discussed in the preamble to the Interim Final Rule, the Bureau confirms its finding that this is a procedural rule for which notice and comment is not required. In addition, because the Final Rule relates solely to agency procedure and practice, it is not subject to the 30-day delayed effective date for substantive rules under section 553(d) of the Administrative Procedure Act, 5 U.S.C. 551 *et seq.* Because no notice of proposed rulemaking is required, the requirements of the Regulatory Flexibility Act, 5 U.S.C. 601(2) do not apply. Finally, the Bureau has determined that this Final Rule does not impose any new recordkeeping, reporting, or disclosure requirements on covered entities or members of the public that would be collections of

information requiring approval under 44 U.S.C. 3501. *et seq.*

List of Subjects in 12 CFR Part 1080

Administrative practice and procedure, Banking, Banks, Consumer protection, Credit, Credit unions, Investigations, Law enforcement, National banks, Savings associations, Trade practices.

For the reasons set forth in the preamble, the Bureau of Consumer Financial Protection revises part 1080 to Chapter X in Title 12 of the Code of Federal Regulations to read as follows:

PART 1080—RULES RELATING TO INVESTIGATIONS

Sec.

- 1080.1 Scope.
- 1080.2 Definitions.
- 1080.3 Policy as to private controversies.
- 1080.4 Initiating and conducting investigations.
- 1080.5 Notification of purpose.
- 1080.6 Civil investigative demands.
- 1080.7 Investigational hearings.
- 1080.8 Withholding requested material.
- 1080.9 Rights of witnesses in investigations.
- 1080.10 Noncompliance with civil investigative demands.
- 1080.11 Disposition.
- 1080.12 Orders requiring witnesses to testify or provide other information and granting immunity.
- 1080.13 Custodians.
- 1080.14 Confidential treatment of demand material and non-public nature of investigations.

Authority: Pub. L. 111–203, Title X, 12 U.S.C. 5481 *et seq.*

§ 1080.1 Scope.

The rules of this part apply to Bureau investigations conducted pursuant to section 1052 of the Dodd-Frank Act, 12 U.S.C. 5562.

§ 1080.2 Definitions.

For the purposes of this part, unless explicitly stated to the contrary:

Bureau means the Bureau of Consumer Financial Protection.

Bureau investigation means any inquiry conducted by a Bureau investigator for the purpose of ascertaining whether any person is or has been engaged in any conduct that is a violation.

Bureau investigator means any attorney or investigator employed by the Bureau who is charged with the duty of enforcing or carrying into effect any Federal consumer financial law.

Custodian means the custodian or any deputy custodian designated by the Bureau for the purpose of maintaining custody of information produced pursuant to this part.

Director means the Director of the Bureau or a person authorized to

perform the functions of the Director in accordance with the law.

Documentary material means the original or any copy of any book, document, record, report, memorandum, paper, communication, tabulation, chart, log, electronic file, or other data or data compilation stored in any medium, including electronically stored information.

Dodd-Frank Act means the Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010, as amended, Public Law 111–203 (July 21, 2010), Title X, codified at 12 U.S.C. 5481 *et seq.*

Electronically stored information (ESI) means any information stored in any electronic medium from which information can be obtained either directly or, if necessary, after translation by the responding party into a reasonably usable form.

Office of Enforcement means the office of the Bureau responsible for enforcement of Federal consumer financial law.

Person means an individual, partnership, company, corporation, association (incorporated or unincorporated), trust, estate, cooperative organization, or other entity.

Violation means any act or omission that, if proved, would constitute a violation of any provision of Federal consumer financial law.

§ 1080.3 Policy as to private controversies.

The Bureau shall act only in the public interest and will not initiate an investigation or take other enforcement action when the alleged violation is merely a matter of private controversy and does not tend to affect adversely the public interest.

§ 1080.4 Initiating and conducting investigations.

The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement have the nondelegable authority to initiate investigations. Bureau investigations are conducted by Bureau investigators designated and duly authorized under section 1052 of the Dodd-Frank Act, 12 U.S.C. 5562, to conduct such investigations. Bureau investigators are authorized to exercise and perform their duties in accordance with the laws of the United States and the regulations of the Bureau.

§ 1080.5 Notification of purpose.

Any person compelled to furnish documentary material, tangible things, written reports or answers to questions, oral testimony, or any combination of

such material, answers, or testimony to the Bureau shall be advised of the nature of the conduct constituting the alleged violation that is under investigation and the provisions of law applicable to such violation.

§ 1080.6 Civil investigative demands.

(a) *In general.* In accordance with section 1052(c) of the Act, the Director of the Bureau, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement, have the nondelegable authority to issue a civil investigative demand in any Bureau investigation directing the person named therein to produce documentary material for inspection and copying or reproduction in the form or medium requested by the Bureau; to submit tangible things; to provide a written report or answers to questions; to appear before a designated representative at a designated time and place to testify about documentary material, tangible things, or other information; and to furnish any combination of such material, things, answers, or testimony.

(1) *Documentary material.* (i) Civil investigative demands for the production of documentary material shall describe each class of material to be produced with such definiteness and certainty as to permit such material to be fairly identified, prescribe a return date or dates that will provide a reasonable period of time within which the material so demanded may be assembled and made available for inspection and copying or reproduction, and identify the custodian to whom such material shall be made available. Documentary material for which a civil investigative demand has been issued shall be made available as prescribed in the civil investigative demand.

(ii) Production of documentary material in response to a civil investigative demand shall be made under a sworn certificate, in such form as the demand designates, by the person to whom the demand is directed or, if not a natural person, by any person having knowledge of the facts and circumstances relating to such production, to the effect that all of the documentary material required by the demand and in the possession, custody, or control of the person to whom the demand is directed has been produced and made available to the custodian.

(2) *Tangible things.* (i) Civil investigative demands for tangible things shall describe each class of tangible things to be produced with such definiteness and certainty as to permit such things to be fairly identified, prescribe a return date or

dates which will provide a reasonable period of time within which the things so demanded may be assembled and submitted, and identify the custodian to whom such things shall be submitted.

(ii) Submissions of tangible things in response to a civil investigative demand shall be made under a sworn certificate, in such form as the demand designates, by the person to whom the demand is directed or, if not a natural person, by any person having knowledge of the facts and circumstances relating to such production, to the effect that all of the tangible things required by the demand and in the possession, custody, or control of the person to whom the demand is directed have been submitted to the custodian.

(3) *Written reports or answers to questions.* (i) Civil investigative demands for written reports or answers to questions shall propound with definiteness and certainty the reports to be produced or the questions to be answered, prescribe a date or dates at which time written reports or answers to questions shall be submitted, and identify the custodian to whom such reports or answers shall be submitted.

(ii) Each reporting requirement or question in a civil investigative demand shall be answered separately and fully in writing under oath. Responses to a civil investigative demand for a written report or answers to questions shall be made under a sworn certificate, in such form as the demand designates, by the person to whom the demand is directed or, if not a natural person, by any person responsible for answering each reporting requirement or question, to the effect that all of the information required by the demand and in the possession, custody, control, or knowledge of the person to whom the demand is directed has been submitted to the custodian.

(4) *Oral testimony.* (i) Civil investigative demands for the giving of oral testimony shall prescribe a date, time, and place at which oral testimony shall be commenced, and identify a Bureau investigator who shall conduct the investigation and the custodian to whom the transcript of such investigation shall be submitted. Oral testimony in response to a civil investigative demand shall be taken in accordance with the procedures for investigational hearings prescribed by §§ 1080.7 and 1080.9 of this part.

(ii) Where a civil investigative demand requires oral testimony from an entity, the civil investigative demand shall describe with reasonable particularity the matters for examination and the entity must designate one or more officers, directors, or managing

agents, or designate other persons who consent to testify on its behalf. Unless a single individual is designated by the entity, the entity must designate the matters on which each designee will testify. The individuals designated must testify about information known or reasonably available to the entity and their testimony shall be binding on the entity.

(b) *Manner and form of production of ESI.* When a civil investigative demand requires the production of ESI, it shall be produced in accordance with the instructions provided by the Bureau regarding the manner and form of production. Absent any instructions as to the form for producing ESI, ESI must be produced in the form in which it is ordinarily maintained or in a reasonably usable form.

(c) *Meet and confer.* The recipient of a civil investigative demand shall meet and confer with a Bureau investigator within 10 calendar days after receipt of the demand or before the deadline for filing a petition to modify or set aside the demand, whichever is earlier, to discuss and attempt to resolve all issues regarding compliance with the civil investigative demand. The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement may authorize the waiver of this requirement for routine third-party civil investigative demands or in other circumstances where he or she determines that a meeting is unnecessary. The meeting may be in person or by telephone.

(1) *Personnel.* The recipient must make available at the meeting personnel with the knowledge necessary to resolve any issues relevant to compliance with the demand. Such personnel could include individuals knowledgeable about the recipient's information or records management systems and/or the recipient's organizational structure.

(2) *ESI.* If the civil investigative demand seeks ESI, the recipient shall ensure that a person familiar with its ESI systems and methods of retrieval participates in the meeting.

(3) *Petitions.* The Bureau will not consider petitions to set aside or modify a civil investigative demand unless the recipient has meaningfully engaged in the meet and confer process described in this subsection and will consider only issues raised during the meet and confer process.

(d) *Compliance.* The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement are authorized to negotiate and approve the terms of satisfactory compliance with civil investigative demands and, for good

cause shown, may extend the time prescribed for compliance.

(e) *Petition for order modifying or setting aside demand—in general.* Any petition for an order modifying or setting aside a civil investigative demand shall be filed with the Executive Secretary of the Bureau with a copy to the Assistant Director of the Office of Enforcement within 20 calendar days after service of the civil investigative demand, or, if the return date is less than 20 calendar days after service, prior to the return date. Such petition shall set forth all factual and legal objections to the civil investigative demand, including all appropriate arguments, affidavits, and other supporting documentation. The attorney who objects to a demand must sign any objections.

(1) *Statement.* Each petition shall be accompanied by a signed statement representing that counsel for the petitioner has conferred with counsel for the Bureau pursuant to section 1080.6(c) in a good-faith effort to resolve by agreement the issues raised by the petition and has been unable to reach such an agreement. If some of the matters in controversy have been resolved by agreement, the statement shall specify the matters so resolved and the matters remaining unresolved. The statement shall recite the date, time, and place of each such meeting between counsel, and the names of all parties participating in each such meeting.

(2) *Extensions of time.* The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement are authorized to rule upon requests for extensions of time within which to file such petitions. Requests for extensions of time are disfavored.

(3) *Bureau investigator response.* Bureau investigators may, without serving the petitioner, provide the Director with a statement setting forth any factual and legal response to a petition for an order modifying or setting aside the demand.

(4) *Disposition.* The Director has the authority to rule upon a petition for an order modifying or setting aside a civil investigative demand. The order may be served on the petitioner via email, facsimile, or any other method reasonably calculated to provide notice of the order to the petitioner.

(f) *Stay of compliance period.* The timely filing of a petition for an order modifying or setting aside a civil investigative demand shall stay the time permitted for compliance with the portion challenged. If the petition is denied in whole or in part, the ruling will specify a new return date.

(g) *Public disclosure.* All such petitions and the Director's orders in response to those petitions are part of the public records of the Bureau unless the Bureau determines otherwise for good cause shown. Any showing of good cause must be made no later than the time the petition is filed.

§ 1080.7 Investigational hearings.

(a) Investigational hearings, as distinguished from hearings in adjudicative proceedings, may be conducted pursuant to a civil investigative demand for the giving of oral testimony in the course of any Bureau investigation, including inquiries initiated for the purpose of determining whether or not a respondent is complying with an order of the Bureau.

(b) Investigational hearings shall be conducted by any Bureau investigator for the purpose of hearing the testimony of witnesses and receiving documentary material, tangible things, or other information relating to any subject under investigation. Such hearings shall be under oath or affirmation and stenographically reported, and a transcript thereof shall be made a part of the record of the investigation. The Bureau investigator conducting the investigational hearing also may direct that the testimony be recorded by audio, audiovisual, or other means, in which case the recording shall be made a part of the record of the investigation as well.

(c) In investigational hearings, the Bureau investigators shall exclude from the hearing room all persons except the person being examined, his or her counsel, the officer before whom the testimony is to be taken, any investigator or representative of an agency with which the Bureau is engaged in a joint investigation, and any individual transcribing or recording such testimony. At the discretion of the Bureau investigator, and with the consent of the person being examined, persons other than those listed in this paragraph may be present in the hearing room. The Bureau investigator shall certify or direct the individual transcribing the testimony to certify on the transcript that the witness was duly sworn and that the transcript is a true record of the testimony given by the witness. A copy of the transcript shall be forwarded promptly by the Bureau investigator to the custodian designated in section 1080.13.

§ 1080.8 Withholding requested material.

(a) Any person withholding material responsive to a civil investigative demand or any other request for

production of material shall assert a claim of privilege not later than the date set for the production of material. Such person shall, if so directed in the civil investigative demand or other request for production, submit, together with such claim, a schedule of the items withheld which states, as to each such item, the type, specific subject matter, and date of the item; the names, addresses, positions, and organizations of all authors and recipients of the item; and the specific grounds for claiming that the item is privileged. The person who submits the schedule and the attorney stating the grounds for a claim that any item is privileged must sign it.

(b) A person withholding material solely for reasons described in this subsection shall comply with the requirements of this subsection in lieu of filing a petition for an order modifying or setting aside a civil investigative demand pursuant to section 1080.6(e).

(c) Disclosure of privileged or protected information or communications produced pursuant to a civil investigative demand shall be handled as follows:

(1) The disclosure of privileged or protected information or communications shall not operate as a waiver with respect to the Bureau if:

(i) The disclosure was inadvertent;

(ii) The holder of the privilege or protection took reasonable steps to prevent disclosure; and

(iii) The holder promptly took reasonable steps to rectify the error, including notifying a Bureau investigator of the claim of privilege or protection and the basis for it.

(2) After being notified, the Bureau investigator must promptly return, sequester, or destroy the specified information and any copies; must not use or disclose the information until the claim is resolved; must take reasonable steps to retrieve the information if he or she disclosed it before being notified; and, if appropriate, may sequester such material until such time as a hearing officer or court rules on the merits of the claim of privilege or protection. The producing party must preserve the information until the claim is resolved.

(3) The disclosure of privileged or protected information or communications shall waive the privilege or protection with respect to the Bureau as to undisclosed information or communications only if:

(i) The waiver is intentional;

(ii) The disclosed and undisclosed information or communications concern the same subject matter; and

(iii) They ought in fairness to be considered together.

§ 1080.9 Rights of witnesses in investigations.

(a) Any person compelled to submit documentary material, tangible things, or written reports or answers to questions to the Bureau, or to testify in an investigational hearing, shall be entitled to retain a copy or, on payment of lawfully prescribed costs, request a copy of the materials, things, reports, or written answers submitted, or a transcript of his or her testimony. The Bureau, however, may for good cause deny such a request and limit the witness to inspection of the official transcript of the testimony. Upon completion of transcription of the testimony of the witness, the witness shall be offered an opportunity to read the transcript of his or her testimony. Any changes by the witness shall be entered and identified upon the transcript by the Bureau investigator with a statement of the reasons given by the witness for making such changes. The transcript shall then be signed by the witness and submitted to the Bureau unless the witness cannot be found, is ill, waives in writing his or her right to signature, or refuses to sign. If the signed transcript is not submitted to the Bureau within 30 calendar days of the witness being afforded a reasonable opportunity to review it, the Bureau investigator, or the individual transcribing the testimony acting at the Bureau investigator's direction, shall sign the transcript and state on the record the fact of the waiver, illness, absence of the witness, or the refusal to sign, together with any reasons given for the failure to sign.

(b) Any witness compelled to appear in person at an investigational hearing may be accompanied, represented, and advised by counsel as follows:

(1) Counsel for a witness may advise the witness, in confidence and upon the initiative of either counsel or the witness, with respect to any question asked of the witness where it is claimed that a witness is privileged to refuse to answer the question. Counsel may not otherwise consult with the witness while a question directed to the witness is pending.

(2) Any objections made under the rules in this part shall be made only for the purpose of protecting a constitutional or other legal right or privilege, including the privilege against self-incrimination. Neither the witness nor counsel shall otherwise object or refuse to answer any question. Any objection during an investigational hearing shall be stated concisely on the record in a nonargumentative and nonsuggestive manner. Following an objection, the examination shall proceed

and the testimony shall be taken, except for testimony requiring the witness to divulge information protected by the claim of privilege or work product.

(3) Counsel for a witness may not, for any purpose or to any extent not allowed by paragraphs (b)(1) and (2) of this section, interrupt the examination of the witness by making any objections or statements on the record. Petitions challenging the Bureau's authority to conduct the investigation or the sufficiency or legality of the civil investigative demand shall be addressed to the Bureau in advance of the hearing in accordance with § 1080.6(e). Copies of such petitions may be filed as part of the record of the investigation with the Bureau investigator conducting the investigational hearing, but no arguments in support thereof will be allowed at the hearing.

(4) Following completion of the examination of a witness, counsel for the witness may, on the record, request that the Bureau investigator conducting the investigational hearing permit the witness to clarify any of his or her answers. The grant or denial of such request shall be within the sole discretion of the Bureau investigator conducting the hearing.

(5) The Bureau investigator conducting the hearing shall take all necessary action to regulate the course of the hearing to avoid delay and to prevent or restrain disorderly, dilatory, obstructionist, or contumacious conduct, or contemptuous language. Such Bureau investigator shall, for reasons stated on the record, immediately report to the Bureau any instances where an attorney has allegedly refused to comply with his or her obligations under the rules in this part, or has allegedly engaged in disorderly, dilatory, obstructionist, or contumacious conduct, or contemptuous language in the course of the hearing. The Bureau will thereupon take such further action, if any, as the circumstances warrant, including actions consistent with those described in 12 CFR 1081.107(c) to suspend or disbar the attorney from further practice before the Bureau or exclude the attorney from further participation in the particular investigation.

§ 1080.10 Noncompliance with civil investigative demands.

(a) In cases of failure to comply in whole or in part with Bureau civil investigative demands, appropriate action may be initiated by the Bureau, including actions for enforcement.

(b) The Director, the Assistant Director of the Office of Enforcement,

and the General Counsel of the Bureau are authorized to:

(1) Institute, on behalf of the Bureau, an enforcement proceeding in the district court of the United States for any judicial district in which a person resides, is found, or transacts business, in connection with the failure or refusal of such person to comply with, or to obey, a civil investigative demand in whole or in part if the return date or any extension thereof has passed; and

(2) Seek civil contempt or other appropriate relief in cases where a court order enforcing a civil investigative demand has been violated.

§ 1080.11 Disposition.

(a) When the facts disclosed by an investigation indicate that an enforcement action is warranted, further proceedings may be instituted in Federal or State court or pursuant to the Bureau's administrative adjudicatory process. Where appropriate, the Bureau also may refer investigations to appropriate Federal, State, or foreign governmental agencies.

(b) When the facts disclosed by an investigation indicate that an enforcement action is not necessary or would not be in the public interest, the investigational file will be closed. The matter may be further investigated, at any time, if circumstances so warrant.

(c) The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement are authorized to close Bureau investigations.

§ 1080.12 Orders requiring witnesses to testify or provide other information and granting immunity.

The Director has the nondelegable authority to request approval from the Attorney General of the United States for the issuance of an order requiring a witness to testify or provide other information and granting immunity under 18 U.S.C. 6004.

§ 1080.13 Custodians.

(a) The Bureau shall designate a custodian and one or more deputy custodians for material to be delivered pursuant to a civil investigative demand in an investigation. The custodian shall have the powers and duties prescribed by 12 CFR 1070.3 and section 1052 of the Act, 12 U.S.C. 5562. Deputy custodians may perform all of the duties assigned to custodians.

(b) Material produced pursuant to a civil investigative demand, while in the custody of the custodian, shall be for the official use of the Bureau in accordance with the Act; but such material shall upon reasonable notice to the custodian

be made available for examination by the person who produced such material, or his or her duly authorized representative, during regular office hours established for the Bureau.

§ 1080.14 Confidential treatment of demand material and non-public nature of investigations.

(a) Documentary materials, written reports, answers to questions, tangible things or transcripts of oral testimony the Bureau receives in any form or format pursuant to a civil investigative demand are subject to the requirements and procedures relating to the disclosure of records and information set forth in part 1070 of this title.

(b) Bureau investigations generally are non-public. Bureau investigators may disclose the existence of an investigation to potential witnesses or third parties to the extent necessary to advance the investigation.

Dated: June 4, 2012.

Richard Cordray,
Director, Bureau of Consumer Financial Protection.

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BUREAU OF CONSUMER FINANCIAL PROTECTION

12 CFR Part 1082

[Docket No. CFPB-2011-0005]

RIN 3170-AA02

State Official Notification Rule

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Final rule.

SUMMARY: The Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010 (Dodd-Frank Act) requires the Bureau of Consumer Financial Protection (Bureau) to prescribe rules establishing procedures that govern the process by which State Officials notify the Bureau of actions undertaken pursuant to the authority granted to the States to enforce the Dodd-Frank Act or regulations prescribed thereunder. This final State Official Notification Rule (Final Rule) sets forth the procedures to govern this process.

DATES: The Final Rule is effective June 29, 2012.

FOR FURTHER INFORMATION CONTACT: Veronica Spicer, Office of Enforcement, Consumer Financial Protection Bureau, 1700 G Street NW., Washington, DC 20552, at (202) 435-7545.

SUPPLEMENTARY INFORMATION:

I. Background

The Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010 (Dodd-Frank Act) was signed into law on July 21, 2010. Title X of the Dodd-Frank Act established the Bureau to regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws. Section 1042 of the Dodd-Frank Act, 12 U.S.C. 5552, governs the enforcement powers of the States under the Dodd-Frank Act. Under section 1042(a), a State attorney general or regulator (State Official) may bring an action to enforce Title X of the Dodd-Frank Act and regulations issued thereunder. Prior to initiating any such action, the State Official is required to provide notice of the action to the Bureau and the prudential regulator, if any, pursuant to section 1042(b) of the Dodd-Frank Act. Section 1042(b) further authorizes the Bureau to intervene in the State Official's action as a party, remove the action to a Federal district court, and appeal any order or judgment.

Pursuant to section 1042(c) of the Dodd-Frank Act, the Bureau is required to issue regulations implementing the requirements of section 1042. On July 28, 2011, the Bureau promulgated the State Official Notification Rule (Interim Final Rule) with a request for comment. The comment period for the Interim Final Rule ended on September 26, 2011. After reviewing and considering the issues raised by the comments, the Bureau now promulgates the Final Rule establishing a procedure for the timing and content of the notice required to be provided by State Officials pursuant to section 1042(b) of the Dodd-Frank Act, 12 U.S.C. 5552(b).

II. Summary of the Final Rule

Like the Interim Final Rule, the Final Rule implements a procedure for the timing and content of the notice required by section 1042(b), sets forth the responsibilities of the recipients of the notice, and specifies the rights of the Bureau to participate in actions brought by State Officials under section 1042(a) of the Dodd-Frank Act. In drafting the Final Rule, the Bureau endeavored to create a process that would provide both the Bureau and, where applicable, the prudential regulators with timely notice of pending actions and account for the investigation and litigation needs of State regulators and law enforcement agencies. In keeping with this approach, the Final Rule provides for a default notice period of at least ten calendar days, with exceptions for emergencies and other extenuating circumstances,

and requires substantive notice that is both straightforward and comprehensive. The Final Rule further makes clear that the Bureau can intervene as a party in an action brought by a State Official under Title X of the Dodd-Frank Act or a regulation prescribed thereunder, provides for the confidential treatment of non-public information contained in the notice if a State so requests, and provides that provision of notice shall not be deemed a waiver of any applicable privilege. In addition, the Final Rule specifies that the notice provisions do not create any procedural or substantive rights for parties in litigation against the United States or against a State that brings an action under Title X of the Dodd-Frank Act or a regulation prescribed thereunder.

III. Legal Authority

Section 1042(c) of the Dodd-Frank Act authorizes the Bureau to prescribe regulations implementing the requirements of section 1042(b). In addition, the Bureau has general rulemaking authority pursuant to section 1022(b)(1) of the Dodd-Frank Act to prescribe rules to enable the Bureau to administer and carry out the purposes and objectives of the Federal consumer financial laws and to prevent evasions thereof.

IV. Overview of Comments Received

In response to the Interim Final Rule, the Bureau received several comments. Four letters were received from associations representing the financial industry, two letters were received from financial industry regulators and supervisors, and one letter was received from an individual consumer. The Bureau also received a comment letter from a financial industry regulator in response to its *Federal Register* notification of November 21, 2011, regarding the information collection requirements associated with the Interim Final Rule pursuant to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. All of the comments are available for review on www.regulations.gov.

The financial industry associations' comments fell into several general categories. Several comments expressed concerns about the Bureau's ability to maintain confidentiality for notification materials received by the Bureau. Other commenters requested clarity as to the type of actions for which the Bureau requires notification. One commenter requested that the Bureau require uniform interpretation by States of all Federal law within the Bureau's jurisdiction.

Civil Investigative Demand Document Submission Standards

CFPB Office of Enforcement

CID Document Submission Standards

This describes the technical requirements for producing electronic document collections to the Consumer Finance Protection Bureau (“the Bureau”)’s Office of Enforcement. All documents shall be produced in complete form, in color when necessary to interpret the document, unredacted unless privileged, and shall not be edited, cut, or expunged. These standards must be followed for all documents you submit in response to the CID. Any proposed file formats other than those described below must be discussed with the legal and technical staff of the Bureau’s Office of Enforcement prior to submission.

Table of Contents

<i>CID Document Submission Standards</i>	2
<i>Table of Contents</i>	3
<i>A. Transmittal Instructions</i>	4
<i>B. Delivery Formats</i>	6
1) General ESI Standards	6
2) Native and Image Production	7
a) Metadata File	7
b) Document Text.....	9
c) Linked Native Files.....	10
d) Images	10
e) Image Cross Reference File	10
3) PDF File Production	11
4) Transactional Data	11
5) Audio/Video/Electronic Phone Records	12
<i>C. Production of Partially Privileged Documents</i>	14

A. Transmittal Instructions

- 1) A cover letter should be included with each production. The following information should be included in the letter:
 - a) Name of the party making the production and the date of the CID to which the submission is responsive.
 - b) List of each piece of media (hard drive, thumb drive, DVD or CD) included in the production (refer to the media by the unique number assigned to it, see ¶ 4)
 - c) List of custodians, identifying:
 - i) The Bates Range (and any gaps therein) for each custodian,
 - ii) Total number of images for each custodian, and
 - iii) Total number of native files for each custodian
 - d) List of fields in the order in which they are listed in the metadata load file.
 - e) Time zone in which emails were standardized during conversion (email collections only).
 - f) The specification(s) or portions thereof of the CID to which the submission is responsive.
- 2) Documents created or stored electronically **MUST** be produced in their original electronic format, not converted to another format such as PDF.
- 3) Data may be produced on CD, DVD, USB thumb drive, or hard drive; use the media requiring the least number of deliverables.
 - a) Magnetic media shall be carefully packed to avoid damage and must be clearly marked on the outside of the shipping container:
 - i) "MAGNETIC MEDIA – DO NOT USE METAL DETECTOR"
 - ii) "MAY BE OPENED FOR POSTAL INSPECTION"
 - b) CD-R CD-ROMs should be formatted to ISO 9660 specifications;
 - c) DVD-ROMs for Windows-compatible personal computers are acceptable;
 - d) USB 2.0 thumb drives for Windows-compatible personal computers are acceptable;

- e) USB 3.0 or USB 3.0/eSATA external hard disk drives, formatted in a Microsoft Windows-compatible file system (FAT32 or NTFS), uncompressed data are acceptable.
- 4) Label all media with the following:
 - a) Production date
 - b) Bates range
 - c) Disk number (1 of X), if applicable
 - d) Name of producing party
 - e) A unique production number identifying each production
- 5) All productions must be produced free of computer viruses. Infected productions may affect the timing of your compliance with the CID.
- 6) All produced media must be encrypted. Encryption format must be agreed upon prior to production.
 - a) Data deliveries should be encrypted at the disc level.
 - b) Decryption keys should be provided separately from the data delivery via email or phone.
- 7) Passwords for documents, files, and compressed archives should be provided separately either via email or in a separate cover letter from the data.

B. Delivery Formats

1) General ESI Standards

Before submitting any Electronically Stored Information (“ESI”) or any other documents submitted in electronic form that do not conform completely to the listed specifications, you must confirm with the Bureau that the proposed formats and media types that contain such ESI will be acceptable. You are encouraged to discuss your specific form of submission, and any related questions with the Bureau as soon as is practicable and not later than the Meet and Confer required pursuant to 12 C.F.R. § 1080.6(c).

All productions must follow the specifications outlined below:

De-duplication

De-duplication of documents should be applied across custodians (global); each custodian should be identified in the Custodian field in the metadata load file separated by semi-colon. The first name in the Custodian list should represent the original holder of the document.

Bates Numbering Documents

The Bates number must be a unique, sequential, consistently formatted identifier, i.e., an alpha prefix unique to each producing party along with a fixed length number, i.e., ABC0000001. This format must remain consistent across all productions. There should be no space in between the prefix and the number. The number of digits in the numeric portion of the format should not change in subsequent productions, nor should hyphens or other separators be added or deleted.

Document Retention / Preservation of Metadata

The recipient of this CID should use reasonable measures to maintain the original native source documents in a manner so as to preserve the metadata associated with these

electronic materials as it existed at the time of the original creation.

2) Native and Image Production

In general, and subject to the specific instructions below: (1) produce electronic documents in their complete native/original format along with corresponding bates-labeled single page TIFF images; (2) scan and process all paper documents into single page TIFF images, OCR the images, and apply bates numbers to each page of the image; (3) produce fully searchable document level text for every produced document; and (4) produce metadata for every produced document in a data file that conforms to the specific instructions below.

a) Metadata File

All produced documents, regardless of their original file format, must be produced with the below-described metadata fields in a data file (.DAT).

- i) The first line of the .DAT file must be a header row identifying the field names.
- ii) The .DAT file must use the following default delimiters:

TABLE 1: DAT FILE DELIMITERS

Comma	,	ASCII character (020)
Quote	"	ASCII character (254)
Newline	␣	ASCII character (174)

- iii) Date fields should be provided in the format: mm/dd/yyyy
- iv) All attachments should sequentially follow the parent document/email.
- v) All documents shall be produced in both their native/original form and as a corresponding bates-labeled single page TIFF image; provide the link to the original/native document in the NATIVELINK field.
- vi) Produce extracted metadata for each document in the form of a .DAT file, and include these fields (fields should be listed but left blank if not applicable):

TABLE 2: DAT FILE FIELDS

Field Name	Description
BATES_BEGIN	First Bates number of native file document/email
BATES_END	Last Bates number of native file document/email **The BATES_END field should be populated for single page documents/emails
ATTACH_BEGIN	First Bates number of attachment/family range
ATTACH_END	Last Bates number of attachment/family range
GROUP_ID	A unique family identifier used to link documents/emails and attachments
PRIV	Indicate "YES" if document has a Privilege claim
ROG_NUM	Indicate Interrogatory number(s) document is responsive to. (ROG ##) If multiple, separate by semi-colon
DR_NUM	Indicate Document Request document is responsive to. (DR ##) If multiple, separate by semi-colon
RECORDTYPE	Email: Populate field as "E-Mail" Attachment: Populate field as "Attachment" Email Attachment: Populate field as "Attachment (E-mail)" Loose Native: Populate field as "E-Document" Scanned Paper: Populate field as "Paper"
CUSTODIAN	Individual(s) or department(s) from which the record originated **semi-colon should be used to separate multiple entries
FROM	Email: Sender of email Non-email: (empty) **semi-colon should be used to separate multiple entries
TO	Email: Recipient(s) of email **semi-colon should be used to separate multiple entries
CC	Carbon copy recipient(s) **semi-colon should be used to separate multiple entries
BCC	Blind carbon copy recipient(s) **semi-colon should be used to separate multiple entries
SUBJECT	Subject line of the email
DATE_SENT	Email: Date the email was sent
TIME_SENT	Email: Time the email was sent **This data must be a separate field and cannot be combined with the DATE_SENT field

DATE_RECVD	Email: Date the email was received
TIME_RECVD	Email: Time the email was received
NATIVELINK	Hyperlink to the email or native file document **The linked file must be named per the BATES_BEGIN Number
FILE_EXT	The file extension representing the email or native file document
AUTHOR	Email: (empty) Non-email: Author of the document
DATE_CREATED	The date the electronic file was created
TIME_CREATED	The time the electronic file was created
DATE_MOD	Date an electronic file was last modified
TIME_MOD	Time an electronic file was last modified
PRINT_DATE	Date the document was last printed
PRINT_TIME	Time the document was last printed
FILE_SIZE	Size of native file document/email in KB
PGCOUNT	Number of pages in document/email
SOURCE	Email: Path to email container and email container name Non-email: Original path to source archive folder or files
FOLDERPATH	Email: Folder path within email container Non-email: Folder path to file
FILENAME	Email: Filename of loose email or subject of non-loose email Non-email: original file name
MD5HASH	The 32 digit value representing each unique document
TEXTPATH	Contains path to OCR/Extracted text file that is titled after the document BATES_BEGIN

b) Document Text

Searchable text of the entire document must be provided for every record, at the document level.

- i) Extracted text must be provided for all documents that originated in electronic format.

Note: Any document in which text cannot be extracted must be OCR'd.

- ii) For documents redacted on the basis of any privilege, provide the OCR text for unredacted/unprivileged portions.
- iii) The text should be delivered in the following method: As multi-page ASCII text

files with the files named the same as the Bates_Begin field. Text files can be placed in a separate folder or included with the .TIFF files.

c) Linked Native Files

Copies of original email and native file documents/attachments must be included for all electronic productions.

- i) Native file documents must be named per the BATES_BEGIN number (the original file name should be preserved and produced in the FILENAME metadata field).
- ii) The full path of the native file must be provided in the .DAT file in the NATIVELINK field.

d) Images

- i) Images should be single-page, Group IV TIFF files, scanned at 300 dpi.
- ii) File names should be titled per endorsed bates number.
- iii) Color should be preserved when necessary to interpret the document.
- iv) Bates numbers should be endorsed on the lower right corner of all images.
- v) For documents partially redacted on the basis of any privilege, ensure the redaction box is clearly labeled "REDACTED".

e) Image Cross Reference File

- i) The image cross-reference file is needed to link the images to the database. It is a comma-delimited file consisting of seven fields per line. There must be a line in the cross-reference file for every image in the database.

TABLE 3: IMAGE CROSS REFERENCE FILE FIELDS

Field Title	Description
ImageID	The unique designation use to identify an image.
	Note: This imageID key must be a unique and fixed length number. This number will be used in the .DAT file as the ImageID field that links the database to the images. The format of this image key must be consistent across all productions. We recommend that the format be an eight digit number to allow for the possible increase in the size of a production.
VolumeLabel	Optional
ImageFilePath	The full path to the image file.
DocumentBreak	The letter "Y" denotes the first page of a document. If this field is blank, then the page is not the first page of a document.
FolderBreak	Leave empty

BoxBreak	Leave empty
PageCount	Optional
	<i>*This file should not contain a header row.</i>

SAMPLE:

IMG0000001,OPTIONALVOLUMENAME,E:\001\IMG0000001.TIF,Y,,,3
 IMG0000002,OPTIONALVOLUMENAME,E:\001\IMG0000002.TIF,,,,
 IMG0000003,OPTIONALVOLUMENAME,E:\001\IMG0000003.TIF,,,,
 IMG0000004,OPTIONALVOLUMENAME,E:\001\IMG0000003.TIF,Y,,,1
 IMG0000005,OPTIONALVOLUMENAME,E:\001\IMG0000003.TIF,Y,,,2
 IMG0000006,OPTIONALVOLUMENAME,E:\001\IMG0000003.TIF,,,,

3) PDF File Production

When approved, Adobe PDF files may be produced in lieu of TIFF images for scanned paper productions (metadata must also be produced in accordance with the instructions above):

- PDF files should be produced in separate folders named by the Custodian.
- All PDFs must be unitized at the document level, i.e. each PDF should represent a discrete document; a single PDF cannot contain multiple documents.
- All attachments should sequentially follow the parent document.
- All PDF files must contain embedded text that includes all discernible words within the document, not selected text only. This requires all layers of the PDF to be flattened first.
- If PDF files are Bates endorsed, the PDF files must be named by the Bates range
- The metadata load file listed in 2.a. should be included.

4) Transactional Data

If transactional data must be produced, further discussion must be had to ensure the intended export is properly composed. If available, a data dictionary should accompany the production, if unavailable; a description of fields should accompany transactional data productions. The following formats are acceptable:

- SQL Backup file
- MS Access
- XML
- CSV

- TSV
- Excel (with prior approval)

5) Audio/Video/Electronic Phone Records

- a) Audio files must be produced in a format that is playable using Microsoft Windows Media Player. Types of audio files that will be accepted include:
- Nice Systems audio files (.aud). AUD files offer efficient compression and would be preferred over both NMF and WAV files.
 - Nice Systems audio files (.nmf).
 - WAV Files
 - MP3, MP4
 - WMA
 - AIF

Produced audio files must be in a separate folder compared to other data in the production.

Additionally, the call information (metadata) related to each audio recording must be produced if it exists. The metadata file must be produced in delimited text format (DAT, CSV, or TXT), using a tab or pipe delimiter. Field names must be included in the first row of the metadata file. Please note that the field names are case sensitive and should be created as listed below. The metadata must include, if available, the following fields:

TABLE 4: AUDIO METADATA FIELDS

Field Name	Description
AgentName	Name of agent/employee
Agentid	Unique identifier of agent/employee
Group	Name for a collection of agents
Supervisor	Name of the Agent's supervisor
Site	Location of call facility
DNIS	Dialed Number Identification Service, identifies the number that was originally called

Extension	Extension where call was routed
CallDirection	Identifies whether the call was inbound, outbound, or internal
CallType	Purpose of the call
DURATION	Duration of call
CustomerId	Customer's identification number
CustomerCity	Customer's city of residence
CustomerState	Customer's state of residence
CallDateTime	Date and start time of call (MM/DD/YYYY HH:MM:SS)
CUSTOMERNAME	Name of person called
FileName	Filename of audio file
BATES_BEGIN	Unique number of the audio file
CALLEDPARTYNUMBER	The call center or phone number called
CALLSIZE	File size of audio file
CALLSERVICE	Call service code
MD5HASH	The 32 digit value representing each unique document
DOC_REQ	Document request number to which the file is responsive
CUSTODIAN	Individual(s) or department(s) from which the recording originated
FOLDERPATH	Folder path of the audio file in the original source
SOURCE	Original path to where the source file resided
TIMEZONE	The time zone of the original call
GROUPIP	A unique group identifier for grouping multiple calls
CODEC	Encoding/decoding of the audio digital stream
BITRATE	The number of bits that are conveyed or processed per unit of time

Supported Date Format	Example
mm/dd/yyyy hh:mm:ss am/pm	01/25/1996 10:45:15 am

The filename is used to link the metadata to the produced audio file. The file name in the metadata and the file name used to identify the corresponding audio file must match exactly.

- b) Video files must be produced in a format that is playable using Microsoft Windows

Media Player along with any available metadata. If it is known that the video files do not contain associated audio, indicate this in the accompanying transmittal letter.

Types of video files accepted include:

- MPG
- AVI
- WMV
- MOV
- FLV

C. Production of Partially Privileged Documents

If a portion of any material called for by this CID is withheld based on a claim of privilege, those portions may be redacted from the responsive material as long as the following conditions are met.

- a) If originally stored as native electronic files, the image(s) of the unredacted portions are submitted in a way that preserves the same appearance as the original without the redacted material (i.e., in a way that depicts the size and location of the redactions). The OCR text will be produced from the redacted image(s). Any redacted, privileged material should be clearly labeled to show the redactions on the tiff image(s). Any metadata not being withheld for privilege should be produced in the DAT file; any content (e.g., PowerPoint speaker notes, Word comments, Excel hidden rows, sheets or columns) contained within the native and not being withheld for privilege should be tiffed and included in the production.
- b) If originally in hard copy form, the unredacted portions are submitted in a way that depicts the size and location of the redactions; for example, if all of the content on a particular page is privileged, a blank, sequentially numbered page should be included in the production where the responsive material, had it not been privileged, would have been located.

From: [Montier, William \(Contractor\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: OCC Recommendation Memo
Date: Wednesday, April 20, 2016 9:50:42 AM

No Problem!

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 20, 2016 9:50 AM
To: Montier, William (Contractor)
Subject: RE: OCC Recommendation Memo

Thanks a million!!!

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Montier, William (Contractor)
Sent: Wednesday, April 20, 2016 9:49 AM
To: Brown, Lawrence (CFPB)
Subject: RE: OCC Recommendation Memo

This is signed.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 20, 2016 9:40 AM
To: Montier, William (Contractor)
Subject: RE: OCC Recommendation Memo

(b) (5)



Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

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1625 Eye Street, NW
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From: Montier, William (Contractor)
Sent: Wednesday, April 20, 2016 9:36 AM
To: Brown, Lawrence (CFPB)
Subject: RE: (b) Recommendation Memo

I sent the executed version. I keep an executed copy in case you request it. Did you receive it?

Chip

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 20, 2016 9:04 AM
To: Montier, William (Contractor)
Subject: RE: (b) Recommendation Memo

If it hasn't already been mailed out, then would you mind scanning the executed version to me? If it went out already, no sweat. I try to keep a copy of that for our records.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

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Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Montier, William (Contractor)
Sent: Wednesday, April 20, 2016 9:03 AM
To: Brown, Lawrence (CFPB)
Subject: RE: (b) Recommendation Memo

Here it is, Rich signs it manually.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, April 20, 2016 8:59 AM
To: Montier, William (Contractor)
Subject: RE: (b) Recommendation Memo

Can you send me the response letter separately? I wasn't sure if it was signed digitally or if there was a wet ink signature.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Montier, William (Contractor)
Sent: Tuesday, April 19, 2016 4:37 PM
To: Brown, Lawrence (CFPB)
Cc: Porter, Emily (CFPB); Rice, Kevin (CFPB)
Subject: (b) Recommendation Memo

Hi Lawrence,

Here is the (b) Memo.

Thanks,
Chip

William Montier
Data Governance Paralegal | Technology & Innovation
Office: (202) 435-9617 |
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Gonsalves, Roshonda](#)
To: [Goldblatt, Stefanie Isser \(CFPB\)](#); [Lohr, Douglas \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: (b) (7)(A) Response letter re: Wells Fargo
Date: Wednesday, September 21, 2016 1:27:21 PM

(b) (6)

Roshonda Ledbetter Gonsalves
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Goldblatt, Stefanie Isser (CFPB)
Sent: Wednesday, September 21, 2016 1:21 PM
To: Lohr, Douglas (CFPB); Brown, Lawrence (CFPB)
Cc: Gonsalves, Roshonda
Subject: RE: (b) (7)(A) Response letter re: Wells Fargo

Yes, (b) (6)

Stefanie Isser Goldblatt

Senior Litigation Counsel
Office of Enforcement
Northeast Regional Office
Consumer Financial Protection Bureau
Tel: 212-328-7009
Stefanie.Goldblatt@cfpb.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Lohr, Douglas (CFPB)
Sent: Wednesday, September 21, 2016 1:18 PM
To: Goldblatt, Stefanie Isser (CFPB); Brown, Lawrence (CFPB)
Cc: Gonsalves, Roshonda
Subject: RE: (b) (7)(A) Response letter re: Wells Fargo

That works for me. Should I use the 212 number listed in your email or do you have a conference line?

From: Goldblatt, Stefanie Isser (CFPB)
Sent: Wednesday, September 21, 2016 1:07 PM
To: Lohr, Douglas (CFPB); Brown, Lawrence (CFPB)
Cc: Gonsalves, Roshonda

Subject: Re: (b) (7)(A) [REDACTED] Response letter re: Wells Fargo

Maybe its easier if we have a call. How about 2:00?

Stefanie Isser Goldblatt
Senior Litigation Counsel
Office of Enforcement
Tel: 212 328 7009

From: Lohr, Douglas (CFPB)
Sent: Wednesday, September 21, 2016 12:51 PM Eastern Standard Time
To: Goldblatt, Stefanie Isser (CFPB); Brown, Lawrence (CFPB)
Cc: Gonsalves, Roshonda
Subject: RE: SDNY Recommendation memo and Response letter re: Wells Fargo

(b) (5)
[REDACTED]
[REDACTED]

I'll be in touch.

From: Goldblatt, Stefanie Isser (CFPB)
Sent: Wednesday, September 21, 2016 12:29 PM
To: Brown, Lawrence (CFPB); Lohr, Douglas (CFPB)
Cc: Gonsalves, Roshonda
Subject: RE: (b) (7)(A) [REDACTED] Response letter re: Wells Fargo

Thanks!

Doug, do you have the disks ready?

Stefanie Isser Goldblatt
Senior Litigation Counsel
Office of Enforcement
Northeast Regional Office
Consumer Financial Protection Bureau
Tel: 212-328-7009
Stefanie.Goldblatt@cfpb.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, September 21, 2016 12:00 PM
To: Lohr, Douglas (CFPB)
Cc: Goldblatt, Stefanie Isser (CFPB)
Subject: FW: (b) (7)(A) [REDACTED] Response letter re: Wells Fargo

Doug,

(b) (7)(A)
[REDACTED]

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Montier, William (Contractor)(CFPB)
Sent: Wednesday, September 21, 2016 11:40 AM
To: Brown, Lawrence (CFPB)
Cc: Goldblatt, Stefanie Isser (CFPB)
Subject: (b) (7)(A) Response letter re: Wells Fargo

Hi Lawrence,
(b) (7)(A) and letter.

Thanks,
Chip

William Montier
Data Policy Team Paralegal | Technology & Innovation
Office: (202) 435-9617 |
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ehrlich, Jeffrey \(CFPB\)](#)
To: [Chow, Edwin \(CFPB\)](#)
Cc: [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Wells, John \(CFPB\)](#)
Subject: Wells Fargo Sales Practices Presentation
Date: Monday, June 06, 2016 10:37:25 AM
Attachments: [Wells Fargo Sales Practices Presentation 05252016.pdf](#)

Edwin,

Here is the deck from the presentation WF made to us a couple of weeks ago. We look forward to getting your thoughts. Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

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From: [Pearl, Joanna \(CFPB\)](#)
To: [Enforcement Team CFPB](#)
Subject: Wells Fargo Sales Practices
Date: Friday, September 09, 2016 9:56:38 AM
Attachments: [Wells Sales Practices.pdf](#)

Team,

Yesterday we announced a settlement with Wells Fargo Bank to address its illegal sales practices.

In an attempt to generate business, Wells set sales goals and offered financial incentives to encourage employees to cross-sell financial products and services, such as savings and checking accounts, credit cards, debit and ATM cards, and online banking services, to existing customers. Our investigation revealed thousands of Wells employees opened unauthorized deposit and credit card accounts to satisfy sales goals and earn financial rewards under the bank's incentive-compensation program. Specifically, we found that Wells employees engaged in "simulated funding," opening hundreds of thousands of deposit accounts without consumers' knowledge or consent and transferring funds from consumers' authorized accounts to fund the new accounts, causing consumers to incur about \$2 million in fees. We also found Wells employees opened tens of thousands of unauthorized credit cards resulting in over \$400,000 in fees, opened debit cards and created PINs to active them without consumers' knowledge or consent, and enrolled consumers in online banking services using false email addresses.

We determined that these practices violated the CFPA's prohibition against unfairness and abusiveness. The attached consent order requires Wells to pay full restitution to victims, expected to be at least \$2.5 million, and a \$100 million CMP. This is the largest penalty we've imposed or received in an enforcement action to date and reflects the severity of the practices we addressed.

Congratulations to Lawrence Brown, Leanne Hartmann, Barry Reiferson, John Zelinsky, Roshonda Gonsalves, Antoninette Wilkerson, and Doug Lohr!

Joanna

Joanna Pearl
Office of Enforcement
Consumer Financial Protection Bureau
202 435 7411
joanna.pearl@cfpb.gov
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

**UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU**

ADMINISTRATIVE PROCEEDING

2016-CFPB-0015

In the Matter of:

WELLS FARGO BANK, N.A.

CONSENT ORDER

The Consumer Financial Protection Bureau (Bureau) has reviewed the sales practices of Wells Fargo Bank, N.A. (Respondent, as defined below) and determined that it has engaged in the following acts and practices: (1) opened unauthorized deposit accounts for existing customers and transferred funds to those accounts from their owners' other accounts, all without their customers' knowledge or consent; (2) submitted applications for credit cards in consumers' names using consumers' information without their knowledge or consent; (3) enrolled consumers in online-banking services that they did not request; and (4) ordered and activated debit cards using consumers' information without their knowledge or consent. The Bureau has concluded that such acts violate §§ 1031 and 1036(a)(1)(B) of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5531 and 5536(a)(1)(B). Under §§ 1053 and 1055 of CFPA, 12 U.S.C. §§ 5563, 5565, the Bureau issues this Consent Order (Consent Order).

I Jurisdiction

1. The Bureau has jurisdiction over this matter under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565.

II Stipulation

2. Respondent has executed a “Stipulation and Consent to the Issuance of a Consent Order” (Stipulation), which is incorporated by reference and is accepted by the Bureau. By this Stipulation, Respondent has consented to the issuance of this Consent Order by the Bureau under §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565, without admitting or denying the findings of facts and conclusions of law, except that Respondent admits the facts necessary to establish the Bureau’s jurisdiction over Respondent and the subject matter of this action.

III Definitions

3. The following definitions apply to this Consent Order:
- a. **“Affected Consumers”** means any consumer subjected to any of the Improper Sales Practices.
 - b. **“Board”** means Respondent’s duly-elected and acting Board of Directors.
 - c. **“California Enforcement Action”** means the lawsuit styled *People v. Wells Fargo & Co., et al.*, Los Angeles Superior Court, Case No. BC580778, filed by the Office of the Los Angeles City Attorney.
 - d. **“Community Bank Regional Bank Branch Network”** means the Respondent’s retail-branch operations within Respondent’s Regional Bank group.

e. **“Effective Date”** means the date on which this Order is issued.

f. **“Improper Sales Practices”** means any of the following in the Community Bank Regional Bank Branch Network:

- (1) opening any account without the consumer’s consent;
- (2) transferring funds between a consumer’s accounts without the consumer’s consent;
- (3) applying for any credit card without the consumer’s consent;
- (4) issuing any debit card without the consumer’s consent; and
- (5) enrolling any consumer in online-banking services without the consumer’s consent.

g. **“Los Angeles City Attorney”** means the Office of the Los Angeles City Attorney.

h. **“Regional Director”** means the Regional Director for the West Region for the Office of Supervision for the Consumer Financial Protection Bureau, or his/her delegate.

i. **“Related Consumer Action”** means a private action by or on behalf of one or more consumers or an enforcement action by a governmental agency other than the California Enforcement Action, brought against Respondent based on substantially the same facts as described in Section IV of this Consent Order.

j. **“Relevant Period”** includes the period from January 1, 2011, to the Effective Date.

k. **“Respondent”** means Wells Fargo Bank, N.A. and its successors and assigns.

IV Bureau Findings and Conclusions

The Bureau finds the following:

4. Respondent is a national bank headquartered in Sioux Falls, South Dakota. Respondent is an insured depository institution with assets greater than \$10 billion within the meaning of 12 U.S.C. § 5515(a).
5. Respondent is a “covered person” under 12 U.S.C. § 5481(6).
6. During the Relevant Period, Respondent offered a broad array of consumer financial products and services, including mortgages, savings and checking accounts, credit cards, debit and ATM cards, and online-banking services.
7. Respondent sought to distinguish itself in the marketplace as a leader in “cross-selling” banking products and services to its existing customers.
8. Respondent set sales goals and implemented sales incentives, including an incentive-compensation program, in part to increase the number of banking products and services that its employees sold to its customers.
9. Thousands of Respondent’s employees engaged in Improper Sales Practices to satisfy sales goals and earn financial rewards under Respondent’s incentive-compensation program. During the Relevant Period, Respondent terminated roughly 5,300 employees for engaging in Improper Sales Practices.
10. Respondent’s employees engaged in “simulated funding.” To qualify for incentives that rewarded bankers for opening new accounts that were funded shortly after opening, Respondent’s employees opened deposit accounts without consumers’ knowledge or consent and then transferred funds from consumers’ authorized accounts

to temporarily fund the unauthorized accounts in a manner sufficient for the employee to obtain credit under the incentive-compensation program.

11. Respondent's employees submitted applications for and obtained credit cards for consumers without the consumers' knowledge or consent.

12. Respondent's employees used email addresses not belonging to consumers to enroll consumers in online-banking services without their knowledge or consent.

13. Respondent's employees requested debit cards and created personal identification numbers (PINs) to activate them without the consumer's knowledge or consent.

14. During the Relevant Period, Respondent's employees opened hundreds of thousands of unauthorized deposit accounts and applied for tens of thousands of credit cards for consumers without consumers' knowledge or consent.

15. Respondent has performed an analysis to assess the scope of Improper Sales Practices that occurred between May 2011 and July 2015, including the number of potential instances of such practices.

Findings and Conclusions as to Unauthorized Deposit Accounts & Simulated Funding

16. Respondent's analysis concluded that its employees opened 1,534,280 deposit accounts that may not have been authorized and that may have been funded through simulated funding, or transferring funds from consumers' existing accounts without their knowledge or consent. That analysis determined that roughly 85,000 of those accounts incurred about \$2 million in fees, which Respondent is in the process of refunding. The fees included overdraft fees on linked accounts the consumers already

had, monthly service fees imposed for failure to keep a minimum balance in the unauthorized account, and other fees.

17. Section 1036(a)(1)(B) of the CFPA prohibits “unfair” acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is unfair if it causes or is likely to cause consumers substantial injury that is not reasonably avoidable and is not outweighed by countervailing benefits to consumers or to competition. 12 U.S.C. § 5531(c)(1).

18. By opening unauthorized deposit accounts and engaging in acts of simulated funding, Respondent caused and was likely to cause substantial injury to consumers that was not reasonably avoidable, because it occurred without consumers’ knowledge, and was not outweighed by countervailing benefits to consumers or to competition.

19. Section 1036(a)(1)(B) of the CFPA prohibits “abusive” acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is abusive if it materially interferes with the ability of a consumer to understand a term or condition of a consumer financial product or service. 12 U.S.C. § 5531(d)(1). Additionally, an act or practice is abusive if it takes unreasonable advantage of the inability of the consumer to protect his or her interests in selecting or using a consumer financial product or service. 12 U.S.C. § 5531(d)(2)(B).

20. Respondent’s acts of opening unauthorized deposit accounts and engaging in simulated funding materially interfered with the ability of consumers to understand a term or condition of a consumer financial product or service, as they had no or limited knowledge of those terms and conditions, including associated fees.

21. Additionally, Respondent’s acts of opening unauthorized deposit accounts and engaging in simulated funding took unreasonable advantage of consumers’ inability

to protect their interests in selecting or using consumer financial products or services, including interests in having an account opened only after affirmative agreement, protecting themselves from security and other risks, and avoiding associated fees.

22. Therefore, Respondent engaged in “unfair” and “abusive” acts or practices that violate §§ 1031(c)(1), (d)(1), (d)(2)(B), and 1036(a)(1)(B) of the CFPA. 12 U.S.C. §§ 5531(c)(1), (d)(1), (d)(2)(B), 5536(a)(1)(B).

Findings and Conclusions as to Unauthorized Credit Cards

23. Respondent’s analysis concluded that its employees submitted applications for 565,443 credit-card accounts that may not have been authorized by using consumers’ information without their knowledge or consent. That analysis determined that roughly 14,000 of those accounts incurred \$403,145 in fees, which Respondent is in the process of refunding. Fees incurred by consumers on such accounts included annual fees and overdraft-protection fees, as well as associated finance or interest charges and other late fees.

24. Section 1036(a)(1)(B) of the CFPA prohibits “unfair” acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is unfair if it causes or is likely to cause consumers substantial injury that is not reasonably avoidable and is not outweighed by countervailing benefits to consumers or to competition. 12 U.S.C. § 5531(c)(1).

25. By applying for and opening credit-card accounts using consumers’ information without their knowledge or consent, Respondent caused and was likely to cause substantial injury that was not reasonably avoidable, because it occurred without consumers’ knowledge, and was not outweighed by countervailing benefits to consumers or competition.

26. Section 1036(a)(1)(B) of the CFPA prohibits “abusive” acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is abusive if it materially interferes with the ability of a consumer to understand a term or condition of a consumer financial product or service. 12 U.S.C. § 5531(d)(1). Additionally, an act or practice is abusive if it takes unreasonable advantage of the consumer’s inability to protect his or her interests in selecting or using a consumer financial product or service. 12 U.S.C. § 5531(d)(2)(B).

27. Respondent’s acts of opening credit-card accounts using consumers’ information without their knowledge or consent materially interfered with the ability of consumers to understand a term or condition of a consumer financial product or service, as they had no or limited knowledge of those terms and conditions, including associated fees.

28. Additionally, Respondent’s acts of opening credit-card accounts using consumers’ information without their knowledge or consent took unreasonable advantage of the consumers’ inability to protect their interests in selecting or using a consumer financial product or service.

29. Therefore, Respondent engaged in “unfair” and “abusive” acts or practices that violate §§ 1031(c)(1), (d)(1), (d)(2)(B), and 1036(a)(1)(B) of the CFPA. 12 U.S.C. §§ 5531(c)(1), (d)(1), (d)(2)(B), 5536(a)(1)(B).

Findings and Conclusions as to Unauthorized Enrollment into Online-Banking Services

30. During the Relevant Period, Respondent’s employees used email addresses not belonging to consumers to enroll consumers in online-banking services without their knowledge or consent.

31. Section 1036(a)(1)(B) of the CFPA prohibits “abusive” acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is abusive if it takes unreasonable advantage of the consumer’s inability to protect his or her interests in selecting or using a consumer financial product or service. 12 U.S.C. § 5531(d)(2)(B).

32. Respondent’s acts of enrolling consumers in online-banking services without their knowledge or consent took unreasonable advantage of consumers’ inability to protect their interests in selecting or using a consumer financial product or service, including interests in having these products or services activated only after affirmative agreement and protecting themselves from security and other risks.

33. Therefore, Respondent engaged in “abusive” acts or practices that violate §§ 1031(d)(2)(B) and 1036(a)(1)(B) of the CFPA. 12 U.S.C. §§ 5531(d)(2)(B), 5536(a)(1)(B).

Findings and Conclusions as to Unauthorized Debit Cards

34. During the relevant period, Respondent’s employees requested debit cards and created PINs to activate them without consumers’ knowledge or consent.

35. Section 1036(a)(1)(B) of the CFPA prohibits “abusive” acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is abusive if it takes unreasonable advantage of the consumer’s inability to protect his or her interests in selecting or using a consumer financial product or service. 12 U.S.C. § 5531(d)(2)(B).

36. Respondent’s acts of issuing debit cards to consumers without their knowledge or consent took unreasonable advantage of consumers’ inability to protect their interests in selecting or using a consumer financial product or service. 12 U.S.C. § 5531(d)(2)(B).

37. Therefore, Respondent engaged in “abusive” acts that violate §§ 1031(d)(2)(B) and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531(d)(2)(B), 5536(a)(1)(B).

ORDER

**V
Conduct Provisions**

IT IS ORDERED, under §§ 1053 and 1055 of the CFPA, that:

38. Respondent and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, may not violate §§ 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536, by engaging in Improper Sales Practices.

**VI
Independent Consultant’s Report and Compliance Plan**

IT IS FURTHER ORDERED that:

39. Within 45 days of the Effective Date, Respondent must select an independent consultant with specialized experience in consumer-finance-compliance issues to conduct an independent review of Respondent’s sales practices within the Community Bank Regional Bank Branch Network related to deposit accounts, credit-card accounts, unsecured lines of credit, and related products and services (Independent Consultant’s Review). Respondent must submit the name of the independent consultant to the Regional Director for non-objection. Upon receipt of non-objection from the Regional Director, the Bank must retain the independent consultant. The Independent Consultant’s Review must assess whether Respondent’s current policies and procedures are reasonably designed to ensure that Respondent’s sales practices comply with all applicable Federal consumer financial laws as defined in 12 U.S.C. § 5481(14), and that Respondent’s employees do not engage in Improper Sales Practices.

40. The Independent Consultant's Review must include but will not be limited to:

a. whether Respondent's employees are required to undergo training reasonably designed to prevent Improper Sales Practices and other sales-integrity violations; whether such training is adequate, complete, and timely updated, provided when employees join Respondent, and repeated at sufficient recurring intervals during their employment to reinforce such training; whether training records are complete, accurate and adequate; and whether employees are informed of an obligation to report all sales-integrity issues internally through an "ethics hotline" or similar mechanism;

b. whether Respondent's monitoring policies and procedures ensure that Respondent monitors employees' sales practices proactively, and that Respondent devotes sufficient personnel and resources to monitor those practices appropriately;

c. whether Respondent has adequate policies and procedures for (i) receiving, retaining, and addressing consumer inquiries or complaints; (ii) receiving, retaining, and addressing employee allegations of Improper Sales Practices or any other allegations of sales-integrity violations; (iii) tracking and addressing indicators of potential Improper Sales Practices or any other sales-integrity violations; and (iv) identifying and remediating consumers for Improper Sales Practices or other sales-integrity violations identified after the Effective Date, as well as for correcting any related systemic issues identified after the Effective Date;

d. whether Respondent's policies and procedures related to sales of deposit accounts, credit cards, unsecured lines of credit, and related products and services are reasonably designed to ensure consumer consent is obtained before any such product is sold or issued to a consumer. The Independent Consultant's Review

must include, but not be limited to, whether Respondent has adequate policies and procedures for capturing and retaining consumer signatures and other evidence of consent for such products and services, for providing a grace period before assessing fees on any deposit account, and for closing accounts in which there is no customer-initiated activity during the grace period without assessing fees; and

e. whether Respondent's performance-management and sales goals for its employees are consistent with the objective of preventing Improper Sales Practices and other sales-integrity violations.

41. Within 180 days of the retention of the independent consultant, the independent consultant must prepare a written report (Independent Consultant's Report) detailing the findings of the review and provide the Independent Consultant's Report to the Board or a committee thereof.

42. Within 90 days of receiving the Independent Consultant's Report, the Board or a committee thereof must:

a. In consultation with the independent consultant, develop a plan (Compliance Plan) to: (i) correct any deficiencies identified, and (ii) implement any recommendations or explain in writing why a particular recommendation is not being implemented; and

b. submit the Independent Consultant's Report and the Compliance Plan to the Regional Director.

43. The Regional Director may, in his or her discretion, make a determination of non-objection to the Compliance Plan or direct Respondent to revise it. If the Regional Director directs Respondent to revise the Compliance Plan, the Board or a committee thereof must make the requested revisions to the Compliance Plan, have the

independent consultant review the revised Compliance Plan for adequacy, accuracy, effectiveness, and completeness, and resubmit the revised Compliance Plan and the independent consultant's review of the revised Compliance Plan to the Regional Director within 60 days of the date that the Regional Director directs the Company to revise the Compliance Plan. The Regional Director may, in his or her discretion, consult with the Los Angeles City Attorney in arriving at a determination of non-objection to the Compliance Plan or direction to Respondent to revise the Compliance Plan.

44. After receiving notification that the Regional Director has made a determination of non-objection to the Compliance Plan, Respondent must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Compliance Plan and have the independent consultant review and assess compliance with the Compliance Plan and validate that the Compliance Plan has been properly executed; the results of such review should be submitted to the Regional Director within 30 days after completion.

VII Role of the Board

IT IS FURTHER ORDERED that:

45. The Board or a committee thereof must review all submissions (including plans, reports, programs, policies, and procedures) required by this Consent Order before submission to the Bureau.

46. Although this Consent Order requires Respondent to submit certain documents for the review or non-objection by the Regional Director, the Board will have the ultimate responsibility for proper and sound management of Respondent and for

ensuring that Respondent complies with Federal consumer financial law and this Consent Order.

47. In each instance that this Consent Order requires the Board or a committee thereof to ensure adherence to, or perform certain obligations of Respondent, the Board or a committee thereof must:

- a. authorize whatever actions are necessary for Respondent to fully comply with the Consent Order;
- b. require timely reporting by management to the Board or a committee thereof on the status of compliance obligations; and
- c. require timely and appropriate corrective action to remedy any material non-compliance with any failures to comply with directives from the Board or a committee thereof related to this Section.

VIII Order to Pay Redress

IT IS FURTHER ORDERED that:

48. Respondent has retained the services of an independent third-party consulting firm (which is not the independent consultant referred to in Section VI) to identify consumers who have incurred fees or other charges as a result of Improper Sales Practices.

49. Within 10 days of the Effective Date, Respondent must reserve or deposit into a segregated deposit account an amount not less than \$5 million, for the purpose of providing redress to Affected Consumers as required by this Section.

50. Within 90 days of the Effective Date, Respondent must submit to the Regional Director for review and non-objection the comprehensive written plan for

providing redress consistent with this Consent Order (Redress Plan). The Regional Director may, in his or her discretion, make a determination of non-objection to the Redress Plan or direct Respondent to revise it. If the Regional Director directs Respondent to revise the Redress Plan, Respondent must make the revisions and resubmit the Redress Plan to the Regional Director within 45 days. After receiving notification that the Regional Director has made a determination of non-objection to the Redress Plan, Respondent must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Redress Plan.

51. The Redress Plan must:

- a. identify all Affected Consumers, except insofar as it is impracticable to do so, as well as the types and amounts of any fees or charges incurred by Affected Consumers as a result of the Improper Sales Practices, and state the means by which Affected Consumers have been identified and by which the fees or charges they incurred have been calculated;
- b. describe procedures by which Respondent will notify Affected Consumers who were subject to any of the Improper Sales Practices described in paragraph 3.f of this Order, including the form of the notification such consumers will receive;
- c. describe the process for providing redress to Affected Consumers and identify the dollar amount of redress for each category of Affected Consumers;
- d. detail how Respondent will locate Affected Consumers for payment of redress, and the steps Respondent will take with respect to consumers whose redress payments are returned as undeliverable or not cashed within a prescribed time period;

e. state the manner in which redress will be provided to each such Affected Consumer, and the form of redress; and

f. provide the form of the letter or notice that will be sent to such Affected Consumers notifying them of the redress.

52. Within 120 days after completing the Redress Plan, Respondent's Internal Audit department must review and assess compliance with the terms of the Redress Plan (Redress Plan Review) and validate that the Redress Plan has been properly executed.

53. Within 30 days after completion of the Redress Plan Review, Respondent must prepare and submit to the Regional Director a report summarizing the results of the Redress Plan Review.

54. After completing the Redress Plan, if the amount of redress provided to Affected Consumers is less than \$5 million, Respondent may recoup any remaining funds up to the amount Respondent paid to Affected Consumers before the submission of the Redress Plan as redress for fees or charges those Affected Consumers incurred as a result of the Improper Sales Practices. Respondent must, within 30 days of the completion of the Redress Plan, pay to the Bureau, by wire transfer to the Bureau or to the Bureau's agent and according to the Bureau's wiring instructions, any remaining funds not recouped by Respondent under this paragraph.

55. The Bureau may use these remaining funds to pay additional redress to Affected Consumers. Upon receiving a written request from Respondent, the Bureau may provide Respondent with information concerning additional redress. If the Bureau determines, in its sole discretion, that additional redress is wholly or partially impracticable or otherwise inappropriate, or if funds remain after the additional redress

is completed, the Bureau will deposit any remaining funds in the U.S. Treasury as disgorgement. Respondent will have no right to challenge any actions that the Bureau or its representatives may take under this Section.

56. Respondent may not condition the payment of any redress to any Affected Consumer under this Order on that Affected Consumer waiving any right.

IX Order to Pay Civil Money Penalties

IT IS FURTHER ORDERED that:

57. Under § 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the violations of law described in Section IV of this Consent Order, and taking into account the factors in 12 U.S.C. § 5565(c)(3), Respondent must pay a civil money penalty of \$100 million to the Bureau.

58. Within 10 days of the Effective Date, Respondent must pay the civil money penalty by wire transfer to the Bureau or to the Bureau's agent in compliance with the Bureau's wiring instructions.

59. The civil money penalty paid under this Consent Order will be deposited in the Civil Penalty Fund of the Bureau as required by § 1017(d) of the CFPA, 12 U.S.C. § 5497(d).

60. Respondent must treat the civil money penalty paid under this Consent Order as a penalty paid to the government for all purposes. Regardless of how the Bureau ultimately uses those funds, Respondent may not:

a. claim, assert, or apply for a tax deduction, tax credit, or any other tax benefit for any civil money penalty paid under this Consent Order; or

b. seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made under any insurance policy, with regard to any civil money penalty paid under this Consent Order.

61. To preserve the deterrent effect of any civil money penalty in the California Enforcement Action or any Related Consumer Action, Respondent may not argue that Respondent is entitled to, nor may Respondent benefit by, any offset or reduction of any compensatory monetary remedies imposed in the California Enforcement Action or any Related Consumer Action because of the civil money penalty paid in this action (Penalty Offset). If the court in the California Enforcement Action or any Related Consumer Action grants such a Penalty Offset, Respondent must, within 30 days after entry of a final order granting the Penalty Offset, notify the Bureau, and pay the amount of the Penalty Offset to the U.S. Treasury. Such a payment will not be considered an additional civil money penalty and will not change the amount of the civil money penalty imposed in this action.

X Additional Monetary Provisions

IT IS FURTHER ORDERED that:

62. In the event of any default on Respondent's obligations to make payment under this Consent Order, interest, computed under 28 U.S.C. § 1961, as amended, will accrue on any outstanding amounts not paid from the date of default to the date of payment, and will immediately become due and payable.

63. Respondent must relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law and no part of the funds may be returned to Respondent.

64. Under 31 U.S.C. § 7701, Respondent, unless it already has done so, must furnish to the Bureau its taxpayer identifying numbers, which may be used for purposes of collecting and reporting on any delinquent amount arising out of this Consent Order.

65. Within 30 days of the entry of a final judgment, consent order, or settlement in the California Enforcement Action or any Related Consumer Action, Respondent must notify the Regional Director of the final judgment, consent order, or settlement in writing. That notification must indicate the amount of redress, if any, that Respondent paid or is required to pay to consumers and describe the consumers or classes of consumers to whom that redress has been or will be paid.

XI Reporting Requirements

IT IS FURTHER ORDERED that:

66. Respondent must notify the Bureau of any development that may affect compliance obligations arising under this Consent Order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Consent Order; the filing of any bankruptcy or insolvency proceeding by or against Respondent; or a change in Respondent's name or address. Respondent must provide this notice, if practicable, at least 30 days before the development, but in any case no later than 14 days after the development.

67. Within 7 days of the Effective Date, Respondent must designate at least one telephone number and email, physical, and postal address as points of contact, which the Bureau may use to communicate with Respondent.

68. Respondent must report any change in the information required to be submitted under Paragraph 67 at least 30 days before the change or as soon as practicable after the learning about the change, whichever is sooner.

69. Within 90 days of the Effective Date, and again at least semi-annually until the actions under this Consent Order have been completed, Respondent must submit to the Regional Director an accurate written compliance progress report (Compliance Report) that has been approved by the Board or a committee thereof, which, at a minimum:

- a. describes in detail the manner and form in which Respondent has complied with this Order;
- b. separately lists each corrective action required by this Consent Order, the Compliance Plan, and the Redress Plan;
- c. Describes the current status of each corrective action taken and the required, actual, and anticipated completion date for each corrective action; and
- d. attaches a copy of each Order Acknowledgment obtained under Section XII, unless previously submitted to the Bureau.

XII Order Distribution and Acknowledgment

IT IS FURTHER ORDERED that,

70. Within 30 days of the Effective Date, Respondent must deliver a copy of this Consent Order to each of its board members and executive officers, as well as to any managers, employees, or other agents and representatives who have responsibilities related to the subject matter of the Consent Order.

71. For 5 years from the Effective Date, Respondent must deliver a copy of this Consent Order to any business entity resulting from any change in structure referred to in Section XI, any future board members and executive officers, as well as to any managers, employees, or other agents and representatives who will have responsibilities related to the subject matter of this Consent Order before they assume their responsibilities.

72. Respondent must secure a signed and dated statement acknowledging receipt of a copy of this Consent Order, ensuring that any electronic signatures comply with the requirements of the E-Sign Act, 15 U.S.C. § 7001 et seq., within 30 days of delivery, from all persons receiving a copy of this Consent Order under this Section.

XIII Recordkeeping

IT IS FURTHER ORDERED that

73. Respondent must create or, if already created, retain for at least 5 years from the Effective Date the following business records:

a. all documents and records necessary to demonstrate full compliance with each provision of this Consent Order, including all submissions to the Bureau.

b. all documents and records pertaining to the Redress Plan, described in Section VIII above.

74. Respondent must retain the documents identified in Paragraph 73 for the duration of the Consent Order.

75. Respondent must make the documents identified in Paragraph 73 available to the Bureau upon the Bureau's request.

**XIV
Notices**

IT IS FURTHER ORDERED that:

76. Unless otherwise directed in writing by the Bureau, Respondent must provide all submissions, requests, communications, or other documents relating to this Consent Order in writing, with the subject line, “In re Wells Fargo Bank, N.A., File No. 2016-CFPB-0015,” and send them as follows:

- a. via email to WestRegion@cfpb.gov; and
- b. via overnight courier (not the U.S. Postal Service) as follows:

Regional Director, CFPB West Region, 301 Howard Street, 12th Floor, San Francisco, CA 94105.

**XV
Cooperation with the Bureau**

IT IS FURTHER ORDERED that:

77. Respondent must cooperate fully to help the Bureau determine the identity and location of, and the amount of injury sustained by, each Affected Consumer. Respondent must provide such information in its or its agents’ possession or control within 14 days of receiving a written request from the Bureau.

78. Respondent must cooperate fully with the Bureau in this matter and in any investigation related to or associated with the conduct described in Section IV. Respondent must provide truthful and complete information, evidence, and testimony and Respondent must cause Respondent’s officers, employees, representatives, or agents to appear for interviews, discovery, hearings, trials, and any other proceedings that the Bureau may reasonably request upon 5 days written notice, or other reasonable

notice, at such places and times as the Bureau may designate, without the service of compulsory process.

XVI Compliance Monitoring

IT IS FURTHER ORDERED that, to monitor Respondent's compliance with this Consent Order:

79. Within 30 days of receipt of a written request from the Bureau, Respondent must submit additional Compliance Reports or other requested information, which must be made under penalty of perjury; provide sworn testimony; or produce documents.

80. Respondent must permit Bureau representatives to interview any employee or other person affiliated with Respondent who has agreed to such an interview. The person interviewed may have counsel present.

81. Nothing in this Consent Order will limit the Bureau's lawful use of civil investigative demands under 12 C.F.R. § 1080.6 or other compulsory process.

XVII Modifications to Non-Material Requirements

IT IS FURTHER ORDERED that:

82. Respondent may seek a modification to non-material requirements of this Consent Order (e.g., reasonable extensions of time and changes to reporting requirements) by submitting a written request to the Regional Director.

83. The Regional Director may, in his or her discretion, modify any non-material requirements of this Consent Order (e.g., reasonable extensions of time and changes to reporting requirements) if he or she determines that good cause justifies the modification. Any such modification by the Regional Director must be in writing.

XVIII Administrative Provisions

84. The provisions of this Consent Order do not bar, estop, or otherwise prevent the Bureau, or any other governmental agency, from taking any other action against Respondent, except as described in Paragraph 85.

85. The Bureau releases and discharges Respondent from all potential liability for law violations that the Bureau has or might have asserted based on the practices described in Section IV of this Consent Order, to the extent such practices occurred before the Effective Date and the Bureau knows about them as of the Effective Date. The Bureau may use the practices described in this Consent Order in future enforcement actions against Respondent and its affiliates, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the Bureau to determine and ensure compliance with the Consent Order, or to seek penalties for any violations of the Consent Order.

86. This Consent Order is intended to be, and will be construed as, a final Consent Order issued under § 1053 of the CFPA, 12 U.S.C. § 5563, and expressly does not form, and may not be construed to form, a contract binding the Bureau or the United States.

87. This Consent Order will terminate 5 years from the Effective Date or 5 years from the most recent date that the Bureau initiates an action alleging any violation of the Consent Order by Respondent. If such action is dismissed or the relevant adjudicative body rules that Respondent did not violate any provision of the Consent Order, and the dismissal or ruling is either not appealed or upheld on appeal, then the

Consent Order will terminate as though the action had never been filed. The Consent Order will remain effective and enforceable until such time, except to the extent that any provisions of this Consent Order have been amended, suspended, waived, or terminated in writing by the Bureau or its designated agent.

88. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.

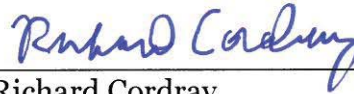
89. Should Respondent seek to transfer or assign all or part of its operations that are subject to this Consent Order, Respondent must, as a condition of sale, obtain the written agreement of the transferee or assignee to comply with all applicable provisions of this Consent Order.

90. The provisions of this Consent Order will be enforceable by the Bureau. For any violation of this Consent Order, the Bureau may seek to impose the maximum amount of civil money penalties allowed under § 1055(c) of the CFPA, 12 U.S.C. § 5565(c). In connection with any attempt by the Bureau to enforce this Consent Order in federal district court, the Bureau may serve Respondent wherever Respondent may be found and Respondent may not contest that court's personal jurisdiction over Respondent.

91. This Consent Order and the accompanying Stipulation contain the complete agreement between the parties. The parties have made no promises, representations, or warranties other than what is contained in this Consent Order and the accompanying Stipulation. This Consent Order and the accompanying Stipulation supersede any prior oral or written communications, discussions, or understandings.

92. Nothing in this Consent Order or the accompanying Stipulation may be construed as allowing Respondent, its Board, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED, this 4th day of September, 2016.



Richard Cordray
Director
Consumer Financial Protection Bureau

From: [Hartmann, Leanne \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo Sales Practices
Date: Tuesday, May 31, 2016 11:54:05 AM

No worries at all, Lawrence. We'll do the best we can until you are back (and appreciate your periodic check-ins in the meantime). You have more than enough to think about as it is!

From: Brown, Lawrence (CFPB)
Sent: Saturday, May 28, 2016 1:08 PM
To: Hartmann, Leanne (CFPB)
Subject: RE: Wells Fargo Sales Practices

Leanne,

What a fire drill! I'll try to get back in the game as soon as I can, but anticipate being out for a lot of this. (b) (5)

Thanks for sending this and for keeping the investigation going!

Lawrence

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Hartmann, Leanne (CFPB)
Sent: Friday, May 27, 2016 4:43 PM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Reiferson, Barry (CFPB); Brown, Lawrence (CFPB); Williams, Natalie (CFPB)
Subject: Wells Fargo Sales Practices

Team:

Attached is a scanned copy of the presentation from Wednesday's meeting. It is also saved on the Z drive under "Settlement." I also want to summarize today's conversations and the plan as we currently see it. Update below **(NB: to be read upon return from the long weekend and not before)**.

(b) (5)

(b) (5)



I expect to have a further update early next week, but wanted to get this to everyone for review and input in the meantime.

Thanks, and have a great weekend!

Leanne

Leanne E. Hartmann

Enforcement Attorney

Leanne.Hartmann@cfpb.gov

Telephone: (415) 844-9787

www.consumerfinance.gov

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From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo.
Date: Wednesday, April 06, 2016 2:06:34 PM
Attachments: [16.04.06 - CAO-CFPB Access Ltr Response.pdf](#)

This message was sent securely using ZixCorp.

Lawrence,

We received the CFPB's response to our office's access request.

Please find attached our office's response to the CFPB's access request.

If you have any questions in this regard, please let me know.

Thanks,

Steve

This message was secured by [ZixCorp](#)^(R).

From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo.
Date: Friday, September 16, 2016 1:16:04 PM

This message was sent securely using ZixCorp.

I know. I'm busier than I ever was before.

(b) (5), (b) (7)(A)

--- Originally sent by lawrence.brown@cfpb.gov on Sep 15, 2016 6:12 PM ---

This message was sent securely using ZixCorp.

Steve,

Thanks for sending this to me. (b) (5)



Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: steven.son@lacity.org [mailto:steven.son@lacity.org]
Sent: Thursday, September 15, 2016 7:41 PM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells Fargo.

This message was sent securely using ZixCorp.

Lawrence,

Please see attached two public records requests we recently received. (b) (5)

If you have any questions in this regard, please do not hesitate to contact us.

Best regards,

Steve

This message was secured by [ZixCorp](#)^(R).

This message was secured by [ZixCorp](#)©.
To reach ZixCorp, go to: <http://www.zixcorp.com/info/zixmail>

This message was secured by [ZixCorp](#)^(R).

This message was secured by [ZixCorp^{\(R\)}](#).



September 13, 2016

VIA U.S. MAIL

& E-MAIL mike.dundas@lacity.org

Mike Dundas
Office of the Los Angeles City Attorney
800 City Hall East
200 N Main St
Los Angeles, CA 90012

RE: California Public Records Act Request

Dear Mr. Dundas,

Pursuant to our rights under the California Public Records Act (Government Code Section 6250 et seq.) ("CPRA"), we ask to (inspect/obtain a copy of) the following, which we understand to be held by your agency:

Documents generated, received, filed, served, and/or relied upon in the case of:

People v. Wells Fargo, N.A., et al., Los Angeles Superior Court Case No. BC580778
("the Action").

The following documents are attached to assist the custodian of records in obtaining the requested documents:

Exhibit 1: The Complaint in this Action filed on May 4, 2015; and

Exhibit 2: the Settlement Agreement in this Action.

DOCUMENTS REQUESTED

Documents requested in this CPRA request include, but are not limited to:

- (1) the entire litigation file of the Action from the City Attorney's office;
- (2) Any discovery responded to by Wells Fargo, in the form of Special Interrogatories, Requests for Production, Requests for Admission, and/or any other form of written discovery in the Action;
- (3) Documents reflecting, discussing, or constituting the **sales goals and/or quotas imposed by Wells Fargo on its employees** (Tellers, Personal Bankers, Customer Service and Sale Representatives ("CSSRs" or "CSRs"), Business Specialty Bankers, Regional Bank Private

Bankers, Assistant Store Managers, Service Managers, Broker Assistants, and/or any other Wells Fargo employee whose job duties included making sales of Wells Fargo accounts and/or products and/or services); (see ¶¶1, 5 of Exhibit 1, the Complaint in this Action);

(4) Documents reflecting or demonstrating that the sales goals and/or quotas imposed by Wells Fargo were **company-wide goals** (see ¶¶1, 5, 8 of the Complaint in this Action);

(5) Documents reflecting or demonstrating how, when, where, and why the **sales goals and/or quotas imposed by Wells Fargo were enforced**; (see ¶¶1, 5 of the Complaint in this Action);

(6) Documents reflecting or demonstrating how, when, where, and why the sales goals and/or quotas imposed by Wells Fargo were **enforced by constant monitoring**; (see ¶¶1, 5, 8 of the Complaint in this Action);

(7) Documents reflecting, discussing, or constituting Wells Fargo's policies that have driven its bankers to engage in fraudulent behavior to meet the unrealistic goals (see ¶¶1, 5, 8 of the Complaint in this Action);

(8) Documents reflecting or demonstrating **Wells Fargo's knowledge and encouragement of its policies and practices** that resulted in bankers engaging in fraudulent behavior (see ¶¶1, 5, 8 of the Complaint in this Action);

(9) Documents reflecting, or discussing, or constituting manager meetings, emails, and/or discussions regarding the meeting of sales goals and/or quotas, discussed up to or more than four (4) times a day, at 11:00 a.m., 1:00 p.m., 3:00 p.m. and/or 5:00 p.m. (see ¶¶1, 5, 8 of the Complaint in this Action); and

(10) Documents reflecting, discussing, or constituting communications by managers and/or other Wells Fargo supervisors telling their bankers to "do whatever it takes" to make sales and/or to meet quotas (see ¶¶1, 5, 8 of the Complaint in this Action).

We respectfully request a determination on this request within 10 days of your receipt of it, and an even prompter reply if you can make that determination without having to review the record[s] in question.

If you determine that any or all of the information qualifies for an exemption from disclosure, we ask you to note whether, as is normally the case under the Act, the exemption is discretionary, and if so whether it is necessary in this case to exercise your discretion to withhold the information.

If you determine that some but not all of the information is exempt from disclosure and that you intend to withhold it, we ask that you redact it for the time being and make the rest available as requested. In any event, please provide a signed notification citing the legal authorities on which you rely if you determine that any or all of the information is exempt and will not be disclosed.

If we can provide any clarification that will help expedite your attention to my request, please contact either Peg Reali (619-778-0229; preali@realilaw.com) or Rebecca Stephens (415-421-1800; rstephens@rhdtlaw.com). I ask that you notify me of any duplication costs exceeding \$100 before you duplicate the records so that we may decide which records we want copied.

Thank you for your time and attention to this matter. We look forward to hearing from you.

Sincerely,

A handwritten signature in cursive script that reads "Rebecca Stephens". The signature is written in dark ink and is positioned above the printed name and firm name.

Rebecca Stephens
RUKIN HYLAND DORIA & TINDALL LLP

EXHIBIT 1

A6029
90012

MICHAEL N. FEUER, City Attorney, SBN 111529
TINA L. HESS, Assistant City Attorney, SBN 143900
SUZANNE V. SPILLANE, Deputy City Attorney, SBN 164476
JESSICA B. BROWN, Deputy City Attorney, SBN 211642
JEREMY BERZON, Deputy City Attorney, SBN 241761
OFFICE OF THE LOS ANGELES CITY ATTORNEY
CRIMINAL BRANCH, COMPLEX & SPECIAL LITIGATION SECTION
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Superior Court of California
County of Los Angeles

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D53 Steven J. Kleinfeld
SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES, CENTRAL DISTRICT

BC580778

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

vs.

WELLS FARGO & COMPANY, a Delaware Corporation; WELLS FARGO BANK, NATIONAL ASSOCIATION, a National Banking Association, and DOES 1-100, inclusive,

Defendants.

Case No. [REDACTED]

COMPLAINT FOR EQUITABLE RELIEF AND CIVIL PENALTIES FOR:

(1) VIOLATION OF THE CALIFORNIA UNFAIR COMPETITION LAW FOR GAMING (Bus. and Prof. Code § 17200, et seq.); AND

(2) VIOLATION OF THE CALIFORNIA UNFAIR COMPETITION LAW FOR FAILURE TO PROVIDE NOTICE OF DATA BREACH (Bus. and Prof. Code § 17200, et seq.)

ORIGINAL

NO FEE GOVT CODE SEC. 6183
AMOUNT RECOVERABLE PURSUANT
TO 6103.5 GC § 435.00
PLUS A ONE TIME ADMINISTRATIVE FEE UPON JUDGEMENT
IF THE PARTY RECOVERS A JUDGEMENT CREDITOR

1 Plaintiff, the People of the State of California ("People"), complaining of the above-
2 named Defendants ("Defendants"), alleges as follows, which allegations are based upon
3 information and belief:

4 INTRODUCTION

5 1. For years, Wells Fargo & Company and Wells Fargo Bank, National Association
6 (collectively "Wells Fargo") have victimized their customers by using pernicious and often
7 illegal sales tactics to maintain high levels of sales of their banking and financial products. The
8 banking business model employed by Wells Fargo is based on selling customers multiple
9 banking products, which Wells Fargo calls "solutions." In order to achieve its goal of selling a
10 high number of "solutions" to each customer, Wells Fargo imposes unrealistic sales quotas on its
11 employees, and has adopted policies that have, predictably and naturally, driven its bankers to
12 engage in fraudulent behavior to meet those unreachable goals. As a result, Wells Fargo's
13 employees have engaged in unfair, unlawful, and fraudulent conduct, including opening
14 customer accounts, and issuing credit cards, without authorization. Wells Fargo has known
15 about and encouraged these practices for years. It has done little, if anything, to discourage its
16 employees' behavior and protect its customers. Worse, on the rare occasions when Wells Fargo
17 did take action against its employees for unethical sales conduct, Wells Fargo further victimized
18 its customers by failing to inform them of the breaches, refund fees they were owed, or otherwise
19 remedy the injuries that Wells Fargo and its bankers have caused. The result is that Wells Fargo
20 has engineered a virtual fee-generating machine, through which its customers are harmed, its
21 employees take the blame, and Wells Fargo reaps the profits.

22 2. This is a civil law enforcement action brought on behalf of the People by the
23 Criminal Branch of the Los Angeles City Attorney's Office, under the Unfair Competition Law
24 ("UCL") (Business and Professions Code § 17200, *et seq.*).¹ The People seek, *inter alia*: (a) to
25 enjoin the above-named Defendants from engaging in unlawful, unfair, and fraudulent business
26 acts and practices; (b) an order to restore to all persons in interest any money or property the
27 _____

28 ¹ All further references are to California codes, unless otherwise noted.

1 above-named Defendants acquired by means of those unfair, deceptive, and fraudulent business
2 acts and practices, pursuant to Business and Professions Code sections 17203 and 17204; (c) an
3 order that above-named Defendants be assessed civil penalties pursuant to Business and
4 Professions Code sections 17206 and 17206.1; and (d) recovery of the costs of this action.

5 3. Defendant Wells Fargo & Company operates the fourth biggest bank in the
6 United States, and the largest bank headquartered in California. It is California's oldest bank,
7 having begun banking services in 1852. Wells Fargo Bank, National Association is a subsidiary
8 of Wells Fargo & Company, and provides most of the banking products and services that are the
9 subject of this action.

10 4. Wells Fargo boasts about the average number of products held by its customers,
11 currently approximately six bank accounts or financial products per customer. Wells Fargo
12 seeks to increase this to an average of eight bank accounts or financial products per account
13 holder, a company goal Wells Fargo calls the "Gr-eight" initiative.

14 5. Wells Fargo's resulting market dominance has come at a significant price to the
15 general public, because it has been achieved in large part through an ambitious and strictly
16 enforced sales quota system. Wells Fargo quotas are difficult for many bankers to meet without
17 resorting to the abusive and fraudulent tactics described further below. Moreover, Wells Fargo
18 enforces its sales quotas by constant monitoring. Daily sales for each branch, and each sales
19 employee, are reported and discussed by Wells Fargo's District Managers four times a day, at
20 11:00 a.m., 1:00 p.m., 3:00 p.m., and 5:00 p.m. Those failing to meet daily sales quotas are
21 approached by management, and often reprimanded and/or told to "do whatever it takes" to meet
22 their individual sales quotas. Consequently, Wells Fargo's managers and bankers have for years
23 engaged in practices called "gaming." Gaming consists of, among other things, opening and
24 manipulating fee-generating customer accounts through often unfair, fraudulent, and unlawful
25 means, such as omitting signatures and adding unwanted secondary accounts to primary accounts
26 without permission. Other practices utilized as part of these "gaming" schemes have included
27 misrepresenting the costs, benefits, fees, and/or attendant services that come with an account or
28 product, all in order to meet sales quotas.

1 6. Wells Fargo's gaming practices have caused significant stress to, and hardship
2 and financial losses for, its customers. Specifically, Wells Fargo has: (a) withdrawn money from
3 customers' authorized accounts to pay for the fees assessed by Wells Fargo on unauthorized
4 accounts opened in customers' names; (b) placed customers into collections when the
5 unauthorized withdrawals from customer accounts went unpaid; (c) placed derogatory
6 information in credit reports when unauthorized fees went unpaid; (d) denied customers access to
7 their funds while Wells Fargo stockpiled account applications; and (e) caused customers to
8 purchase identity theft protection.

9 7. These gaming practices are so pervasive in Wells Fargo's business model that
10 some methods of gaming have even been given their own names. For example:

11 a. *"Sandbagging"* refers to Wells Fargo's practice of failing to open
12 accounts when requested by customers, and instead accumulating a number of
13 account applications to be opened at a later date. Specifically, Wells Fargo
14 employees collect manual applications for various products, stockpile them in an
15 unsecured fashion, and belatedly open up the accounts (often with additional,
16 unauthorized accounts) in the next sales reporting period, frequently before or
17 after banking hours, or on bank holidays such as New Year's Day.

18 b. *"Pinning"* refers to Wells Fargo's practice of assigning, without customer
19 authorization, Personal Identification Numbers ("PINs") to customer ATM card
20 numbers with the intention of, among other things, impersonating customers on
21 Wells Fargo computers, and enrolling those customers in online banking and
22 online bill paying without their consent.

23 c. *"Bundling"* refers to Wells Fargo's practice of incorrectly informing
24 customers that certain products are available only in packages with other products
25 such as additional accounts, insurance, annuities, and retirement plans.

26 8. While Wells Fargo has ostensibly terminated a small number of employees who
27 have engaged in gaming, other employees have been rewarded for these practices, and even
28 promoted, perpetuating the problem. Moreover, Wells Fargo has continued to impose the same

1 companywide goals of attaining as many accounts as possible at any expense, thereby fostering
2 the practice of gaming. Wells Fargo thus puts its employees between a rock and a hard place,
3 forcing them to choose between keeping their jobs and opening unauthorized accounts.

4 9. Wells Fargo has also failed to inform its customers when their personal
5 information has been accessed or compromised as a result of Wells Fargo's gaming practices, in
6 breach of its statutory duties to do so, thus causing its customers additional harm.

7 **PLAINTIFF**

8 10. Plaintiff, the People of the State of California, brings this action by and through
9 Michael N. Feuer, City Attorney for the City of Los Angeles.

10 11. Pursuant to Business and Professions Code sections 17203, 17204, 17206 and
11 17206.1, the Los Angeles City Attorney may bring a civil action in the name of the People of the
12 State of California to enjoin any person who violates, or proposes to violate, the UCL, and to
13 obtain mandatory civil penalties for each act of unfair competition.

14 **DEFENDANTS**

15 12. Defendant Wells Fargo & Company is, and at all times relevant hereto was, a
16 corporation organized and existing under the laws of the State of Delaware, with its principal
17 place of business in San Francisco, California. Wells Fargo & Company is a financial services
18 company with \$1.5 trillion in assets, and provides banking, insurance, investments, mortgage,
19 and consumer and commercial finance through more than 9,000 locations, 12,000 ATMs, and the
20 Internet. It has approximately 265,000 full-time employees, and is ranked 29th on Fortune
21 Magazine's 2014 rankings of America's 500 largest corporations.

22 13. Defendant Wells Fargo Bank, National Association is, and at all times relevant
23 hereto was, a national banking association chartered under the laws of the United States, with its
24 primary place of business in Sioux Falls, South Dakota. Wells Fargo Bank, National Association
25 provides Wells Fargo & Company's personal and commercial banking services, and is Wells
26 Fargo & Company's principal subsidiary.

27 14. The true names and capacities of Defendants sued herein as DOES 1 through 100,
28 inclusive, are unknown to the People, who therefore sue said Defendants by such fictitious

1 names. When the true names and capacities of said Defendants have been ascertained, the
2 People will ask leave of the Court to amend this Complaint, and to insert in lieu of such fictitious
3 names the true names and capacities of said fictitiously named Defendants. The People are
4 informed and believe that DOES 1 through 100 participated in, and in some part are responsible
5 for, the unlawful business acts and practices and other violations of law alleged herein.

6 15. At all relevant times, each Defendant was acting as an agent, servant, assignee,
7 representative, partner, joint venturer, co-conspirator, or employee of the other Defendants, and,
8 in doing the acts alleged herein, was acting within the course and scope of said agency, service,
9 assignment, representation, partnership, joint venture, conspiracy, or employment. Due to the
10 relationship between Defendants, each Defendant has knowledge or constructive notice of the
11 acts of each of the other Defendants.

12 16. Each Defendant is a "person" within the meaning of Business and Professions
13 Code section 17201.

14 17. In this Complaint, when reference is made to any act or omission of a Defendant,
15 such allegations shall include the acts and omissions of owners, officers, directors, agents,
16 employees, contractors, vendors, affiliates, and representatives of said Defendant while acting
17 within the course and scope of their employment or agency on behalf of said Defendant.

18 JURISDICTION AND VENUE

19 18. Venue is proper in this county pursuant to Business and Professions Code sections
20 17204 in that violations alleged in this Complaint occurred in the City of Los Angeles and the
21 County of Los Angeles. The Court has jurisdiction pursuant to Article VI, section 10 of the
22 California Constitution and section 393 of the Code of Civil Procedure.

23 GENERAL ALLEGATIONS

24 19. To the extent that the following descriptions include specific examples, they are
25 provided for purposes of illustrating the operation of Wells Fargo's illegal activities, with no
26 intention of limiting this action to these specific examples.

27 //

28 //

Wells Fargo's Quota – Driven Business Model

20. Wells Fargo's *modus operandi* is to attempt to get each customer to maintain numerous accounts with Wells Fargo. In a brochure published by Wells Fargo called "The Vision & Values of Wells Fargo," Wells Fargo states: "'Going for gr-eight.' Our average retail banking household has about six products with us. We want to get to eight . . . and beyond. One of every four already has eight or more. Four of every 10 have six or more."

21. In its 2014 Annual Report to the U.S. Securities and Exchange Commission, Wells Fargo boasts about its "products" per customer and its "cross-sell strategy": "Our vision is to satisfy all our customers' financial needs, help them succeed financially, be recognized as the premier financial services company in our markets and be one of America's great companies. Important to our strategy to achieve this vision is to increase the number of our products our customers use and to offer them all of the financial products that fulfill their financial needs." That report further states: "Our cross-sell strategy is to increase the number of products our customers use by offering them all of the financial products that satisfy their financial needs."

22. Wells Fargo further stated in its 2014 Annual Report to the U.S. Securities Exchange Commission: "we continued to maintain our solid customer relationships across the Company, with retail banking household cross-sell of 6.17 products per household (November 2014); Wholesale Banking cross-sell of 7.2 products per relationship (September 2014); and Wealth, Brokerage and Retirement cross-sell of 10.49 products per retail banking household (November 2014)." Wells Fargo further stated in that same filing: "We believe there is more opportunity for cross-sell as we continue to earn more business from our customers. Our goal is eight products per household"

23. In order to achieve its goal of eight accounts per household, Wells Fargo puts unrelenting pressure on its bankers to open numerous accounts per customer.

24. Wells Fargo has strict quotas regulating the number of daily "solutions" that its bankers must reach; these "solutions" include the opening of all new banking and credit card accounts. Managers constantly hound, berate, demean and threaten employees to meet these unreachable quotas. Managers often tell employees to do whatever it takes to reach their quotas.

1 Employees who do not reach their quotas are often required to work hours beyond their typical
2 work schedule without being compensated for that extra work time, and/or are threatened with
3 termination.

4 25. The quotas imposed by Wells Fargo on its employees are often not attainable
5 because there simply are not enough customers who enter a branch on a daily basis for
6 employees to meet their quotas through traditional means.

7 26. Wells Fargo's bankers are thus naturally and predictably forced to resort to
8 alternative means to meet quotas, including using high pressure sales tactics to coerce customers
9 into opening additional accounts or using inaccurate or misleading information about potential
10 accounts to induce customers to open them.

11 27. Wells Fargo employees also pressure their own family members and friends to
12 sign up for accounts to meet their quotas. Some employees report that they have "tapped out"
13 every family member and friend for accounts. Others report that they spend holiday dinners
14 trying to convince family members to sign up for accounts. Management encourages employees
15 to achieve "solutions" through family members. Since these accounts are opened by friends and
16 family as favors, they are often unfunded, and can result in fees charged by Wells Fargo to its
17 own employees' families or acquaintances, even for such "zero balance" accounts.

18 28. Employees thus resort to gaming tactics to increase their "solutions," and meet
19 minimum quotas. Gaming is so ingrained in the business of Wells Fargo that many of the tactics
20 employed to meet these sky-high quotas have commonly-used names.

21 ***"Bundling"***

22 29. In the practice known at Wells Fargo as "bundling," its customers are told that the
23 account or product they seek can be obtained only with the purchase of additional accounts or
G24 products, when, in fact, the desired product is available on its own. In many instances,
5,
25 employees are coached by management to ensure that every checking account is sold with three
G26 other products also known as a "packed" account. Employees were, and are, instructed by
4,
27 management to lie to customers by telling them that each checking account automatically comes
28

1 with a savings account, credit card, or other product such as life insurance, and/or "Express
2 Send" (an online program that allows customers to send money to foreign countries).

3 30. When customers discover an unauthorized account and inquire of Wells Fargo
4 about it, they are often informed that the products and services came with the authorized
5 accounts automatically. Even in the face of customer complaints, the "bundling" continues.

6 31. Customers who complain about receiving credit cards they did not request are
7 advised by Wells Fargo to simply destroy the unrequested and unauthorized cards. However,
8 simply destroying these unauthorized cards does not close the account nor repair the impact to a
9 customer's credit profile.

10 *"Pinning"*

11 32. In the practice known at Wells Fargo as "pinning," a Wells Fargo banker obtains
12 a debit card number, and personally sets the PIN, often to 0000, without customer authorization.
13 "Pinning" permits a banker to enroll a customer in online banking, for which the banker would
14 receive a solution (sales credit). To bypass computer prompts requiring customer contact
15 information, bankers impersonate the customer online, and input false generic email addresses
16 such as 1234@wellsfargo.com, noname@wellsfargo.com, or none@wellsfargo.com to ensure
17 that the transaction is completed, and that the customer remains unaware of the unauthorized
18 activity.

19 *"Sandbagging"*

20 33. In the practice known at Wells Fargo as "sandbagging," a banker delays opening
21 new accounts or processing a sale, unbeknownst to the account holder, until a time that is most
22 beneficial, such as when a new sales reporting period commences.

23 34. "Sandbagging" is common at Wells Fargo. "Sandbagging" often occurred on
24 New Year's Day, or at the beginning of a sales reporting period. New Year's Day was an
25 especially common date to open "sandbagged" accounts, because Wells Fargo ran a sales
26 program called "Jump into January." In this Wells Fargo program, its bankers were required to
27 meet even more aggressive sales goals than usual. As a result, bankers were encouraged to hold
28 onto, or not to process, new accounts or other requests until January 1. In fact, some employees

1 were required to list or confirm the accounts they would open on January 1 before January 1.
2 This permitted Wells Fargo to report inflated First Quarter sales.

3 35. When customers inquire about why an account was not opened timely, they are
4 given false explanations including: (a) a computer system failure or similar technical problem;
5 (b) an oversight and the account would be processed immediately; and/or, (c) a mistake that
6 would take time to correct.

7 *Other Gaming Tactics*

8 36. Because of Wells Fargo's on-going setting of unrealistic sales goals, Wells Fargo
9 employees have engaged in, and continue to engage in, other gaming tactics, including:

- 10 a. Making misrepresentations to customers to get them to open additional
11 accounts such as falsely stating: "you will incur a monthly fee on your checking
12 account until you add a savings account."
13 b. Misrepresenting that additional accounts do not have monthly fees, when
14 they actually do incur such fees.
15 c. Referring unauthorized, and therefore unfunded, accounts to collections
16 because Wells Fargo's practices cause the accounts to have negative balances.
17 d. Targeting individuals holding Mexican Matriculada Consular cards
18 because the lack of a Social Security Number makes it easier to open numerous
19 fraudulent accounts. Wells Fargo employees provide false information to
20 complaining customers, and advise many of these victims to ignore the
21 unauthorized fees and letters from collection agencies because the lack of a Social
22 Security number means the debt will not affect them.
23 e. Advising customers who do not want credit cards that they will be sent a
24 credit card anyway, and to just tear it up when they receive it.

25 *Customers' Discovery of Gaming and the Harm it Causes*

26 37. Customers who have discovered unauthorized accounts often make the discovery
27 accidentally. For instance: (a) unexplained money being withdrawn from authorized accounts to
28 fund unauthorized accounts; (b) mailings from Wells Fargo congratulating a customer on

1 opening a new account the customer does not recognize, or asking a customer to update account
2 information for accounts that the customer does not recognize; (c) calls from collection agencies
3 stating the customer is overdrawn on an account that the customer does not recognize; and (d)
4 discovering that checks a customer intended to be deposited into an authorized account do not
5 appear in monthly statements because the checks had instead been deposited into an
6 unauthorized account.

7 38. Customers have been prejudiced in numerous ways by Wells Fargo's gaming: (a)
8 customers lose money to monthly service fees charged for unauthorized accounts; (b) customer
9 accounts are placed into collection, forcing customers to fight with debt collection agencies for
10 fees charged by Wells Fargo on unauthorized accounts; (c) customers' credit reports are affected,
11 impacting job applications, loans for automobiles, and mortgage applications; and (d) customers
12 are forced to purchase costly identity theft protection services to ensure against further fraudulent
13 activities. But for Wells Fargo's quota-based business model, its customers would not have
14 incurred wrongful fees, been put into collections, suffered derogatory references on their credit
15 reports, or forced to purchase identity theft protection.

16 39. Customers' unauthorized accounts remain open, despite repeated customer
17 requests to Wells Fargo to close those accounts.

18 40. Customers have difficulty reporting unauthorized activity. Reaching the correct
19 representative is no guarantee the unauthorized account will be remedied, as complaining
20 customers often never receive return calls from Wells Fargo.

21 ***Wells Fargo's Knowledge of Gaming and its Cosmetic Fixes***

22 41. Wells Fargo knew, or in the exercise of reasonable care should have known, that
23 its employees open unauthorized accounts. For example:

24 a. Customers often enter Wells Fargo's branches to complain about
25 unauthorized accounts; many victims have even contacted Wells Fargo
26 management by telephone.

27 b. Wells Fargo has access to, and frequently monitors, actions taken on its
28 computers by employees. Wells Fargo has been put on notice by unusual activity

1 such as: numerous accounts being opened on January 1, a bank holiday; numerous
2 unfunded accounts; frequent reopening of closed accounts; and customer accounts
3 with the only account activity being Wells Fargo fees.

4 c. Wells Fargo requires that all new customer accounts be approved by a
5 branch manager or assistant manager, thereby providing Wells Fargo management
6 with a clear record of the number and types of accounts opened for each
7 customer.

8 d. Wells Fargo is also aware its daily, weekly and monthly quotas are
9 unrealistic for employees during normal working hours, since they have generated
10 numerous complaints and lawsuits by employees.

11 e. Online banking accounts are often opened by Wells Fargo with obviously
12 false customer contact information such as noname@wellsfargo.com.

13 f. Wells Fargo has terminated and/or otherwise disciplined a number of
14 employees for gaming, but far fewer than have actually engaged in the practices,
15 given Wells Fargo's widespread imposition of the quota system.

16 42. Despite Wells Fargo's knowledge of gaming by its employees, it has done little, if
17 anything, to terminate these practices, nor to reform the business model it created that has
18 fostered them. While Wells Fargo has made a few minor changes to its policies, and has
19 terminated a handful of employees, those efforts have been, at most, cosmetic, and ultimately
20 benefit Wells Fargo by providing them with plausible deniability. However, the policies that
21 encourage these tactics continue, and employees who engage in them continue to be rewarded
22 monetarily, and even promoted. Wells Fargo has not altered its quota system, nor has it reduced
23 the pressure it has applied to its management and employees to reach their quotas, and the
24 gaming that has been its inevitable result.

25 **STATUTORY AND REGULATORY BACKGROUND**

26 *Laws Relating to Identity Theft*

27 43. California has strict laws against making false financial statements.
28

1 44. It is unlawful to use another's personal data for illegal purposes: "[E]very person
2 who willfully obtains personal identifying information . . . of another person, and uses that
3 information for any unlawful purpose, including to obtain, or attempt to obtain, credit, goods,
4 services, real property, or medical information without the consent of that person, is guilty of a
5 public offense . . ." (Penal Code § 530.5(a).) Pursuant to the Penal Code: "personal identifying
6 information" includes "name, address, telephone number, health insurance number, taxpayer
7 identification number, school identification number, state or federal driver's license, or
8 identification number, social security number, place of employment, employee identification
9 number, professional or occupational number, mother's maiden name, demand deposit account
10 number, savings account number, checking account number, PIN (personal identification
11 number) or password, alien registration number, government passport number, [and] date of
12 birth." (Penal Code § 530.55(b)).

13 ***Laws Relating to Computer Data Breaches***

14 45. In California, if a business is in possession of "computerized data that includes
15 personal information," that business "shall disclose any breach of the security of the system
16 following discovery or notification of the breach in the security of the data to any resident of
17 California whose unencrypted personal information was, or is reasonably believed to have been,
18 acquired by an unauthorized person." (Civil Code § 1798.82(a)). "[P]ersonal information"
19 includes: "[a]n individual's first name or first initial and last name," along with one or more of
20 the following: Social Security number; driver's license number or California identification card
21 number; account number, credit or debit card number "in combination with any required security
22 code, access code, or password that would permit access to an individual's financial account;"
23 medical information; or health insurance information. (Civil Code § 1798.82(h)(1).) "Personal
G24 information" also includes: "[a] user name or email address, in combination with a password or
25 security question and answer that would permit access to an online account." (Civil Code §
G26 1798.82(h)(2).) For purposes of this law, "breach of the security system" refers to "unauthorized
27 acquisition of computerized data that compromises the security, confidentiality, or integrity of
28 personal information maintained by the person or business." (Civil Code § 1798.82(g).)

1 46. It is illegal to knowingly access and without permission use "any data, computer,
2 computer system, or computer network in order to either (A) devise or execute any scheme or
3 artifice to defraud, deceive, or extort or (B) wrongfully control or obtain money, property, or
4 data." (Penal Code § 502(c)(1).)

5 47. Furthermore, it is unlawful to knowingly access and without permission: "take[],
6 cop[y], or make[] use of any data from a computer, computer system, or computer network . . .
7 whether existing or residing internal or external to a computer, computer system, or computer
8 network." (Penal Code § 502(c)(2).)

9 48. Under the California Penal Code "the word 'person' includes a corporation as
10 well as a natural person." (Penal Code § 7).

11 49. Pursuant to the Gramm-Leach-Bliley Act, 15 United States Code section 6801, *et*
12 *seq.*, and the rules and regulations promulgated thereunder, financial institutions have a duty to
13 keep and protect the personal information of their customers from unauthorized access or misuse.
14 When an "institution determines that misuse of its information has occurred or is reasonably
15 possible, it should notify the affected customer as soon as possible. (70 Fed. Reg. 1575; 12
16 C.F.R. Part 30, App. B.)

17 **ENFORCEMENT AUTHORITY**

18 *Business and Professions Code section 17200, et seq.*

19 50. "Unfair competition" is defined in Business and Professions Code section 17200
20 as "any unlawful, unfair or fraudulent business act or practice," and any act prohibited by
21 Chapter 1 (commencing with Section 17500) of Part 3 of Division 7 of the Business and
22 Professions Code.

23 51. Pursuant to Business and Professions Code section 17206, any person who
24 engages, has engaged, or proposes to engage in unfair competition shall be liable for a civil
25 penalty not to exceed \$2,500 dollars for each violation.

26 52. Pursuant to Business and Professions Code section 17203, any person who
27 engages, has engaged, or proposes to engage in unfair competition may be enjoined in any court
28 of competent jurisdiction, and the court may make such orders or judgments to prevent the use of

1 any practice which constitutes unfair competition, or as may be necessary to restore to any
2 person in interest any money or property which may have been acquired by means of such unfair
3 competition.

4 53. Pursuant to Business and Professions Code section 17205, the remedies or
5 penalties provided for violations of the UCL are cumulative to each other, and to the remedies or
6 penalties available under all other laws of the state.

7 **FIRST CAUSE OF ACTION:**
8 **VIOLATION OF THE UNFAIR COMPETITION LAW ("UCL")**
9 **AGAINST ALL DEFENDANTS ("GAMING")**

(California Business and Professions Code § 17200, *et seq.*)

10 54. The People reallege and incorporate herein each and every allegation set forth in
11 paragraphs 1 through and including 53 above, as though set forth fully herein.

12 55. Beginning on a date unknown to the People, but within the four years preceding
13 the filing of this Complaint, Defendants and Does 1-100, and each of them, have violated and
14 conspired to violate the UCL by engaging in one or more of the following *unlawful* business acts
15 and practices, among others:

- 16 a. Willfully obtaining personal identifying information of another person
17 (which includes name, address, telephone number, health insurance number,
18 taxpayer identification number, school identification number, state or federal
19 driver's license or identification number, Social Security number, place of
20 employment, employee identification number, professional or occupational
21 number, mother's maiden name, demand deposit account number, savings
22 account number, checking account number, PIN or password, alien registration
23 number, government passport number, and date of birth), and using that
24 information for an unlawful purpose, including to obtain or attempt to obtain
25 credit, goods, services, real property, or medical information without the consent
26 of that person, in violation of Penal Code section 530.5, subdivision (a).
27
28

1 b. Being a party to any fraudulent conveyance of any contract or conveyance
2 had, made, or contrived with intent to deceive and defraud others, or while being
3 a party to any fraudulent conveyance of any contract or conveyance, wittingly and
4 willingly putting in, using, avowing, maintaining, justifying, or defending the
5 fraudulent conveyance of any contract or conveyance as true and done, had or
6 made in good faith, or upon good consideration, in violation of Penal Code
7 section 531.

8 c. Knowingly accessing and without permission using data, computers,
9 computer systems, or computer networks to execute a scheme to defraud or
10 wrongfully obtain money, property, or data, in violation of Penal Code section
11 502, subdivision (c)(1).

12 d. Knowingly accessing, and without permission taking, copying, or making
13 use of customer information, in violation of Penal Code section 502, subdivision
14 (c)(2).

15 e. Knowingly accessing, and without permission taking, copying, or making
16 use of customer information, in violation of 15 United States Code section 680, *et*
17 *seq.*, and the rules and regulations promulgated thereunder.

18 56. Beginning on a date unknown to the People, but within the four years preceding
19 the filing of this Complaint, Defendants and Does 1-100, and each of them, have violated and
20 conspired to violating the UCL by engaging in one or more of the following *unfair* business acts
21 and practices, among others:

22 a. Threatening incipient violations of the aforementioned California laws and
23 violated the public policy embodied in and spirit of those laws.

24 b. Violating the established public policy of the State of California, which,
25 among other things, seeks to ensure that: all monetary contracts are duly
26 authorized by each party; all bank accounts are authorized and agreed to by the
27 customer in whose name the bank account is opened; residents of the state are not
28 harmed in their credit reports by acts not actually performed, or debts not actually

1 incurred, by that resident; personal information of an individual is not improperly
2 obtained and used for an unlawful purpose; and that when personal information is
3 obtained without authority, that the person whose information was obtained is
4 informed immediately.

5 c. Defendants' conduct as described in this Complaint has been immoral,
6 unethical, oppressive and unscrupulous in that Defendants: (1) profit by
7 improperly signing customers up for bank accounts to which the customers did
8 not agree; (2) boast about the average number of accounts per customer they have
9 achieved, knowing that many of those accounts were unauthorized; (3) expose the
10 consumer to financial hardships involving unjustified debt collection and negative
11 credit reporting, thus jeopardizing those customers' ability to obtain mortgages,
12 automobile loans, and employment; and (4) otherwise garnered an unfair
13 advantage over lawfully competing businesses.

14 d. Wells Fargo's acts and practices alleged in this Complaint have had, and
15 continue to have, a substantial detrimental impact upon its customers and the
16 community. This detrimental impact is not outweighed by any countervailing
17 reasons, justifications, and motives of Wells Fargo. In short, the harm
18 experienced by the customers and the surrounding community far outweighs the
19 utility of Wells Fargo's conduct.

20 57. Beginning on a date unknown to the People, but within the four years preceding
21 the filing of this Complaint, Defendants and Does 1-100, and each of them, have violated and
22 conspired to violate the UCL by engaging in one or more of the following *fraudulent* business
23 acts and practices, among others:

- 24 a. Using misrepresentations, deception, and concealment of material
25 information to open unauthorized accounts in customers' names.
- 26 b. Using misrepresentations, deception, and concealment of material
27 information to view customers' personal information, and then failing to reveal to
28 the customers that their personal information was compromised.

1 **SECOND CAUSE OF ACTION:**
2 **VIOLATION OF THE UNFAIR COMPETITION LAW ("UCL")**
3 **AGAINST ALL DEFENDANTS**
4 **(FAILURE TO PROVIDE NOTICE OF DATA BREACH)**

5 (California Business and Professions Code § 17200, *et seq.*)

6 58. The People reallege and incorporate herein each and every allegation set forth in
7 paragraphs 1 through and including 53 above, as though set forth fully herein.

8 59. Beginning on a date unknown to the People, but within the four years preceding
9 the filing of this Complaint, Defendants and Does 1-100, and each of them, have violated and
10 conspired to violate the UCL by engaging in one or more of the following *unlawful* business acts
11 and practices, among others:

- 12 a. Being a business that owns or licenses computerized data that includes
13 personal information, and failing to disclose breaches of the security of the
14 system containing that data following discovery or notification of the breach
15 by an unauthorized person, in violation of Civil Code section 1798.82,
16 subdivision (a).
17 b. Failing to provide their customers with notice of any misuse of their customer
18 information, as required by 15 United States Code section 6801, *et seq.*, and
19 the rules and regulations promulgated thereunder.

20 60. Beginning on a date unknown to the People, but within the four years preceding
21 the filing of this Complaint, Defendants and Does 1-100, and each of them, have violated and
22 conspired to violate the UCL by engaging in one or more of the following *unfair* business acts
23 and practices, among others:

- 24 a. Threatening incipient violations of the aforementioned California laws, and
25 violating the public policy embodied in, and the spirit of, those laws.
26 b. Violating the established public policy of the State of California, which,
27 among other things, seeks to ensure that: all monetary contracts are duly
28 authorized by each party; all bank accounts are authorized and agreed to by
29 the customer in whose name the bank account is opened; residents of the state

1 are not harmed in their credit reports by acts not actually performed, or debts
2 not actually incurred, by that resident; personal information of an individual is
3 not improperly obtained and used for an unlawful purpose; and that when
4 personal information is obtained without authority, that the person whose
5 information was obtained is informed immediately.

- 6 c. Defendants' conduct as described in this Complaint has been immoral,
7 unethical, oppressive and unscrupulous in that Defendants: (1) profit by
8 improperly signing customers up for bank accounts to which the customers
9 did not agree; (2) boast about the average number of accounts per customer
10 they have achieved, knowing that many of those accounts were unauthorized;
11 (3) expose the consumer to financial hardships involving unjustified debt
12 collection and negative credit reporting, thus jeopardizing those customers'
13 ability to obtain as mortgages, automobile loans, and employment; and (4)
14 otherwise garnered an unfair advantage over lawfully competing businesses.
- 15 d. Wells Fargo's acts and practices alleged in this Complaint have had, and
16 continue to have, a substantial detrimental impact upon its customers and the
17 community. This detrimental impact is not outweighed by any countervailing
18 reasons, justifications, and motives of Wells Fargo. In short, the harm
19 experienced by the customers and the surrounding community far outweighs
20 the utility of Wells Fargo's conduct.

21 61. The acts of unfair competition of Defendants and Does 1-100, and each of them,
22 present a continuing threat to the public's health, safety, and welfare, and the People have no
23 adequate remedy at law. Accordingly, unless Defendants and Does 1-100 are permanently
24 enjoined and restrained by order of this Court, they will continue to commit acts of unfair
25 competition, and thereby continue to cause irreparable harm and injury to the public's health,
26 safety, and welfare.

27 **PRAYER FOR RELIEF**

28 Wherefore, the People pray that:

1 1. Pursuant to Business and Professions Code sections 17203 and 17204, and the
2 equitable powers of the Court, Defendant Wells Fargo and DOES 1 through 100, together with
3 their officers, employees, servants, agents, partners, associates, representatives, contractors, and
4 all persons acting on behalf of or in concert with them, be enjoined from engaging in the
5 unlawful, unfair, and fraudulent business acts and practices described in this Complaint; be
6 ordered to comply with all laws and regulations concerning the opening and maintaining of bank
7 accounts; and be required to take such actions, and adopt such measures, as are necessary to
8 prevent Defendants from engaging in further such acts or practices.

9 2. Pursuant to Business and Professions Code sections 17203 and 17204, Defendants
10 be ordered to restore to all persons in interest any money or property they acquired by means of
11 the unlawful, unfair, and fraudulent business acts and practices in this Complaint.

12 3. Pursuant to Business and Professions Code section 17206, Defendants be assessed
13 a civil penalty of \$2,500 for each violation of the UCL that they committed, caused, aided and
14 abetted, or conspired to commit.

15 4. Pursuant to Business and Professions Code section 17206.1, Defendants also be
16 assessed a civil penalty of \$2,500 for each violation of the UCL that they committed, caused,
17 aided and abetted, or conspired to commit, against senior citizens or disabled persons.

18 5. The People recover the costs of this action.

19 6. The People be granted such other and further relief as the Court may deem to be
20 just and proper.

21 Dated: May 4, 2015

22 MICHAEL N. FEUER, City Attorney
23 TINA HESS, Assistant City Attorney
24 SUZANNE V. SPILLANE, Deputy City Attorney
25 JESSICA B. BROWN, Deputy City Attorney
26 JEREMY BERZON, Deputy City Attorney
27 OFFICE OF THE LOS ANGELES CITY ATTORNEY
28 CRIMINAL BRANCH
 COMPLEX & SPECIAL LITIGATION SECTION

By: _____

SUZANNE SPILLANE

Attorneys for Plaintiff,

The People of the State of California

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address):

MICHAEL N. FEUER, City Attorney, (SBN 111529)
 TINA HESS, Assistant City Attorney, (SBN 143900)
 SUZANNE V. SPILLANE, Deputy City Attorney, (164476)
 Office of the Los Angeles City Attorney
 200 North Main Street, 500 City Hall East, Los Angeles, CA 90012
 TELEPHONE NO.: 213-473-6922 FAX NO.: 213-978-8112

ATTORNEY FOR (Name): Plaintiff

SUPERIOR COURT OF CALIFORNIA, COUNTY OF Los Angeles

STREET ADDRESS: 111 North Hill Street

MAILING ADDRESS: 111 North Hill Street

CITY AND ZIP CODE: Los Angeles, CA 90012

BRANCH NAME: Central

CASE NAME: People v. Wells Fargo & Company, et al.

FOR COURT USE ONLY

FILED
 Superior Court of California
 County of Los Angeles

MAY 04 2015

Sherri R. Carter, Executive Officer/Clerk
 By Cristina Grijalva Deputy
 Cristina Grijalva

CIVIL CASE COVER SHEET

☒ **Unlimited** (Amount demanded exceeds \$25,000) ☐ **Limited** (Amount demanded is \$25,000 or less)

Complex Case Designation

☐ **Counter** ☐ **Joinder**
 Filed with first appearance by defendant
 (Cal. Rules of Court, rule 3.402)

CASE NUMBER:

JUDGE:

DEPT:

BC 580778

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

Auto Tort

☐ Auto (22)
☐ Uninsured motorist (46)

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

☐ Asbestos (04)
☐ Product liability (24)
☐ Medical malpractice (45)
☐ Other PI/PD/WD (23)

Non-PI/PD/WD (Other) Tort

☒ Business tort/unfair business practice (07)
☐ Civil rights (08)
☐ Defamation (13)
☐ Fraud (16)
☐ Intellectual property (19)
☐ Professional negligence (25)
☐ Other non-PI/PD/WD tort (35)

Employment

☐ Wrongful termination (36)
☐ Other employment (15)

Contract

☐ Breach of contract/warranty (06)
☐ Rule 3.740 collections (09)
☐ Other collections (09)
☐ Insurance coverage (18)
☐ Other contract (37)

Real Property

☐ Eminent domain/Inverse condemnation (14)
☐ Wrongful eviction (33)
☐ Other real property (26)

Unlawful Detainer

☐ Commercial (31)
☐ Residential (32)
☐ Drugs (38)

Judicial Review

☐ Asset forfeiture (05)
☐ Petition re: arbitration award (11)
☐ Writ of mandate (02)
☐ Other judicial review (39)

Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403)

☐ Antitrust/Trade regulation (03)
☐ Construction defect (10)
☐ Mass tort (40)
☐ Securities litigation (28)
☐ Environmental/Toxic tort (30)
☐ Insurance coverage claims arising from the above listed provisionally complex case types (41)

Enforcement of Judgment

☐ Enforcement of judgment (20)

Miscellaneous Civil Complaint

☐ RICO (27)
☐ Other complaint (not specified above) (42)

Miscellaneous Civil Petition

☐ Partnership and corporate governance (21)
☐ Other petition (not specified above) (43)

2. This case ☐ is ☒ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:

- a. ☐ Large number of separately represented parties d. ☒ Large number of witnesses
 b. ☒ Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve e. ☐ Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court
 c. ☒ Substantial amount of documentary evidence f. ☐ Substantial postjudgment judicial supervision

3. Remedies sought (check all that apply): a. ☒ monetary b. ☒ nonmonetary; declaratory or injunctive relief c. ☐ punitive

4. Number of causes of action (specify): Two

5. This case ☐ is ☒ is not a class action suit.

6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: May 4, 2015

Suzanne V. Spillane, Deputy City Attorney

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

Page 1 of 2

ORIGINAL

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check **one** box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the **primary** cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES

Auto Tort

Auto (22)—Personal Injury/Property Damage/Wrongful Death
Uninsured Motorist (46) (*if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto*)

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

Asbestos (04)
Asbestos Property Damage
Asbestos Personal Injury/Wrongful Death
Product Liability (*not asbestos or toxic/environmental*) (24)
Medical Malpractice (45)
Medical Malpractice—Physicians & Surgeons
Other Professional Health Care Malpractice
Other PI/PD/WD (23)
Premises Liability (e.g., slip and fall)
Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)
Intentional Infliction of Emotional Distress
Negligent Infliction of Emotional Distress
Other PI/PD/WD

Non-PI/PD/WD (Other) Tort

Business Tort/Unfair Business Practice (07)
Civil Rights (e.g., discrimination, false arrest) (*not civil harassment*) (08)
Defamation (e.g., slander, libel) (13)
Fraud (16)
Intellectual Property (19)
Professional Negligence (25)
Legal Malpractice
Other Professional Malpractice (*not medical or legal*)
Other Non-PI/PD/WD Tort (35)

Employment

Wrongful Termination (36)
Other Employment (15)

Contract

Breach of Contract/Warranty (06)
Breach of Rental/Lease
Contract (*not unlawful detainer or wrongful eviction*)
Contract/Warranty Breach—Seller Plaintiff (*not fraud or negligence*)
Negligent Breach of Contract/Warranty
Other Breach of Contract/Warranty
Collections (e.g., money owed, open book accounts) (09)
Collection Case—Seller Plaintiff
Other Promissory Note/Collections Case
Insurance Coverage (*not provisionally complex*) (18)
Auto Subrogation
Other Coverage
Other Contract (37)
Contractual Fraud
Other Contract Dispute

Real Property

Eminent Domain/Inverse Condemnation (14)
Wrongful Eviction (33)
Other Real Property (e.g., quiet title) (26)
Writ of Possession of Real Property
Mortgage Foreclosure
Quiet Title
Other Real Property (*not eminent domain, landlord/tenant, or foreclosure*)

Unlawful Detainer

Commercial (31)
Residential (32)
Drugs (38) (*if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential*)

Judicial Review

Asset Forfeiture (05)
Petition Re: Arbitration Award (11)
Writ of Mandate (02)
Writ—Administrative Mandamus
Writ—Mandamus on Limited Court Case Matter
Writ—Other Limited Court Case Review
Other Judicial Review (39)
Review of Health Officer Order
Notice of Appeal—Labor
Commissioner Appeals

Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)

Antitrust/Trade Regulation (03)
Construction Defect (10)
Claims Involving Mass Tort (40)
Securities Litigation (28)
Environmental/Toxic Tort (30)
Insurance Coverage Claims (*arising from provisionally complex case type listed above*) (41)

Enforcement of Judgment

Enforcement of Judgment (20)
Abstract of Judgment (Out of County)
Confession of Judgment (*non-domestic relations*)
Sister State Judgment
Administrative Agency Award (*not unpaid taxes*)
Petition/Certification of Entry of Judgment on Unpaid Taxes
Other Enforcement of Judgment Case

Miscellaneous Civil Complaint

RICO (27)
Other Complaint (*not specified above*) (42)
Declaratory Relief Only
Injunctive Relief Only (*non-harassment*)
Mechanics Lien
Other Commercial Complaint Case (*non-tort/non-complex*)
Other Civil Complaint (*non-tort/non-complex*)

Miscellaneous Civil Petition

Partnership and Corporate Governance (21)
Other Petition (*not specified above*) (43)
Civil Harassment
Workplace Violence
Elder/Dependent Adult Abuse
Election Contest
Petition for Name Change
Petition for Relief from Late Claim
Other Civil Petition

**CIVIL CASE COVER SHEET ADDENDUM AND
STATEMENT OF LOCATION
(CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)**

This form is required pursuant to Local Rule 2.0 in all new civil case filings in the Los Angeles Superior Court.

Item I. Check the types of hearing and fill in the estimated length of hearing expected for this case:

JURY TRIAL? ☐ YES CLASS ACTION? ☐ YES LIMITED CASE? ☐ YES TIME ESTIMATED FOR TRIAL 20 ☐ HOURS/ ☒ DAYS

Item II. Indicate the correct district and courthouse location (4 steps – If you checked "Limited Case", skip to Item III, Pg. 4):

Step 1: After first completing the Civil Case Cover Sheet form, find the main Civil Case Cover Sheet heading for your case in the left margin below, and, to the right in Column **A**, the Civil Case Cover Sheet case type you selected.

Step 2: Check one Superior Court type of action in Column **B** below which best describes the nature of this case.

Step 3: In Column **C**, circle the reason for the court location choice that applies to the type of action you have checked. For any exception to the court location, see Local Rule 2.0.

Applicable Reasons for Choosing Courthouse Location (see Column C below)

1. Class actions must be filed in the Stanley Mosk Courthouse, central district.
2. May be filed in central (other county, or no bodily injury/property damage).
3. Location where cause of action arose.
4. Location where bodily injury, death or damage occurred.
5. Location where performance required or defendant resides.
6. Location of property or permanently garaged vehicle.
7. Location where petitioner resides.
8. Location wherein defendant/respondent functions wholly.
9. Location where one or more of the parties reside.
10. Location of Labor Commissioner Office.

Step 4: Fill in the information requested on page 4 in Item III; complete Item IV. Sign the declaration.

	A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons (See Step 3 Above)
Auto Tort	Auto (22)	<input type="checkbox"/> A7100 Motor Vehicle - Personal Injury/Property Damage/Wrongful Death	1., 2., 4.
	Uninsured Motorist (46)	<input type="checkbox"/> A7110 Personal Injury/Property Damage/Wrongful Death – Uninsured Motorist	1., 2., 4.
Other Personal Injury/Property Damage/ Wrongful Death Tort	Asbestos (04)	<input type="checkbox"/> A6070 Asbestos Property Damage <input type="checkbox"/> A7221 Asbestos - Personal Injury/Wrongful Death	2. 2.
	Product Liability (24)	<input type="checkbox"/> A7260 Product Liability (not asbestos or toxic/environmental)	1., 2., 3., 4., 8.
	Medical Malpractice (45)	<input type="checkbox"/> A7210 Medical Malpractice - Physicians & Surgeons <input type="checkbox"/> A7240 Other Professional Health Care Malpractice	1., 4. 1., 4.
	Other Personal Injury Property Damage Wrongful Death (23)	<input type="checkbox"/> A7250 Premises Liability (e.g., slip and fall)	1., 4.
		<input type="checkbox"/> A7230 Intentional Bodily Injury/Property Damage/Wrongful Death (e.g., assault, vandalism, etc.)	1., 4.
<input type="checkbox"/> A7270 Intentional Infliction of Emotional Distress		1., 3.	
<input type="checkbox"/> A7220 Other Personal Injury/Property Damage/Wrongful Death		1., 4.	

ORIGINAL

SHORT TITLE: People v. Wells Fargo & Company, et al.

CASE NUMBER

Non-Personal Injury/ Property
Damage/ Wrongful Death Tort

Employment

Contract

Real Property

Unlawful Detainer

Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Business Tort (07)	<input checked="" type="checkbox"/> A6029 Other Commercial/Business Tort (not fraud/breach of contract)	1., 3.
Civil Rights (08)	<input type="checkbox"/> A6005 Civil Rights/Discrimination	1., 2., 3.
Defamation (13)	<input type="checkbox"/> A6010 Defamation (slander/libel)	1., 2., 3.
Fraud (16)	<input type="checkbox"/> A6013 Fraud (no contract)	1., 2., 3.
Professional Negligence (25)	<input type="checkbox"/> A6017 Legal Malpractice <input type="checkbox"/> A6050 Other Professional Malpractice (not medical or legal)	1., 2., 3. 1., 2., 3.
Other (35)	<input type="checkbox"/> A6025 Other Non-Personal Injury/Property Damage tort	2., 3.
Wrongful Termination (36)	<input type="checkbox"/> A6037 Wrongful Termination	1., 2., 3.
Other Employment (15)	<input type="checkbox"/> A6024 Other Employment Complaint Case <input type="checkbox"/> A6109 Labor Commissioner Appeals	1., 2., 3. 10.
Breach of Contract/ Warranty (06) (not insurance)	<input type="checkbox"/> A6004 Breach of Rental/Lease Contract (not unlawful detainer or wrongful eviction) <input type="checkbox"/> A6008 Contract/Warranty Breach -Seller Plaintiff (no fraud/negligence) <input type="checkbox"/> A6019 Negligent Breach of Contract/Warranty (no fraud) <input type="checkbox"/> A6028 Other Breach of Contract/Warranty (not fraud or negligence)	2., 5. 2., 5. 1., 2., 5. 1., 2., 5.
Collections (09)	<input type="checkbox"/> A6002 Collections Case-Seller Plaintiff <input type="checkbox"/> A6012 Other Promissory Note/Collections Case	2., 5., 6. 2., 5.
Insurance Coverage (18)	<input type="checkbox"/> A6015 Insurance Coverage (not complex)	1., 2., 5., 8.
Other Contract (37)	<input type="checkbox"/> A6009 Contractual Fraud <input type="checkbox"/> A6031 Tortious Interference <input type="checkbox"/> A6027 Other Contract Dispute(not breach/insurance/fraud/negligence)	1., 2., 3., 5. 1., 2., 3., 5. 1., 2., 3., 8.
Eminent Domain/Inverse Condemnation (14)	<input type="checkbox"/> A7300 Eminent Domain/Condemnation Number of parcels _____	2.
Wrongful Eviction (33)	<input type="checkbox"/> A6023 Wrongful Eviction Case	2., 6.
Other Real Property (26)	<input type="checkbox"/> A6018 Mortgage Foreclosure <input type="checkbox"/> A6032 Quiet Title <input type="checkbox"/> A6060 Other Real Property (not eminent domain, landlord/tenant, foreclosure)	2., 6. 2., 6. 2., 6.
Unlawful Detainer-Commercial (31)	<input type="checkbox"/> A6021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer-Residential (32)	<input type="checkbox"/> A6020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer- Post-Foreclosure (34)	<input type="checkbox"/> A6020F Unlawful Detainer-Post-Foreclosure	2., 6.
Unlawful Detainer-Drugs (38)	<input type="checkbox"/> A6022 Unlawful Detainer-Drugs	2., 6.

SHORT TITLE: People v. Wells Fargo & Company, et al.

CASE NUMBER

Judicial Review

Provisionally Complex Litigation

Enforcement
of JudgmentMiscellaneous
Civil ComplaintsMiscellaneous
Civil Petitions

A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons See Step 3 Above
Asset Forfeiture (05)	<input type="checkbox"/> A6108 Asset Forfeiture Case	2., 6.
Petition re Arbitration (11)	<input type="checkbox"/> A6115 Petition to Compel/Confirm/Vacate Arbitration	2., 5.
Writ of Mandate (02)	<input type="checkbox"/> A6151 Writ - Administrative Mandamus <input type="checkbox"/> A6152 Writ - Mandamus on Limited Court Case Matter <input type="checkbox"/> A6153 Writ - Other Limited Court Case Review	2., 8. 2. 2.
Other Judicial Review (39)	<input type="checkbox"/> A6150 Other Writ /Judicial Review	2., 8.
Antitrust/Trade Regulation (03)	<input type="checkbox"/> A6003 Antitrust/Trade Regulation	1., 2., 8.
Construction Defect (10)	<input type="checkbox"/> A6007 Construction Defect	1., 2., 3.
Claims Involving Mass Tort (40)	<input type="checkbox"/> A6006 Claims Involving Mass Tort	1., 2., 8.
Securities Litigation (28)	<input type="checkbox"/> A6035 Securities Litigation Case	1., 2., 8.
Toxic Tort Environmental (30)	<input type="checkbox"/> A6036 Toxic Tort/Environmental	1., 2., 3., 8.
Insurance Coverage Claims from Complex Case (41)	<input type="checkbox"/> A6014 Insurance Coverage/Subrogation (complex case only)	1., 2., 5., 8.
Enforcement of Judgment (20)	<input type="checkbox"/> A6141 Sister State Judgment <input type="checkbox"/> A6160 Abstract of Judgment <input type="checkbox"/> A6107 Confession of Judgment (non-domestic relations) <input type="checkbox"/> A6140 Administrative Agency Award (not unpaid taxes) <input type="checkbox"/> A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax <input type="checkbox"/> A6112 Other Enforcement of Judgment Case	2., 9. 2., 6. 2., 9. 2., 8. 2., 8. 2., 8., 9.
RICO (27)	<input type="checkbox"/> A6033 Racketeering (RICO) Case	1., 2., 8.
Other Complaints (Not Specified Above) (42)	<input type="checkbox"/> A6030 Declaratory Relief Only <input type="checkbox"/> A6040 Injunctive Relief Only (not domestic/harassment) <input type="checkbox"/> A6011 Other Commercial Complaint Case (non-tort/non-complex) <input type="checkbox"/> A6000 Other Civil Complaint (non-tort/non-complex)	1., 2., 8. 2., 8. 1., 2., 8. 1., 2., 8.
Partnership Corporation Governance (21)	<input type="checkbox"/> A6113 Partnership and Corporate Governance Case	2., 8.
Other Petitions (Not Specified Above) (43)	<input type="checkbox"/> A6121 Civil Harassment <input type="checkbox"/> A6123 Workplace Harassment <input type="checkbox"/> A6124 Elder/Dependent Adult Abuse Case <input type="checkbox"/> A6190 Election Contest <input type="checkbox"/> A6110 Petition for Change of Name <input type="checkbox"/> A6170 Petition for Relief from Late Claim Law <input type="checkbox"/> A6100 Other Civil Petition	2., 3., 9. 2., 3., 9. 2., 3., 9. 2. 2., 7. 2., 3., 4., 8. 2., 9.

SHORT TITLE: People v. Wells Fargo & Company, et al.

CASE NUMBER

Item III. Statement of Location: Enter the address of the accident, party's residence or place of business, performance, or other circumstance indicated in Item II., **Step 3** on Page 1, as the proper reason for filing in the court location you selected.

REASON: Check the appropriate boxes for the numbers shown under Column C for the type of action that you have selected for this case.

☐ 1. ☐ 2. ☒ 3. ☐ 4. ☐ 5. ☐ 6. ☐ 7. ☐ 8. ☐ 9. ☐ 10.

ADDRESS: 200 North Main Street

CITY:

Los Angeles

STATE:

CA

ZIP CODE:

90012

Item IV. Declaration of Assignment: I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that the above-entitled matter is properly filed for assignment to the Stanley Mosk courthouse in the Central District of the Superior Court of California, County of Los Angeles [Code Civ. Proc., § 392 et seq., and Local Rule 2.0, subds. (b), (c) and (d)].

Dated: May 4, 2015

(SIGNATURE OF ATTORNEY/FILING PARTY)

Suzanne V. Spillane, Deputy City Attorney

PLEASE HAVE THE FOLLOWING ITEMS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:

1. Original Complaint or Petition.
2. If filing a Complaint, a completed Summons form for issuance by the Clerk.
3. Civil Case Cover Sheet, Judicial Council form CM-010.
4. Civil Case Cover Sheet Addendum and Statement of Location form, LACIV 109, LASC Approved 03-04 (Rev. 03/11).
5. Payment in full of the filing fee, unless fees have been waived.
6. A signed order appointing the Guardian ad Litem, Judicial Council form CIV-010, if the plaintiff or petitioner is a minor under 18 years of age will be required by Court in order to issue a summons.
7. Additional copies of documents to be conformed by the Clerk. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.

EXHIBIT 2

From: [Zelinsky, John \(CFPB\)](#)
To: [Ledbetter, Roshonda \(Contractor\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Sales: Additional consumer complaints
Date: Tuesday, April 19, 2016 8:17:30 PM
Attachments: [Consumer Apr 2016 5.pdf](#)
[Consumer Apr 2016 4.pdf](#)
[Consumer Apr 2016 3.pdf](#)
[Consumer Apr 2016 2.pdf](#)
[Consumer Apr 2016 1.pdf](#)

(b) (5)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ledbetter, Roshonda (Contractor)
Sent: Tuesday, April 19, 2016 11:22 AM
To: Zelinsky, John (CFPB)
Subject: RE: Wells Sales: Additional consumer complaints

John,

I apologize for giving you the same thing. I attached the wrong one.

Thanks,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Zelinsky, John (CFPB)
Sent: Tuesday, April 19, 2016 1:03 PM
To: Ledbetter, Roshonda (Contractor)
Subject: RE: Wells Sales: Additional consumer complaints

Roshonda,

These seem to be the same complaints that I looked up a couple weeks ago and sent back with the

contact info. Please see attached. Let me know if there are any questions.

Thanks!

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ledbetter, Roshonda (Contractor)
Sent: Tuesday, April 19, 2016 9:00 AM
To: Zelinsky, John (CFPB)
Subject: FW: Wells Sales: Additional consumer complaints

Hi John,

I hope all is well. Can you help me get the contact information for the attached complaints?

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ledbetter, Roshonda (CFPB)
Sent: Monday, April 04, 2016 11:16 AM
To: Zelinsky, John (CFPB)
Subject: FW: Wells Sales: Additional consumer complaints

Hi John,

Can you help me get the contact information. I also emailed CR but no one has gotten back to me.

Thank you,

Roshonda Ledbetter

Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Friday, April 01, 2016 12:51 PM
To: Ledbetter, Roshonda (CFPB)
Subject: Wells Sales: Additional consumer complaints

Hi Roshonda,

I cherry picked some more complaints from consumer response from the spreadsheets you put on the Z drive. Would you mind pulling contact information for these consumers?

Thanks,

Lawrence

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Davis, Alicia \(CFPB\)](#)
To: [Levine, Daniel \(CFPB\)](#); [Bailey, Rashunda \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: Re: Wells Sales: CID being issued today
Date: Monday, March 21, 2016 12:09:50 PM

Thank you.

From: Levine, Daniel (CFPB)
Sent: Monday, March 21, 2016 12:08 PM
To: Bailey, Rashunda (CFPB); Brown, Lawrence (CFPB); Davis, Alicia (CFPB)
Subject: RE: Wells Sales: CID being issued today

I have sent it out.

From: Bailey, Rashunda (CFPB)
Sent: Monday, March 21, 2016 11:37 AM
To: Brown, Lawrence (CFPB); Davis, Alicia (CFPB)
Cc: Levine, Daniel (CFPB)
Subject: Re: Wells Sales: CID being issued today

Daniel can assist.

From: Brown, Lawrence (CFPB)
Sent: Monday, March 21, 2016 11:35 AM Eastern Standard Time
To: Davis, Alicia (CFPB); Bailey, Rashunda (CFPB)
Subject: RE: Wells Sales: CID being issued today

I have the CID in my office when you are ready for mailing. Roshonda had me make a few adjustments.

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Davis, Alicia (CFPB)
Sent: Monday, March 21, 2016 11:08 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells Sales: CID being issued today

CID's have to go out by Certified mail. I will have Rashunda put that together.

From: Brown, Lawrence (CFPB)
Sent: Monday, March 21, 2016 11:04 AM
To: Davis, Alicia (CFPB)
Subject: RE: Wells Sales: CID being issued today

Ok. Sounds fine.

Lawrence D. Brown

Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Davis, Alicia (CFPB)
Sent: Monday, March 21, 2016 11:02 AM
To: Brown, Lawrence (CFPB)
Subject: RE: Wells Sales: CID being issued today

Sure, no problem. I will create the label and send to Rashunda Bailey to take care of the mailing. I'm teleworking today.

From: Brown, Lawrence (CFPB)
Sent: Monday, March 21, 2016 10:54 AM
To: Ledbetter, Roshonda (CFPB); Davis, Alicia (CFPB)
Subject: Wells Sales: CID being issued today

Roshonda,

I have attached the CID package to this email. Would you mind checking to make sure that I didn't leave anything out?

Alicia,

Would you mind preparing a UPS label to the address below? I have the original package when Roshonda confirms that the CID is good to send out.

Wells Fargo Bank, N.A.
c/o Robert J. McGahan
301 South College Street
30th Floor
Charlotte, NC 28202-6000

Thanks,

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown

1625 Eye Street, NW

Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: 1625i-rm4085-konica-bizhub@cfpb.gov [mailto:1625i-rm4085-konica-bizhub@cfpb.gov]

Sent: Monday, March 21, 2016 10:56 AM

To: Brown, Lawrence (CFPB)

Subject: Message from 1625i-rm4085-konica-bizhub



Consumer Financial
Protection Bureau

1700 G Street NW, Washington, DC 20552

March 21, 2016

Via UPS and Electronic Mail

Mr. Robert J. McGahan
Wells Fargo Bank, N.A.
301 South College Street
30th Floor
Charlotte, NC 28202-6000

Robert.McGahan@wellsfargo.com

Re: Civil Investigative Demand served on Wells Fargo Bank, N. A.
on March 21, 2016

Dear Mr. McGahan:

Attached is a civil investigative demand (CID) issued to Wells Fargo Bank, N.A. by the Consumer Financial Protection Bureau (Bureau) under 12 C.F.R. § 1080.6 and section 1052(c) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 12 U.S.C. § 5562.

Rule 1080.6(c) of the Bureau's Rules Relating to Investigations requires that you contact me as soon as possible to schedule a meeting (by telephone or in person) to be held within ten (10) calendar days of receipt of this CID in order to discuss and attempt to resolve all issues regarding timely compliance with this demand. 12 C.F.R. § 1080.6(c); see also Instruction III., subpart (B). The rule requires that you make available at this meeting personnel with the knowledge necessary to resolve any such issues. Please be prepared to discuss your planned compliance schedule, and whether it is possible to tier your production by providing portions of the response prior to the due date.

Please contact me immediately to schedule a meeting, which must be held within ten (10) days of the date of issue of this CID. My telephone number is (202) 435-7116. I look forward to your call.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Brown", is written over a horizontal line.

Lawrence D. Brown
Enforcement Attorney

Enc. 1



Consumer Financial
Protection Bureau

United States of America
Consumer Financial Protection Bureau

Civil Investigative Demand

To **Wells Fargo Bank, N.A.**
c/o Robert J. McGahan
301 South College Street
30th Floor
Charlotte, NC 28202-6000

This demand is issued pursuant to Section 1052 of the Consumer Financial Protection Act of 2010 and 12 C.F.R. Part 1080 to determine whether there is or has been a violation of any laws enforced by the Bureau of Consumer Financial Protection.

Action Required (choose all that apply)

☐ **Appear and Provide Oral Testimony**

Location of Investigational Hearing	Date and Time of Investigational Hearing
	Bureau Investigators

☒ **Produce Documents and/or Tangible Things, as set forth in the attached document, by the following date** 04/20/2016

☒ **Provide Written Reports and/or Answers to Questions, as set forth in the attached document, by the following date** 04/20/2016

Notification of Purpose Pursuant to 12 C.F.R. § 1080.5

The purpose of this investigation is to determine whether depository institutions or other persons have engaged or are engaging in unlawful acts or practices in connection with unauthorized consumer bank, credit card, and other accounts in violation of §§ 1031 and 1036 of the Consumer Financial Protection Act of 2010, 12 U.S.C. §§ 5531, 5536; the Truth In Savings Act, 12 U.S.C. § 4301 et seq.; the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq.; the Truth in Lending Act, 15 U.S.C. § 1601 et seq.; the Electronic Fund Transfer Act, 15 U.S.C. § 1693 et seq.; their implementing regulations; or any other Federal consumer financial law. The purpose of this investigation is also to determine whether Bureau action to obtain legal or equitable relief would be in the public interest.

Custodian / Deputy Custodian

Jeffrey Paul Ehrlich, Custodian/Roshonda Ledbetter, Deputy Custodian
Consumer Financial Protection Bureau
Attention: Enforcement
1700 G Street, NW
Washington, DC 20552

Bureau Counsel

Lawrence D. Brown
Email: Lawrence.Brown@cfpb.gov
Phone: (202) 435-7116

Date Issued

03/21/2016

Signature

Jeffrey Paul Ehrlich

Digitally signed by Jeffrey Paul Ehrlich
DN: cn=Jeffrey Paul Ehrlich, o=CFPB, ou=Enforcement,
email=jeff.ehrlich@cfpb.gov, c=US
Date: 2016.03.21 09:20:56 -04'00'

Name / Title **Jeffrey Paul Ehrlich, Deputy Enforcement Director**

Service

The delivery of this demand to you by any method prescribed by the Consumer Financial Protection Act of 2010, 12 U.S.C. § 5562, is legal service. If you fail to comply with this demand, the Bureau may seek a court order requiring your compliance.

Travel Expenses

Request a travel voucher to claim compensation to which you are entitled as a witness before the Bureau pursuant to Section 1052 of the Consumer Financial Protection Act of 2010, 12 U.S.C. § 5562.

Right to Regulatory Enforcement Fairness

The CFPB is committed to fair regulatory enforcement. If you are a small business under Small Business Administration standards, you have a right to contact the Small Business Administration's National Ombudsman at 1-888-REGFAIR (1-888-734-3247) or www.sba.gov/ombudsman regarding the fairness of the compliance and enforcement activities of the agency. You should understand, however, that the National Ombudsman cannot change, stop, or delay a federal agency enforcement action.

Paperwork Reduction Act

This demand does not require approval by OMB under the Paperwork Reduction Act of 1980.

CERTIFICATE OF COMPLIANCE WITH RFPA

The Right to Financial Privacy Act of 1978 (RFPA) does not apply to the disclosure of financial records or information to the Consumer Financial Protection Bureau (CFPB) “in the exercise of its authority with respect to a financial institution.” 12 U.S.C. § 3413(r). This civil investigative demand is also issued in connection with an investigation within the meaning of section 3413(h)(1)(A) of the RFPA. Therefore, in accordance with section 3403(b) of the RFPA, the undersigned certifies that, to the extent applicable, the provisions of the RFPA have been complied with as to the Civil Investigative Demand to Wells Fargo Bank, N.A., to which this Certificate is attached.

The information obtained will be used to determine whether the persons named or referred to in the attached Civil Investigative Demand are in compliance with laws administered by the Consumer Financial Protection Bureau. The information may be transferred to another department or agency consistent with the RFPA.

Under the RFPA, good-faith reliance on this certificate relieves the recipient and its employees and agents of any liability to customers in connection with the requested disclosures of financial records of these customers. *See* 12 U.S.C. § 3417(c).

Jeffrey Paul Ehrlich

Digitally signed by Jeffrey Paul Ehrlich
DN: cn=Jeffrey Paul Ehrlich, o=CFPB, ou=Enforcement,
email=jeff.ehrlich@cfpb.gov, c=US
Date: 2016.03.21 09:21:55 -04'00'

Jeffrey P. Ehrlich
Deputy Assistant Director, Office of Enforcement
Consumer Financial Protection Bureau

III. Instructions

A. **Sharing of Information:** This CID relates to a nonpublic, law-enforcement investigation being conducted by the Bureau. The Bureau may make its files available to other civil and criminal federal, state, or local law-enforcement agencies under 12 C.F.R. §§ 1070.43(b)(1) and 1070.45(a)(5). Information you provide may be used in any civil or criminal proceeding by the Bureau or other agencies. As stated in 12 C.F.R. § 1080.14, information you provide in response to this CID is subject to the requirements and procedures relating to the disclosure of records and information set forth in 12 C.F.R. pt. 1070.

B. **Meet and Confer:** As stated in 12 C.F.R. § 1080.6(c), you must contact Enforcement Attorney **Lawrence D. Brown** at **(202) 435-7116** as soon as possible to schedule a meeting (telephonic or in person) to discuss your response to the CID. The

meeting must be held within **10** calendar days after you receive this CID or before the deadline for filing a petition to modify or set aside the CID, whichever is earlier.

C. Applicable Period for Responsive Materials: Unless otherwise directed, the applicable period for the request is from **January 1, 2011 until the date of this CID.**

D. Privilege Claims: If any material responsive to this CID is withheld on the grounds of privilege, you must make the privilege claim no later than the date set for the production of the material. As stated in 12 C.F.R. § 1080.8(a), any such claim must include a schedule of the documents, information, or tangible things withheld that states, for each:

1. its type, specific subject matter, and date;
2. the names, addresses, positions, and organizations of all authors and direct or indirect recipients;
3. the specific grounds for claiming the privilege;
4. the request to which the privileged document, information, or thing is responsive; and
5. its Bates number or range.

In addition, the person who submits the schedule and the attorney stating the grounds for the privilege must sign it. A person withholding material solely based on a claim of privilege must comply with the requirements of 12 C.F. R. § 1080.8 rather than file a petition for an order modifying or setting aside a demand under 12 C.F.R. § 1080.6(e). Please follow the enclosed Document Submission Standards for further instructions about producing redacted privileged documents.

E. Document Retention: Until you are notified otherwise, you are required to retain all documents and other tangible things that you used or relied on in responding to this CID. In addition, you must retain, and suspend any procedures that may result in the destruction of, documents, information, or tangible things that are in any way relevant to the investigation, as described in the CID's Notification of Purpose. You are required to prevent the destruction of relevant material irrespective of whether you believe such material is protected from future disclosure or discovery by privilege or otherwise. *See* 18 U.S.C. §§ 1505, 1519.

F. Modification Requests: If you believe that the scope of the search or response required by this CID can be narrowed consistent with the Bureau's need for documents or information, you are encouraged to discuss such possible modifications, including modifications of the requirements of these instructions, with Enforcement Attorney **Lawrence D. Brown** at **(202) 435-7116**. Modifications must be agreed to in writing by the Enforcement Director or a Deputy Enforcement Director. 12 C.F.R. § 1080.6(d).

G. Petition for Order Modifying or Setting Aside Demand: Under 12 U.S.C. § 5562(f) and 12 C.F.R. § 1080.6(e), you may petition the Bureau for an order modifying or setting aside this CID. To file a petition, you must send it by e-mail to the Bureau's Executive Secretary at ExecSec@cfpb.gov, copying the Enforcement Director at Enforcement@cfpb.gov, within 20 calendar days of service of the CID or, if the return date is less than 20 calendar days after service, before the return date. The subject line of the e-mail must say "Petition to Modify or Set Aside Civil Investigative Demand." If a request for confidential treatment is filed, you must file a redacted public petition in addition to the unredacted petition. All requests for confidential treatment must be supported by a showing of good cause in light of applicable statutes, rules, Bureau orders, court orders, or other relevant authority.

H. Certification: The person to whom the CID is directed or, if it is directed to an entity, any person having knowledge of the facts and circumstances relating to the production, must certify that the response to this CID is true and complete. This certification must be made on the form declaration included with this CID or by a sworn affidavit.

I. Scope of Search: This CID covers materials and information in your possession, custody, or control, including but not limited to documents in the possession, custody, or control of your attorneys, accountants, other agents or consultants, directors, officers, and employees.

J. Document Production: The Bureau encourages the electronic production of all material responsive to this CID; please follow the enclosed Document Submission Standards.

All productions sent by U.S. Postal Service should be addressed to:

Consumer Financial Protection Bureau
1700 G Street, NW
ATTN: Roshonda Ledbetter c/o Andrew Lubash, SEFL, Office of
Enforcement,
Room 4083-B
Washington, DC 20552

All productions sent by FedEx, UPS, or other courier should be addressed to:

Consumer Financial Protection Bureau
1625 Eye Street NW
ATTN: Roshonda Ledbetter c/o Andrew Lubash, SEFL, Office of
Enforcement,
Room 4083-B
Washington, DC 20006

Please provide your intended method of production and any tracking numbers by e-mail or telephone to Enforcement Attorney **Lawrence D. Brown** at **(202) 435-7116**, or **Lawrence.Brown@cfpb.gov**.

K. Document Identification: Documents that may be responsive to more than one request of this CID need not be submitted more than once. All documents responsive to this CID must be accompanied by an index that identifies: (i) the name of each custodian of each responsive document; (ii) the corresponding Bates number or range used to identify that person's documents; and (iii) the request or requests to which each document responds.

L. Sensitive Personally Identifiable Information: If any material called for by these requests contains sensitive personally identifiable information, sensitive health information of any individual, or Suspicious Activities Reports, please contact Enforcement Attorney **Lawrence D. Brown** at **(202) 435-7116** before sending those materials to discuss ways to protect the information during production. You must encrypt electronic copies of such materials with encryption software acceptable to the Bureau. When submitting encrypted material, you must provide the encryption key, certificate, or passcode in a separate communication.

For purposes of this CID, sensitive personally identifiable information includes an individual's Social Security number alone or an individual's name, address, or phone number *in combination with* one or more of the following: date of birth, Social Security number, driver's-license number or other state-identification number, or a foreign country equivalent, passport number, financial-account number, credit-card number, or debit-card number. Sensitive health information includes medical records and other individually identifiable health information relating to the past, present, or future physical or mental health or conditions of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual.

M. Information Identification: Each request for a written report or interrogatory in this CID must be answered separately and fully in writing under oath. All information submitted must clearly and precisely identify the request or requests to which it is responsive.

N. Declaration Certifying Records of Regularly Conducted Business Activity: Attached is a Declaration Certifying Records of Regularly Conducted Business Activity, which may limit the need to subpoena you to testify at future proceedings to establish the admissibility of documents produced in response to this CID. Please execute this Declaration and provide it with your response.

CERTIFICATE OF COMPLIANCE – DOCUMENTS

I, _____, pursuant to 28 U.S.C. § 1746, declare that:

1. I have made a diligent inquiry of all persons who likely have possession of responsive documents and information, and I have confirmed that a diligent search has been made of all of the locations and files that likely contained responsive documents and information in the possession, custody, or control of Wells Fargo Bank, N.A.
2. All of the documents and information identified through the search described in paragraph 1 above required by the Civil Investigative Demand dated March 21, 2016 that are within the possession, custody, or control of Wells Fargo Bank, N.A. have been submitted to the Bureau custodian or deputy custodian identified in this Civil Investigative Demand.
3. If a document or tangible thing responsive to this Civil Investigative Demand has not been submitted, a claim of privilege in compliance with 12 C.F.R. § 1080.8 has been submitted.

I certify under penalty of perjury that the foregoing is true and correct. Executed on _____, 2016.

Signature

CERTIFICATE OF COMPLIANCE – INTERROGATORY ANSWERS

I, _____, pursuant to 28 U.S.C. §

1746, declare that:

1. In preparing all answers and reports in response to the enclosed Civil Investigative Demand, I have made a diligent inquiry of all persons who likely have possession of responsive documents and information, and I have confirmed that a diligent search has been made of all of the locations and files that likely contained responsive documents and information within the possession, custody, control, or knowledge of Wells Fargo Bank, N.A.
2. Based on the information identified through the search described in paragraph 1 above, all answers and reports prepared in response to the enclosed required by the Civil Investigative Demand dated March 21, 2016 are true, correct, and complete.
3. If an interrogatory or a portion of an interrogatory has not been fully answered or a report or a portion of a report has not been completed, a claim of privilege in compliance with 12 C.F.R. § 1080.8 has been submitted.

I certify under penalty of perjury that the foregoing is true and correct. Executed on

_____, 2016.

Signature

DECLARATION CERTIFYING RECORDS OF
REGULARLY CONDUCTED BUSINESS ACTIVITY
Pursuant to 28 U.S.C. § 1746

I, _____, pursuant to 28 U.S.C. § 1746, declare that:

1. I am employed by _____ as _____
and by reason of my position am authorized and qualified to certify the authenticity of the records produced by Wells Fargo Bank, N.A. and submitted with this Declaration.
2. The documents produced and submitted with this Declaration by Wells Fargo Bank, N.A. are true copies of records of regularly conducted activity that were:
 - a. made at or near the time of the occurrence of the matters set forth, by, or from information transmitted by, a person with knowledge of those matters;
 - b. kept in the course of the regularly conducted business activity; and
 - c. made by the regularly conducted business activity as a regular practice.

I certify under penalty of perjury that the foregoing is true and correct. Executed on _____, 2016.

Signature

§ 1081.405 Decision of the Director.

(a) Upon appeal from or upon further review of a recommended decision, the Director will consider such parts of the record as are cited or as may be necessary to resolve the issues presented and, in addition, will, to the extent necessary or desirable, exercise all powers which he or she could have exercised if he or she had made the recommended decision. In proceedings before the Director, the record shall consist of all items part of the record below in accordance with § 1081.306; any notices of appeal or order directing review; all briefs, motions, submissions, and other papers filed on appeal or review; and the transcript of any oral argument held. Review by the Director of a recommended decision may be limited to the issues specified in the notice(s) of appeal or the issues, if any, specified in the order directing further briefing. On notice to all parties, however, the Director may, at any time prior to issuance of his or her decision, raise and determine any other matters that he or she deems material, with opportunity for oral or written argument thereon by the parties.

(b) Decisional employees may advise and assist the Director in the consideration and disposition of the case.

(c) In rendering his or her decision, the Director will affirm, adopt, reverse, modify, set aside, or remand for further proceedings the recommended decision and will include in the decision a statement of the reasons or basis for his or her actions and the findings of fact upon which the decision is predicated.

(d) At the expiration of the time permitted for the filing of reply briefs with the Director, the Office of Administrative Adjudication will notify the parties that the case has been submitted for final Bureau decision. The Director will issue and the Office of Administrative Adjudication will serve the Director's final decision and order within 90 days after such notice, unless within that time the Director orders that the adjudication proceeding or any aspect thereof be remanded to the hearing officer for further proceedings.

(e) Copies of the final decision and order of the Director shall be served upon each party to the proceeding, upon other persons required by statute, and, if directed by the Director or required by statute, upon any appropriate State or Federal supervisory authority. The final decision and order will also be published on the Bureau's Web site or as otherwise deemed appropriate by the Bureau.

§ 1081.406 Reconsideration.

Within 14 days after service of the Director's final decision and order, any party may file with the Director a petition for reconsideration, briefly and specifically setting forth the relief desired and the grounds in support thereof. Any petition filed under this section must be confined to new questions raised by the final decision or final order and upon which the petitioner had no opportunity to argue, in writing or orally, before the Director. No response to a petition for reconsideration shall be filed unless requested by the Director, who will request such response before granting any petition for reconsideration. The filing of a petition for reconsideration shall not operate to stay the effective date of the final decision or order or to toll the running of any statutory period affecting such decision or order unless specifically so ordered by the Director.

§ 1081.407 Effective date; stays pending judicial review.

(a) Other than consent orders, which shall become effective at the time specified therein, an order to cease and desist or for other affirmative action under section 1053(b) of the Dodd-Frank Act becomes effective at the expiration of 30 days after the date of service pursuant to § 1081.113(d)(2), unless the Director agrees to stay the effectiveness of the order pursuant to this section.

(b) Any party subject to a final decision and order, other than a consent order, may apply to the Director for a stay of all or part of that order pending judicial review.

(c) A motion for stay shall state the reasons a stay is warranted and the facts relied upon, and shall include supporting affidavits or other sworn statements, and a copy of the relevant portions of the record. The motion shall address the likelihood of the movant's success on appeal, whether the movant will suffer irreparable harm if a stay is not granted, the degree of injury to other parties if a stay is granted, and why the stay is in the public interest.

(d) A motion for stay shall be filed within 30 days of service of the order on the party. Any party opposing the motion may file a response within five days after receipt of the motion. The movant may file a reply brief, limited to new matters raised by the response, within three days after receipt of the response.

(e) The commencement of proceedings for judicial review of a final decision and order of the Director does not, unless specifically ordered by the Director or a reviewing court, operate as a stay of any order issued by the

Director. The Director may, in his or her discretion, and on such terms as he or she finds just, stay the effectiveness of all or any part of an order pending a final decision on a petition for judicial review of that order.

Dated: June 4, 2012.

Richard Cordray,
Director, Bureau of Consumer Financial Protection.

[FR Doc. 2012-14061 Filed 6-28-12; 8:45 am]

BILLING CODE 4810-AM-P

BUREAU OF CONSUMER FINANCIAL PROTECTION

12 CFR Part 1080

[Docket No.: CFPB-2011-0007]

RIN 3170-AA03

Rules Relating to Investigations

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Final rule.

SUMMARY: After considering the public comments on its interim final rule for the Rules Relating to Investigations, the Bureau of Consumer Financial Protection (Bureau), pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), is making revisions to its procedures for investigations under section 1052 of the Dodd-Frank Act.

DATES: The final rule is effective June 29, 2012.

FOR FURTHER INFORMATION CONTACT:

Peter G. Wilson, Office of the General Counsel, Consumer Financial Protection Bureau, 1700 G Street NW., Washington, DC 20552, (202) 435-7585.

SUPPLEMENTARY INFORMATION:

I. Background

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) was signed into law on July 21, 2010. Title X of the Dodd-Frank Act established the Bureau of Consumer Financial Protection (Bureau) to regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws. The Dodd-Frank Act transferred to the Bureau the consumer financial protection functions formerly carried out by the Federal banking agencies, as well as certain authorities formerly carried out by the Department of Housing and Urban Development (HUD) and the Federal Trade Commission (FTC). As required by section 1062 of the Dodd-Frank Act, 12 U.S.C. 5582, the Secretary of the Treasury selected a

designated transfer date and the Federal banking agencies' functions and authorities transferred to the Bureau on July 21, 2011.

The Dodd-Frank Act authorizes the Bureau to conduct investigations to ascertain whether any person is or has been engaged in conduct that, if proved, would constitute a violation of any provision of Federal consumer financial law. Section 1052 of the Dodd-Frank Act sets forth the parameters that govern these investigations. 12 U.S.C. 5562. Section 1052 became effective immediately upon transfer on July 21, 2011 and did not require rules to implement its provisions. On July 28, 2011, the Bureau issued the interim final rule for the Rules Relating to Investigations (Interim Final Rule) to provide parties involved in Bureau investigations with clarification on how to comply with the statutory requirements relating to Bureau investigations.

II. Summary of the Final Rule

Consistent with section 1052 of the Dodd-Frank Act, the final rule for the Rules Relating to Investigations (Final Rule) describes a number of Bureau policies and procedures that apply in an investigational, nonadjudicative setting. Among other things, the Final Rule sets forth (1) the Bureau's authority to conduct investigations, and (2) the rights of persons from whom the Bureau seeks to compel information in investigations.

Like the Interim Final Rule, the Final Rule is modeled on investigative procedures of other law enforcement agencies. For guidance, the Bureau reviewed the procedures currently used by the FTC, the Securities and Exchange Commission (SEC), and the prudential regulators, as well as the FTC's recently proposed amendments to its nonadjudicative procedures. In light of the similarities between section 1052 of the Dodd-Frank Act and section 20 of the Federal Trade Commission Act (FTC Act), 15 U.S.C. 41 *et seq.*, the Bureau drew most heavily from the FTC's nonadjudicative procedures in constructing the rules.

The Final Rule lays out the Bureau's authority to conduct investigations before instituting judicial or administrative adjudicatory proceedings under Federal consumer financial law. The Final Rule authorizes the Director, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement to issue civil investigative demands (CIDs) for documentary material, tangible things, written reports, answers to questions, or oral testimony. The

demands may be enforced in district court by the Director, the General Counsel, or the Assistant Director of the Office of Enforcement. The Final Rule also details the authority of the Bureau's investigators to conduct investigations and hold investigational hearings pursuant to civil investigative demands for oral testimony.

Furthermore, the Final Rule sets forth the rights of persons from whom the Bureau seeks to compel information in an investigation. Specifically, the Final Rule describes how such persons should be notified of the purpose of the Bureau's investigation. It also details the procedures for filing a petition for an order modifying or setting aside a CID, which the Director is authorized to rule upon. And it describes the process by which persons may obtain copies of or access to documents or testimony they have provided in response to a civil investigative demand. In addition, the Final Rule describes a person's right to counsel at investigational hearings.

III. Legal Authority

As noted above, section 1052 of the Dodd-Frank Act outlines how the Bureau will conduct investigations and describes the rights of persons from whom the Bureau seeks information in investigations. This section became effective immediately upon the designated transfer date, July 21, 2011, without any requirement that the Bureau first issue procedural rules. Nevertheless, the Bureau believes that the legislative purpose of section 1052 will be furthered by the issuance of rules that specify the manner in which persons can comply with its provisions.

Section 1022 of the Dodd-Frank Act authorizes the Director to prescribe rules as may be necessary or appropriate for the Bureau to administer and carry out the purposes and objectives of Federal consumer financial laws and to prevent evasion of those laws. 12 U.S.C. 5512. The Bureau believes that the Final Rule will effectuate the purpose of section 1052 and facilitate compliance with Bureau investigations.

IV. Overview of Public Comments on the Interim Final Rule

After publication of the Interim Final Rule on July 28, 2011, the Bureau accepted public comments until September 26, 2011. During the comment period, the Bureau received seven comments. Two of the comments were submitted by individual consumers. Four trade associations and a mortgage company also submitted comments. The trade associations represent credit unions, banks, consumer credit companies, members of

the real estate finance industry, and other financial institutions.

The commenters generally support the Interim Final Rule. Most sections of the Interim Final Rule received no comment and are being finalized without change. The comments did, however, contain questions and recommendations for the Bureau.

Several of the commenters expressed concern that the Interim Final Rule appeared to provide staff-level Bureau employees with unchecked authority to initiate investigations and issue CIDs, or that the Interim Final Rule otherwise did not provide sufficient oversight for particular actions.

A number of commenters expressed concern about sections of the Interim Final Rule that relate to CIDs. One trade association recommended that a statement of "the purpose and scope" of a Bureau investigation—in addition to a notification of the nature of the conduct constituting the alleged violation under investigation and the applicable provisions of law—be included in CIDs. A commenter suggested that the Bureau require a conference between CID recipients and the Assistant Director of the Office of Enforcement to negotiate the terms of compliance with the demand. Three of the trade associations noted concern with the statement that extensions of time are disfavored for petitions to modify or set aside CIDs. Two commenters questioned who would rule on such petitions without a confirmed Director. One trade association commented that witnesses should be permitted to object to questions demanding information outside of the scope of the investigation during an investigational hearing pursuant to a CID for oral testimony.

A number of commenters expressed concern about maintaining the confidentiality of demand material, sharing information with other State and Federal agencies, and the duties of the custodians of those materials. For example, one trade association and the mortgage company recommended that investigations should remain confidential in all circumstances. Another trade association asserted that the Bureau is not permitted to engage in joint investigations with State attorneys general.

The Bureau reviewed all of the comments on its Interim Final Rule thoroughly and addresses the significant issues they raise herein. Although most sections of the Interim Final Rule received no comment and are being finalized without change, the Bureau has made several changes to the Interim Final Rule based on the comments it received. The comments and these

changes are discussed in more detail in parts V and VI of the **SUPPLEMENTARY INFORMATION**.

V. General Comments

Some comments on the Interim Final Rule were not directed at a specific section but rather concerned issues of general applicability. The Bureau addresses those comments in this section and addresses comments related to specific sections of the Interim Final Rule in part VI.

One commenter asked the Bureau to specify who would rule on petitions to set aside or modify CIDs while the Bureau lacked a Director. This commenter also asked who would review requests to the Attorney General under § 1080.12 for authority to immunize witnesses and to order them to testify or provide other information. The President appointed a Director of the Bureau on January 4, 2012. Therefore, both questions posed by this commenter are moot. The Director or any official to whom the Director has delegated his authority pursuant to 12 U.S.C. 5492(b) will rule on petitions to set aside or modify CIDs. Furthermore, the Bureau has revised § 1080.12 to clarify that only the Director has the authority to request approval from the Attorney General for the issuance of an order immunizing witnesses.

A commenter asserted that section 1052(c)(1) of the Dodd-Frank Act prohibits the Bureau from issuing CIDs after the institution of any proceedings under Federal consumer financial laws, including proceedings initiated by a State or a private party. The commenter argued that a CID should be accompanied by a certification that the demand will have no bearing on any ongoing proceeding. Section 1052(c)(1) provides, in relevant part, that “the Bureau may, before the institution of any proceedings under the Federal consumer financial law, issue in writing, and cause to be served upon such person, a civil investigative demand.” The language “before the institution of any proceeding under Federal consumer financial law” refers to the institution of proceedings by the Bureau. It does not limit the Bureau’s authority to issue CIDs based upon the commencement of a proceeding by other parties.

Another commenter requested that the Bureau exempt all credit unions from Bureau investigations. The Bureau believes that granting an exemption from the Bureau’s enforcement authority through the Final Rule would be inappropriate and that there is an insufficient record to support such an exemption.

A commenter recommended that covered persons be allowed to recover attorneys’ fees and costs incurred by defending against an investigation that is shown to be without merit. The Dodd-Frank Act does not provide the right to recover fees and costs by defending against an investigation. Further, as explained below, the Bureau believes that the procedures for petitioning to modify or set aside a CID set forth in § 1080.6(d) of the Interim Final Rule (now 1080.6(e) of the Final Rule) provide sufficient protections to a recipient of a demand it believes lacks merit.

VI. Section-by-Section Summary

Section 1080.1 Scope

This section describes the scope of the Interim Final Rule. It makes clear that these rules only apply to investigations under section 1052 of the Dodd-Frank Act. The Bureau received no comment on § 1080.1 of the Interim Final Rule and is adopting it as the Final Rule without change.

Section 1080.2 Definitions

This section of the Interim Final Rule defines several terms used throughout the rules. Many of these definitions also may be found in section 1051 of the Dodd-Frank Act.

A commenter questioned the breadth of the definition of the term “Assistant Director of the Division of Enforcement.” The commenter argued that because that term was defined to include “any Bureau employee to whom the Assistant Director of the Division of Enforcement has delegated authority to act under this part,” the Interim Final Rule could give Bureau employees inappropriately broad authority to take certain actions, such as issuing CIDs.

The Bureau has revised the Final Rule in response to these comments. The Final Rule identifies those with authority to take particular actions under each section of the Final Rule. Sections 1080.4 (initiating and conducting investigations) and 1080.6 (civil investigative demands) of the Final Rule clarify that the authority to initiate investigations and issue CIDs cannot be delegated by the identified officials. The Final Rule also changes the defined term “Division of Enforcement” to “Office of Enforcement” to reflect the Bureau’s current organizational structure.

Section 1080.3 Policy as to Private Controversies

This section of the Interim Final Rule states the Bureau’s policy of pursuing investigations that are in the public

interest. Section 1080.3 is consistent with the Bureau’s mission to protect consumers by investigating potential violations of Federal consumer financial law. The Bureau received no comments on § 1080.3 of the Interim Final Rule and is adopting it as the Final Rule without change.

Section 1080.4 Initiating and Conducting Investigations

This section of the Interim Final Rule explains that Bureau investigators are authorized to conduct investigations pursuant to section 1052 of the Dodd-Frank Act.

A commenter observed that this section of the Interim Final Rule did not explicitly provide a procedure for senior agency officials to authorize the opening of an investigation. The commenter argued that only senior agency officials should decide whether to initiate investigations. The commenter questioned whether staff-level employees could open investigations and issue CIDs without sufficient supervision, and noted that the FTC’s analogous rule specifically lists the senior officials to whom the Commission has delegated, without power of redelegation, the authority to initiate investigations.

A commenter also expressed concern that the FTC’s analogous rule explicitly provides that FTC investigators must comply with the laws of the United States and FTC regulations. According to the commenter, such language is necessary to ensure that the Bureau complies with the Right to Financial Privacy Act (RFPA) to the extent that statute applies to the Bureau. The commenter also believes that this language is needed to guard against investigations undertaken for what the commenter characterized as the impermissible purpose of aiding State attorneys general or State regulators. The commenter suggested that the Bureau add a statement to this section of the Interim Final Rule similar to the FTC’s rule requiring compliance with Federal law and agency regulations.

The Final Rule clarifies that only the Assistant Director or any Deputy Assistant Director of the Office of Enforcement has the authority to initiate investigations. The Bureau has significant discretion to determine whether and when to open an investigation, and the public benefits from a process whereby the Bureau can open and close investigations efficiently. But the Bureau did not intend its rules to be interpreted so broadly as to suggest that any staff-level employee could unilaterally open an investigation or issue a CID. The Final

Rule also provides that Bureau investigators will perform their duties in accordance with Federal law and Bureau regulations.

Section 1080.5 Notification of Purpose

This section of the Interim Final Rule specifies that a person compelled to provide information to the Bureau or to testify in an investigational hearing must be advised of the nature of the conduct constituting the alleged violation under investigation and the applicable provisions of law. This section of the Interim Final Rule implements the requirements for CIDs described in section 1052(c)(2) of the Dodd-Frank Act.

Commenters noted that although the Dodd-Frank Act and the FTC Act both require CIDs to state “the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable to such violation,” the two agencies’ implementing regulations on this topic differ. Both agencies’ regulations require a statement of the nature of the conduct at issue and the relevant provisions of law, but the FTC rule also requires that the recipient of the CID be advised of “the purpose and scope” of the investigation. Commenters argued that the Bureau should add this phrase to its rule because excluding it would lead to requests for materials outside the scope of an investigation. One commenter argued that only senior agency officials should authorize investigations to ensure that CIDs are relevant to the purpose and scope of the Bureau’s investigations.

The language in § 1080.5 of the Interim Final Rule mirrors the language of the Dodd-Frank Act, which provides that “[e]ach civil investigative demand shall state the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable to such violation.” The Bureau believes that the information covered by this statutory language provides sufficient notice to recipients of CIDs. As discussed above, § 1080.4 (initiating and conducting investigations) of the Final Rule limits the authority to open investigations to the Assistant Director or any Deputy Assistant Director of the Office of Enforcement. Similarly, § 1080.6 of the Final Rule (civil investigative demands) limits the authority to issue CIDs to the Director of the Bureau, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement. Thus, one of these identified officials will review and approve the initiation of all investigations and the issuance of all

CIDs. In addition, to the extent recipients of CIDs consider the demands to be for an unauthorized purpose or outside the scope of the investigation, they will have an opportunity to negotiate the terms of compliance pursuant to § 1080.6(c) of the Interim Final Rule (now § 1080.6(d) of the Final Rule) or to petition to set aside or modify the demand pursuant to § 1080.6(d) of the Interim Final Rule (now § 1080.6(e) of the Final Rule).

The Bureau therefore adopts this section of the Interim Final Rule as the Final Rule without change.

Section 1080.6 Civil Investigative Demands

This section of the Interim Final Rule lays out the Bureau’s procedures for issuing CIDs. It authorizes the Assistant Director of the Office of Enforcement to issue CIDs for documentary material, tangible things, written reports, answers to questions, and oral testimony. This section of the Interim Final Rule details the information that must be included in CIDs and the requirement that responses be made under a sworn certificate. Section 1080.6 of the Interim Final Rule also authorizes the Assistant Director of the Office of Enforcement to negotiate and approve the terms of compliance with CIDs and grant extensions for good cause. Finally, this section of the Interim Final Rule describes the procedures for seeking an order to modify or set aside a CID, which the Director is authorized to rule upon.

One commenter argued that § 1080.6(a) permits almost any Bureau employee to issue CIDs without sufficient supervision. The commenter stated that this lack of oversight is problematic and does not reflect Congress’ intent when it enacted the Act.

Section 1080.6(a) of the Final Rule limits the authority to issue CIDs to the Director, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement. This change to the Final Rule balances the efficiency of the Bureau’s investigative process with appropriate supervision and oversight.

A commenter suggested that the Bureau require a conference between the CID recipient and the Assistant Director of the Office of Enforcement within ten days of service of the CID to negotiate and approve the terms of compliance. The commenter envisioned a conference analogous to a discovery planning conference under the Federal Rules of Civil Procedure, during which the parties could discuss requests for information, appropriate limitations on

the scope of requests, issues related to electronically stored information (ESI), issues related to privilege and confidential information, and a reasonable time for compliance. The commenter stated that this type of conference would better ensure prompt and efficient production of material and information related to the investigation.

The Bureau agrees that a conference between the parties within ten calendar days of serving a CID is likely to improve the efficiency of investigations, and § 1080.6(c) of the Final Rule provides for such a conference. The Final Rule does not, however, adopt the suggestion that the Assistant Director of the Office of Enforcement preside over all such conferences.

Several commenters also noted concern with the statement in § 1080.6(d) of the Interim Final Rule disfavoring extensions of time for petitioning for an order modifying or setting aside CIDs. One commenter argued that the 20-day period to file petitions, for which extensions of time are disfavored, is inconsistent with the “reasonable” period of time for compliance with the CID set forth in § 1080.6(a). The commenter also argued that this timeframe leaves a short period for the CID recipient to decide which documents are privileged or otherwise protected and to file a petition articulating privilege and scope objections. Another commenter noted that the analogous FTC rules do not include a provision disfavoring extensions for petitions to modify or set aside a CID. These commenters recommended that the Bureau delete the sentence related to disfavoring extensions. One commenter recommended that the rules be corrected to provide an independent review if a covered person believes a CID is without merit.

Like the Interim Final Rule, the Final Rule includes a provision disfavoring extensions of time for petitions to modify or set aside a CID. The Bureau believes its policy of disfavoring extensions is appropriate in light of its significant interest in promoting an efficient process for seeking materials through CIDs. By disfavoring extensions, the Bureau means to prompt recipients to decide within 20 days whether they intend to comply with the CID. The Final Rule also clarifies that this 20-day period should be computed with calendar days.

The Bureau notes that § 1080.6(d) of the Interim Final Rule (now § 1080.6(e) of the Final Rule) only provides the due date for a petition for an order modifying or setting aside a CID. It does not require recipients to comply fully

with CIDs within 20 days. In addition, the Final Rule provides several options to recipients of CIDs that need additional time to respond. For example, the recipient may negotiate for a reasonable extension of time for compliance or a rolling document production schedule pursuant to § 1080.6(c) of the Interim Final Rule (now § 1080.6(d) of the Final Rule).

Section 1080.6(e) of the Final Rule clarifies that recipients of CIDs should not assert claims of privilege through a petition for an order modifying or setting aside a CID. Instead, when privilege is the only basis for withholding particular materials, they should utilize the procedures set forth in § 1080.8 (withholding requested material) of the Final Rule. Section 1080.6(e) of the Final Rule also lays out the authority of Bureau investigators to provide to the Director a reply to a petition seeking an order modifying or setting aside a CID. Specifically, the Final Rule states that Bureau investigators may provide the Director with a statement setting forth any factual and legal responses to a petition. The Bureau will not make these statements or any other internal deliberations part of the Bureau's public records. Section 1080.6(g) of the Final Rule clarifies that the Bureau, however, will make publicly available both the petition and the Director's order in response. Section 1080.6(g) of the Final Rule also clarifies that if a CID recipient wants to prevent the Director from making the petition public, any showing of good cause must be made no later than the time the petition is filed. The Final Rule also adds a provision clarifying how the Bureau will serve the petitioner with the Director's order.

Finally, the Bureau believes the procedures for petitions to modify or set aside a CID set forth in the Final Rule adequately protect a covered person who believes a CID is without merit, and that an additional independent review is unnecessary.

Section 1080.7 Investigational Hearings

This section of the Interim Final Rule describes the procedures for investigational hearings initiated pursuant to a CID for oral testimony. It also lays out the roles and responsibilities of the Bureau investigator conducting the investigational hearing, which include excluding unauthorized persons from the hearing room and ensuring that the investigational hearing is transcribed, the witness is duly sworn, the transcript is a true record of the testimony, and the

transcript is provided to the designated custodian.

A commenter argued that the Bureau is not authorized to conduct joint investigations with State attorneys general under the Dodd-Frank Act and, correspondingly, State attorneys general cannot attend an investigational hearing as a representative of an agency with whom the Bureau is conducting a joint investigation. The commenter argued that Congress distinguished between State attorneys general and State regulatory agencies in section 1042 of the Dodd-Frank Act and that State attorneys general are therefore not "agencies" with whom the Bureau can partner. The commenter also asserted that the Bureau cannot share a copy of the transcript of an investigational hearing with another agency without the consent of the witness.

Another commenter argued that representatives of agencies with which the Bureau is conducting a joint investigation may be present at an investigational hearing only with the witness's consent. This commenter stated that the Bureau should recognize in the rules that a witness who does not consent to the presence of a representative of another agency at an investigational hearing should not be presumed guilty.

The Dodd-Frank Act states that the Bureau "may engage in joint investigations and requests for information, as authorized under this title." This statutory language permits the Bureau to engage in joint investigations with State or Federal law enforcement agencies, including State attorneys general, with jurisdiction that overlaps with the Bureau's. The Bureau's disclosure rules also permit the Bureau to share certain confidential information, including investigational hearing transcripts, with Federal or State agencies to the extent the disclosure is relevant to the exercise of an agency's statutory or regulatory authority. See 12 CFR 1070.43(b). In addition, neither the Dodd-Frank Act nor the rules require the consent of the witness to permit a representative of an agency with which the Bureau is conducting a joint investigation to be present at the hearing. Consent is required only when people other than those listed in the rule are included.

Thus, the Bureau adopts § 1080.7 of the Interim Final Rule as the Final Rule without change.

Section 1080.8 Withholding Requested Material

This section of the Interim Final Rule describes the procedures that apply when persons withhold material

responsive to a CID. It requires the recipient of the CID to assert a privilege by the production date and, if so directed in the CID, also to submit a detailed schedule of the items withheld. Section 1080.8 also sets forth the procedures for handling the disclosure of privileged or protected information or communications.

The Bureau received no comment on § 1080.8 of the Interim Final Rule and is adopting it as the Final Rule without substantive change.

Section 1080.9 Rights of Witnesses in Investigations

This section of the Interim Final Rule describes the rights of persons compelled to submit information or provide testimony in an investigation. It details the procedures for obtaining a copy of submitted documents or a copy of or access to a transcript of the person's testimony. This section of the Interim Final Rule also describes a witness's right to make changes to his or her transcript and the rules for signing the transcript.

Section 1080.9 of the Interim Final Rule lays out a person's right to counsel at an investigational hearing and describes his or her counsel's right to advise the witness as to any question posed for which an objection may properly be made. It also describes the witness's or counsel's rights to object to questions or requests that the witness is privileged to refuse to answer. This section of the Interim Final Rule states that counsel for the witness may not otherwise object to questions or interrupt the examination to make statements on the record but may request that the witness have an opportunity to clarify any of his or her answers. Finally, this section of the Interim Final Rule authorizes the Bureau investigator to take all necessary action during the course of the hearing to avoid delay and to prevent or restrain disorderly, dilatory, obstructionist, or contemptuous conduct, or contemptuous language.

A commenter noted that under the Interim Final Rule witnesses could not object during an investigational hearing on the ground that a question was outside the scope of the investigation. The commenter argued that a covered person's inability to raise such objections might allow "a fishing expedition." The commenter recommended amending § 1080.9(b) to allow objections based on scope.

Section 1052(c)(13)(D)(iii) of the Dodd-Frank Act states, in relevant part:

[a]n objection may properly be made, received, and entered upon the record when it is claimed that such person is entitled to

refuse to answer the question on grounds of any constitutional or other legal right or privilege, including the privilege against self-incrimination, but the person shall not otherwise object to or refuse to answer any question, and such person or attorney shall not otherwise interrupt the oral examination.

Thus, to the extent the scope objection was grounded in a witness's constitutional or other legal right, it would be a proper objection.

The Final Rule clarifies that counsel may confer with a witness while a question is pending or instruct a witness not to answer a question only if an objection based on privilege or work product may properly be made. The Final Rule also describes counsel's limited ability to make additional objections based on other constitutional or legal rights. The Final Rule provides that if an attorney has refused to comply with his or her obligations in the rules of this part, or has allegedly engaged in disorderly, dilatory, obstructionist, or contumacious conduct, or contemptuous language during an investigational hearing, the Bureau may take further action, including action to suspend or disbar the attorney from further participation in the investigation or further practice before the Bureau pursuant to 12 CFR 1081.107(c). The Final Rule also includes other nonsubstantive changes, including clarifying that the 30-day period that the witness has to sign and submit his or her transcript should be computed using calendar days.

Section 1080.10 Noncompliance With Civil Investigative Demands

This section of the Interim Final Rule authorizes the Director, the Assistant Director of the Office of Enforcement, and the General Counsel to initiate an action to enforce a CID in connection with the failure or refusal of a person to comply with, or to obey, a CID. In addition, they are authorized to seek civil contempt or other appropriate relief in cases where a court order enforcing a CID has been violated.

The Bureau received no comment on § 1080.10 of the Interim Final Rule and is adopting it as the Final Rule without substantive change.

Section 1080.11 Disposition

This section of the Interim Final Rule explains that an enforcement action may be instituted in Federal or State court or through administrative proceedings when warranted by the facts disclosed by an investigation. It further provides that the Bureau may refer investigations to appropriate Federal, State, or foreign government agencies as appropriate. This section of the Interim Final Rule

also authorizes the Assistant Director of the Office of Enforcement to close the investigation when the facts of an investigation indicate an enforcement action is not necessary or warranted in the public interest.

One commenter indicated that the Bureau's authority to refer investigations to other law enforcement agencies should be limited to circumstances when it is expressly authorized to do so by the Dodd-Frank Act, an enumerated consumer financial law, or other Federal law, because of potential risks to the confidentiality of the investigatory files.

The Bureau's ability to refer matters to appropriate law enforcement agencies is inherent in the Bureau's authority and is a corollary to the Bureau's statutorily recognized ability to conduct joint investigations. The documentary materials and tangible things obtained by the Bureau pursuant to a CID are subject to the requirements and procedures relating to disclosure of records and information in part 1070 of this title. These procedures for sharing information with law enforcement agencies provide significant and sufficient protections for these materials.

The Bureau has amended § 1080.11 to clarify that the Assistant Director and any Deputy Assistant Director of the Office of Enforcement are authorized to close investigations.

The Bureau adopts § 1080.11 of the Interim Final Rule with the changes discussed above.

Section 1080.12 Orders Requiring Witnesses To Testify or Provide Other Information and Granting Immunity

This section of the Interim Final Rule authorizes the Assistant Director of the Office of Enforcement to request approval from the Attorney General for the issuance of an order requiring a witness to testify or provide other information and granting immunity under 18 U.S.C. 6004. The Interim Final Rule also sets forth the Bureau's right to review the exercise of these functions and states that the Bureau will entertain an appeal from an order requiring a witness to testify or provide other information only upon a showing that a substantial question is involved, the determination of which is essential to serve the interests of justice. Finally, this section of the Interim Final Rule describes the applicable rules and time limits for such appeals.

A commenter questioned whether this section of the Interim Final Rule would permit any Bureau employee to request that the Attorney General approve the issuance of an order granting immunity

under 18 U.S.C. 6004 and requiring a witness to testify or provide information. The commenter noted that the Dodd-Frank Act authorizes the Bureau, with the Attorney General's permission, to compel a witness to testify under 18 U.S.C. 6004 if the witness invokes his or her privilege against self-incrimination. The commenter argued that this section should delegate the authority to seek permission to compel testimony to a specific individual to provide accountability and ensure that information is not disclosed to the Attorney General in a manner that violates the Right to Financial Privacy Act. The commenter noted that the FTC's analogous rule specifically lists the senior agency officials who are authorized to make such requests to the Attorney General, and identifies a liaison officer through whom such requests must be made. The commenter also suggested that § 1080.12(b) of the Interim Final Rule, which provides that the Assistant Director's exercise of this authority is subject to review by "the Bureau," specify who will conduct this review.

The Final Rule provides that only the Director of the Bureau has the authority to request approval from the Attorney General for the issuance of an order requiring a witness to testify or provide other information and granting immunity under 18 U.S.C. 6004. This change addresses the concern that requests for witness immunity would be made without oversight. Limiting this authority to the Director provides sufficient accountability.

Section 1080.13 Custodians

This section of the Interim Final Rule describes the procedures for designating a custodian and deputy custodian for material produced pursuant to a CID in an investigation. It also states that these materials are for the official use of the Bureau, but, upon notice to the custodian, must be made available for examination during regular office hours by the person who produced them.

A commenter suggested that the Bureau should detail the particular duties of custodians designated under this section and that, without an enumerated list of duties, the custodian would not have any responsibilities regarding CID materials. The commenter noted that the FTC Act requires the custodian to take specific actions, while the Dodd-Frank Act does not. The commenter suggested specifying a series of custodial duties, including (1) taking and maintaining custody of all materials submitted pursuant to CIDs or subpoenas that the Bureau issues,

including transcripts of oral testimony taken by the Bureau; (2) maintaining confidentiality of those materials as required by applicable law; (3) providing the materials to either House of Congress upon request, after ten days notice to the party that owns or submitted the materials; (4) producing any materials as required by a court of competent jurisdiction; and (5) complying at all times with the Trade Secrets Act.

Section 1052 of the Dodd-Frank Act sets forth the duties of the Bureau's custodian. Sections 1052(c)(3) through (c)(6) of the Dodd-Frank Act give the custodian responsibility for receiving documentary material, tangible things, written reports, answers to questions, and transcripts of oral testimony given by any person in compliance with any CID. Section 1052(d) of the Dodd-Frank Act, as well as the Bureau's Rules for Disclosure of Records and Information in part 1070 of this title, outline the requirements for the confidential treatment of demand material. Section 1052(g) addresses custodial control and provides that a person may file, in the district court of the United States for the judicial district within which the office of the custodian is situated, a petition for an order of such court requiring the performance by the custodian of any duty imposed upon him by section 1052 of the Dodd-Frank Act or by Bureau rule. These duties and obligations do not require additional clarification by rule.

The Final Rule clarifies that the custodian has the powers and duties of both section 1052 of the Dodd-Frank Act and 12 CFR 1070.3.

The Bureau adopts § 1080.13 of the Interim Final Rule with the changes discussed above.

Section 1080.14 Confidential Treatment of Demand Material and Non-Public Nature of Investigations

Section 1080.14 of the Interim Final Rule explains that documentary materials, written reports, answers to questions, tangible things, or transcripts of oral testimony received by the Bureau in any form or format pursuant to a CID are subject to the requirements and procedures relating to disclosure of records and information in part 1070 of this title. This section of the Interim Final Rule also states that investigations generally are non-public. A Bureau investigator may disclose the existence of an investigation to the extent necessary to advance the investigation.

A commenter recommended that the Bureau revise this section to mandate that Bureau investigations remain confidential. The commenter noted the

potential reputation risk to an entity if an investigation is disclosed to the public. In addition, the commenter argued that failing to conduct investigations confidentially will increase litigation risk. One commenter recommended that the Bureau issue a public absolution of a company if the Bureau does not maintain the confidentiality of an investigation.

Section 1080.14 of the Interim Final Rule provides that investigations generally will not be disclosed to the public, but permits Bureau investigators to disclose the existence of an investigation when necessary to advance the investigation. The Interim Final Rule does not contemplate publicizing an investigation, but rather disclosing the existence of the investigation to, for example, a potential witness or third party with potentially relevant information when doing so is necessary to advance the investigation. This limited exception sufficiently balances the concerns expressed by the commenter with the Bureau's need to obtain information efficiently.

Thus, the Bureau adopts § 1080.14 of the Interim Final Rule as the Final Rule without change.

VII. Section 1022(b)(2) Provisions

In developing the Final Rule, the Bureau has considered the potential benefits, costs, and impacts, and has consulted or offered to consult with the prudential regulators, HUD, the SEC, the Department of Justice, and the FTC, including with regard to consistency with any prudential, market, or systemic objectives administered by such agencies.¹

The Final Rule neither imposes any obligations on consumers nor is expected to have any appreciable impact on their access to consumer financial products or services. Rather, the Final Rule provides a clear, efficient mechanism for investigating compliance with the Federal consumer financial laws, which benefits consumers by creating a systematic process to protect them from unlawful behavior.

¹ Section 1022(b)(2)(A) of the Dodd-Frank Act addresses the consideration of the potential benefits and costs of regulation to consumers and covered persons, including the potential reduction of access by consumers to consumer financial products or services; the impact on depository institutions and credit unions with \$10 billion or less in total assets as described in section 1026 of the Dodd-Frank Act; and the impact on consumers in rural areas. Section 1022(b)(2)(B) addresses consultation between the Bureau and other Federal agencies during the rulemaking process. The manner and extent to which these provisions apply to procedural rules and benefits, costs and impacts that are compelled by statutory changes rather than discretionary Bureau action is unclear. Nevertheless, to inform this rulemaking more fully, the Bureau performed the described analyses and consultations.

The Final Rule imposes certain obligations on covered persons who receive CIDs in Bureau investigations. Specifically, as described above, the Final Rule sets forth the process for complying with or objecting to CIDs for documentary material, tangible things, written reports or answers to questions, and oral testimony. Most obligations in the Final Rule stem from express language in the Dodd-Frank Act and do not impose additional burdens on covered persons.

To the extent that the Final Rule includes provisions not expressly required by statute, these provisions benefit covered persons by providing clarity and certainty. In addition, the Final Rule vests the Bureau with discretion to modify CIDs or extend the time for compliance for good cause. This flexibility benefits covered persons by enabling the Bureau to assess the cost of compliance with a civil investigative demand in a particular circumstance and take appropriate steps to mitigate any unreasonable compliance burden.

Moreover, because the Final Rule is largely based on section 20 of the FTC Act and its corresponding regulations, it should present an existing, stable model of investigatory procedures to covered persons. This likely familiarity to covered persons should further reduce the compliance costs for covered persons.

The Final Rule provides that requests for extensions of time to file petitions to modify or set aside CIDs are disfavored. This may impose a burden on covered entities in some cases, but it may also lead to a more expeditious resolution of matters, reducing uncertainty. Furthermore, the Final Rule has no unique impact on insured depository institutions or insured credit unions with less than \$10 billion in assets as described in section 1026(a) of the Dodd-Frank Act. Nor does the Final Rule have a unique impact on rural consumers.

A commenter suggested that the Bureau conduct a nonpublic study of the impact of complying with a CID on the entities who have been subjected to them by other agencies, with specific focus on those that were found not to have violated the law. As the commenter implicitly recognizes, such data does not currently exist and thus was not reasonably available to the Bureau in finalizing the Interim Final Rule. Moreover, as explained above, most of the costs associated with complying with a CID result from the Dodd-Frank Act, which authorizes the Bureau to issue such demands.

A commenter asserted that disfavoring extensions of petitions to

modify or set aside CIDs will require the recipient to conduct a full review of the demanded material within the normal 20-day period in order to comply with the deadline for filing a petition. Under the Final Rule, recipients of a CID are not required to comply fully within twenty days; rather, they are required simply to decide whether they will comply with the demand at all. The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement have the discretion to negotiate and approve the terms of satisfactory compliance with CIDs and, for good cause shown, may extend the time prescribed for compliance. Thus, the Final Rule provides reasonable steps to mitigate compliance burden while simultaneously protecting the Bureau's law enforcement interests.

Another commenter stated that the four interim final rules that the Bureau promulgated together on July 28, 2011 failed to satisfy the rulemaking requirements under section 1022 of the Dodd-Frank Act. Specifically, the commenter stated that "the CFPB's analysis of the costs and benefits of its rules does not recognize the significant costs the CFPB imposes on covered persons." The Bureau believes that it appropriately considered the benefits, costs, and impacts of the Interim Final Rule pursuant to section 1022. Notably, the commenter did not identify any specific costs to covered persons that are not discussed in Part C of the SUPPLEMENTARY INFORMATION to the Interim Final Rule.

VIII. Procedural Requirements

As noted in publishing the Interim Final Rule, under the Administrative Procedure Act, 5 U.S.C. 553(b), notice and comment is not required for rules of agency organization, procedure, or practice. As discussed in the preamble to the Interim Final Rule, the Bureau confirms its finding that this is a procedural rule for which notice and comment is not required. In addition, because the Final Rule relates solely to agency procedure and practice, it is not subject to the 30-day delayed effective date for substantive rules under section 553(d) of the Administrative Procedure Act, 5 U.S.C. 551 *et seq.* Because no notice of proposed rulemaking is required, the requirements of the Regulatory Flexibility Act, 5 U.S.C. 601(2) do not apply. Finally, the Bureau has determined that this Final Rule does not impose any new recordkeeping, reporting, or disclosure requirements on covered entities or members of the public that would be collections of

information requiring approval under 44 U.S.C. 3501. *et seq.*

List of Subjects in 12 CFR Part 1080

Administrative practice and procedure, Banking, Banks, Consumer protection, Credit, Credit unions, Investigations, Law enforcement, National banks, Savings associations, Trade practices.

For the reasons set forth in the preamble, the Bureau of Consumer Financial Protection revises part 1080 to Chapter X in Title 12 of the Code of Federal Regulations to read as follows:

PART 1080—RULES RELATING TO INVESTIGATIONS

Sec.

- 1080.1 Scope.
- 1080.2 Definitions.
- 1080.3 Policy as to private controversies.
- 1080.4 Initiating and conducting investigations.
- 1080.5 Notification of purpose.
- 1080.6 Civil investigative demands.
- 1080.7 Investigational hearings.
- 1080.8 Withholding requested material.
- 1080.9 Rights of witnesses in investigations.
- 1080.10 Noncompliance with civil investigative demands.
- 1080.11 Disposition.
- 1080.12 Orders requiring witnesses to testify or provide other information and granting immunity.
- 1080.13 Custodians.
- 1080.14 Confidential treatment of demand material and non-public nature of investigations.

Authority: Pub. L. 111–203, Title X, 12 U.S.C. 5481 *et seq.*

§ 1080.1 Scope.

The rules of this part apply to Bureau investigations conducted pursuant to section 1052 of the Dodd-Frank Act, 12 U.S.C. 5562.

§ 1080.2 Definitions.

For the purposes of this part, unless explicitly stated to the contrary:

Bureau means the Bureau of Consumer Financial Protection.

Bureau investigation means any inquiry conducted by a Bureau investigator for the purpose of ascertaining whether any person is or has been engaged in any conduct that is a violation.

Bureau investigator means any attorney or investigator employed by the Bureau who is charged with the duty of enforcing or carrying into effect any Federal consumer financial law.

Custodian means the custodian or any deputy custodian designated by the Bureau for the purpose of maintaining custody of information produced pursuant to this part.

Director means the Director of the Bureau or a person authorized to

perform the functions of the Director in accordance with the law.

Documentary material means the original or any copy of any book, document, record, report, memorandum, paper, communication, tabulation, chart, log, electronic file, or other data or data compilation stored in any medium, including electronically stored information.

Dodd-Frank Act means the Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010, as amended, Public Law 111–203 (July 21, 2010), Title X, codified at 12 U.S.C. 5481 *et seq.*

Electronically stored information (ESI) means any information stored in any electronic medium from which information can be obtained either directly or, if necessary, after translation by the responding party into a reasonably usable form.

Office of Enforcement means the office of the Bureau responsible for enforcement of Federal consumer financial law.

Person means an individual, partnership, company, corporation, association (incorporated or unincorporated), trust, estate, cooperative organization, or other entity.

Violation means any act or omission that, if proved, would constitute a violation of any provision of Federal consumer financial law.

§ 1080.3 Policy as to private controversies.

The Bureau shall act only in the public interest and will not initiate an investigation or take other enforcement action when the alleged violation is merely a matter of private controversy and does not tend to affect adversely the public interest.

§ 1080.4 Initiating and conducting investigations.

The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement have the nondelegable authority to initiate investigations. Bureau investigations are conducted by Bureau investigators designated and duly authorized under section 1052 of the Dodd-Frank Act, 12 U.S.C. 5562, to conduct such investigations. Bureau investigators are authorized to exercise and perform their duties in accordance with the laws of the United States and the regulations of the Bureau.

§ 1080.5 Notification of purpose.

Any person compelled to furnish documentary material, tangible things, written reports or answers to questions, oral testimony, or any combination of

such material, answers, or testimony to the Bureau shall be advised of the nature of the conduct constituting the alleged violation that is under investigation and the provisions of law applicable to such violation.

§ 1080.6 Civil investigative demands.

(a) *In general.* In accordance with section 1052(c) of the Act, the Director of the Bureau, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement, have the nondelegable authority to issue a civil investigative demand in any Bureau investigation directing the person named therein to produce documentary material for inspection and copying or reproduction in the form or medium requested by the Bureau; to submit tangible things; to provide a written report or answers to questions; to appear before a designated representative at a designated time and place to testify about documentary material, tangible things, or other information; and to furnish any combination of such material, things, answers, or testimony.

(1) *Documentary material.* (i) Civil investigative demands for the production of documentary material shall describe each class of material to be produced with such definiteness and certainty as to permit such material to be fairly identified, prescribe a return date or dates that will provide a reasonable period of time within which the material so demanded may be assembled and made available for inspection and copying or reproduction, and identify the custodian to whom such material shall be made available. Documentary material for which a civil investigative demand has been issued shall be made available as prescribed in the civil investigative demand.

(ii) Production of documentary material in response to a civil investigative demand shall be made under a sworn certificate, in such form as the demand designates, by the person to whom the demand is directed or, if not a natural person, by any person having knowledge of the facts and circumstances relating to such production, to the effect that all of the documentary material required by the demand and in the possession, custody, or control of the person to whom the demand is directed has been produced and made available to the custodian.

(2) *Tangible things.* (i) Civil investigative demands for tangible things shall describe each class of tangible things to be produced with such definiteness and certainty as to permit such things to be fairly identified, prescribe a return date or

dates which will provide a reasonable period of time within which the things so demanded may be assembled and submitted, and identify the custodian to whom such things shall be submitted.

(ii) Submissions of tangible things in response to a civil investigative demand shall be made under a sworn certificate, in such form as the demand designates, by the person to whom the demand is directed or, if not a natural person, by any person having knowledge of the facts and circumstances relating to such production, to the effect that all of the tangible things required by the demand and in the possession, custody, or control of the person to whom the demand is directed have been submitted to the custodian.

(3) *Written reports or answers to questions.* (i) Civil investigative demands for written reports or answers to questions shall propound with definiteness and certainty the reports to be produced or the questions to be answered, prescribe a date or dates at which time written reports or answers to questions shall be submitted, and identify the custodian to whom such reports or answers shall be submitted.

(ii) Each reporting requirement or question in a civil investigative demand shall be answered separately and fully in writing under oath. Responses to a civil investigative demand for a written report or answers to questions shall be made under a sworn certificate, in such form as the demand designates, by the person to whom the demand is directed or, if not a natural person, by any person responsible for answering each reporting requirement or question, to the effect that all of the information required by the demand and in the possession, custody, control, or knowledge of the person to whom the demand is directed has been submitted to the custodian.

(4) *Oral testimony.* (i) Civil investigative demands for the giving of oral testimony shall prescribe a date, time, and place at which oral testimony shall be commenced, and identify a Bureau investigator who shall conduct the investigation and the custodian to whom the transcript of such investigation shall be submitted. Oral testimony in response to a civil investigative demand shall be taken in accordance with the procedures for investigational hearings prescribed by §§ 1080.7 and 1080.9 of this part.

(ii) Where a civil investigative demand requires oral testimony from an entity, the civil investigative demand shall describe with reasonable particularity the matters for examination and the entity must designate one or more officers, directors, or managing

agents, or designate other persons who consent to testify on its behalf. Unless a single individual is designated by the entity, the entity must designate the matters on which each designee will testify. The individuals designated must testify about information known or reasonably available to the entity and their testimony shall be binding on the entity.

(b) *Manner and form of production of ESI.* When a civil investigative demand requires the production of ESI, it shall be produced in accordance with the instructions provided by the Bureau regarding the manner and form of production. Absent any instructions as to the form for producing ESI, ESI must be produced in the form in which it is ordinarily maintained or in a reasonably usable form.

(c) *Meet and confer.* The recipient of a civil investigative demand shall meet and confer with a Bureau investigator within 10 calendar days after receipt of the demand or before the deadline for filing a petition to modify or set aside the demand, whichever is earlier, to discuss and attempt to resolve all issues regarding compliance with the civil investigative demand. The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement may authorize the waiver of this requirement for routine third-party civil investigative demands or in other circumstances where he or she determines that a meeting is unnecessary. The meeting may be in person or by telephone.

(1) *Personnel.* The recipient must make available at the meeting personnel with the knowledge necessary to resolve any issues relevant to compliance with the demand. Such personnel could include individuals knowledgeable about the recipient's information or records management systems and/or the recipient's organizational structure.

(2) *ESI.* If the civil investigative demand seeks ESI, the recipient shall ensure that a person familiar with its ESI systems and methods of retrieval participates in the meeting.

(3) *Petitions.* The Bureau will not consider petitions to set aside or modify a civil investigative demand unless the recipient has meaningfully engaged in the meet and confer process described in this subsection and will consider only issues raised during the meet and confer process.

(d) *Compliance.* The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement are authorized to negotiate and approve the terms of satisfactory compliance with civil investigative demands and, for good

cause shown, may extend the time prescribed for compliance.

(e) *Petition for order modifying or setting aside demand—in general.* Any petition for an order modifying or setting aside a civil investigative demand shall be filed with the Executive Secretary of the Bureau with a copy to the Assistant Director of the Office of Enforcement within 20 calendar days after service of the civil investigative demand, or, if the return date is less than 20 calendar days after service, prior to the return date. Such petition shall set forth all factual and legal objections to the civil investigative demand, including all appropriate arguments, affidavits, and other supporting documentation. The attorney who objects to a demand must sign any objections.

(1) *Statement.* Each petition shall be accompanied by a signed statement representing that counsel for the petitioner has conferred with counsel for the Bureau pursuant to section 1080.6(c) in a good-faith effort to resolve by agreement the issues raised by the petition and has been unable to reach such an agreement. If some of the matters in controversy have been resolved by agreement, the statement shall specify the matters so resolved and the matters remaining unresolved. The statement shall recite the date, time, and place of each such meeting between counsel, and the names of all parties participating in each such meeting.

(2) *Extensions of time.* The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement are authorized to rule upon requests for extensions of time within which to file such petitions. Requests for extensions of time are disfavored.

(3) *Bureau investigator response.* Bureau investigators may, without serving the petitioner, provide the Director with a statement setting forth any factual and legal response to a petition for an order modifying or setting aside the demand.

(4) *Disposition.* The Director has the authority to rule upon a petition for an order modifying or setting aside a civil investigative demand. The order may be served on the petitioner via email, facsimile, or any other method reasonably calculated to provide notice of the order to the petitioner.

(f) *Stay of compliance period.* The timely filing of a petition for an order modifying or setting aside a civil investigative demand shall stay the time permitted for compliance with the portion challenged. If the petition is denied in whole or in part, the ruling will specify a new return date.

(g) *Public disclosure.* All such petitions and the Director's orders in response to those petitions are part of the public records of the Bureau unless the Bureau determines otherwise for good cause shown. Any showing of good cause must be made no later than the time the petition is filed.

§ 1080.7 Investigational hearings.

(a) Investigational hearings, as distinguished from hearings in adjudicative proceedings, may be conducted pursuant to a civil investigative demand for the giving of oral testimony in the course of any Bureau investigation, including inquiries initiated for the purpose of determining whether or not a respondent is complying with an order of the Bureau.

(b) Investigational hearings shall be conducted by any Bureau investigator for the purpose of hearing the testimony of witnesses and receiving documentary material, tangible things, or other information relating to any subject under investigation. Such hearings shall be under oath or affirmation and stenographically reported, and a transcript thereof shall be made a part of the record of the investigation. The Bureau investigator conducting the investigational hearing also may direct that the testimony be recorded by audio, audiovisual, or other means, in which case the recording shall be made a part of the record of the investigation as well.

(c) In investigational hearings, the Bureau investigators shall exclude from the hearing room all persons except the person being examined, his or her counsel, the officer before whom the testimony is to be taken, any investigator or representative of an agency with which the Bureau is engaged in a joint investigation, and any individual transcribing or recording such testimony. At the discretion of the Bureau investigator, and with the consent of the person being examined, persons other than those listed in this paragraph may be present in the hearing room. The Bureau investigator shall certify or direct the individual transcribing the testimony to certify on the transcript that the witness was duly sworn and that the transcript is a true record of the testimony given by the witness. A copy of the transcript shall be forwarded promptly by the Bureau investigator to the custodian designated in section 1080.13.

§ 1080.8 Withholding requested material.

(a) Any person withholding material responsive to a civil investigative demand or any other request for

production of material shall assert a claim of privilege not later than the date set for the production of material. Such person shall, if so directed in the civil investigative demand or other request for production, submit, together with such claim, a schedule of the items withheld which states, as to each such item, the type, specific subject matter, and date of the item; the names, addresses, positions, and organizations of all authors and recipients of the item; and the specific grounds for claiming that the item is privileged. The person who submits the schedule and the attorney stating the grounds for a claim that any item is privileged must sign it.

(b) A person withholding material solely for reasons described in this subsection shall comply with the requirements of this subsection in lieu of filing a petition for an order modifying or setting aside a civil investigative demand pursuant to section 1080.6(e).

(c) Disclosure of privileged or protected information or communications produced pursuant to a civil investigative demand shall be handled as follows:

(1) The disclosure of privileged or protected information or communications shall not operate as a waiver with respect to the Bureau if:

(i) The disclosure was inadvertent;

(ii) The holder of the privilege or protection took reasonable steps to prevent disclosure; and

(iii) The holder promptly took reasonable steps to rectify the error, including notifying a Bureau investigator of the claim of privilege or protection and the basis for it.

(2) After being notified, the Bureau investigator must promptly return, sequester, or destroy the specified information and any copies; must not use or disclose the information until the claim is resolved; must take reasonable steps to retrieve the information if he or she disclosed it before being notified; and, if appropriate, may sequester such material until such time as a hearing officer or court rules on the merits of the claim of privilege or protection. The producing party must preserve the information until the claim is resolved.

(3) The disclosure of privileged or protected information or communications shall waive the privilege or protection with respect to the Bureau as to undisclosed information or communications only if:

(i) The waiver is intentional;

(ii) The disclosed and undisclosed information or communications concern the same subject matter; and

(iii) They ought in fairness to be considered together.

§ 1080.9 Rights of witnesses in investigations.

(a) Any person compelled to submit documentary material, tangible things, or written reports or answers to questions to the Bureau, or to testify in an investigational hearing, shall be entitled to retain a copy or, on payment of lawfully prescribed costs, request a copy of the materials, things, reports, or written answers submitted, or a transcript of his or her testimony. The Bureau, however, may for good cause deny such a request and limit the witness to inspection of the official transcript of the testimony. Upon completion of transcription of the testimony of the witness, the witness shall be offered an opportunity to read the transcript of his or her testimony. Any changes by the witness shall be entered and identified upon the transcript by the Bureau investigator with a statement of the reasons given by the witness for making such changes. The transcript shall then be signed by the witness and submitted to the Bureau unless the witness cannot be found, is ill, waives in writing his or her right to signature, or refuses to sign. If the signed transcript is not submitted to the Bureau within 30 calendar days of the witness being afforded a reasonable opportunity to review it, the Bureau investigator, or the individual transcribing the testimony acting at the Bureau investigator's direction, shall sign the transcript and state on the record the fact of the waiver, illness, absence of the witness, or the refusal to sign, together with any reasons given for the failure to sign.

(b) Any witness compelled to appear in person at an investigational hearing may be accompanied, represented, and advised by counsel as follows:

(1) Counsel for a witness may advise the witness, in confidence and upon the initiative of either counsel or the witness, with respect to any question asked of the witness where it is claimed that a witness is privileged to refuse to answer the question. Counsel may not otherwise consult with the witness while a question directed to the witness is pending.

(2) Any objections made under the rules in this part shall be made only for the purpose of protecting a constitutional or other legal right or privilege, including the privilege against self-incrimination. Neither the witness nor counsel shall otherwise object or refuse to answer any question. Any objection during an investigational hearing shall be stated concisely on the record in a nonargumentative and nonsuggestive manner. Following an objection, the examination shall proceed

and the testimony shall be taken, except for testimony requiring the witness to divulge information protected by the claim of privilege or work product.

(3) Counsel for a witness may not, for any purpose or to any extent not allowed by paragraphs (b)(1) and (2) of this section, interrupt the examination of the witness by making any objections or statements on the record. Petitions challenging the Bureau's authority to conduct the investigation or the sufficiency or legality of the civil investigative demand shall be addressed to the Bureau in advance of the hearing in accordance with § 1080.6(e). Copies of such petitions may be filed as part of the record of the investigation with the Bureau investigator conducting the investigational hearing, but no arguments in support thereof will be allowed at the hearing.

(4) Following completion of the examination of a witness, counsel for the witness may, on the record, request that the Bureau investigator conducting the investigational hearing permit the witness to clarify any of his or her answers. The grant or denial of such request shall be within the sole discretion of the Bureau investigator conducting the hearing.

(5) The Bureau investigator conducting the hearing shall take all necessary action to regulate the course of the hearing to avoid delay and to prevent or restrain disorderly, dilatory, obstructionist, or contumacious conduct, or contemptuous language. Such Bureau investigator shall, for reasons stated on the record, immediately report to the Bureau any instances where an attorney has allegedly refused to comply with his or her obligations under the rules in this part, or has allegedly engaged in disorderly, dilatory, obstructionist, or contumacious conduct, or contemptuous language in the course of the hearing. The Bureau will thereupon take such further action, if any, as the circumstances warrant, including actions consistent with those described in 12 CFR 1081.107(c) to suspend or disbar the attorney from further practice before the Bureau or exclude the attorney from further participation in the particular investigation.

§ 1080.10 Noncompliance with civil investigative demands.

(a) In cases of failure to comply in whole or in part with Bureau civil investigative demands, appropriate action may be initiated by the Bureau, including actions for enforcement.

(b) The Director, the Assistant Director of the Office of Enforcement,

and the General Counsel of the Bureau are authorized to:

(1) Institute, on behalf of the Bureau, an enforcement proceeding in the district court of the United States for any judicial district in which a person resides, is found, or transacts business, in connection with the failure or refusal of such person to comply with, or to obey, a civil investigative demand in whole or in part if the return date or any extension thereof has passed; and

(2) Seek civil contempt or other appropriate relief in cases where a court order enforcing a civil investigative demand has been violated.

§ 1080.11 Disposition.

(a) When the facts disclosed by an investigation indicate that an enforcement action is warranted, further proceedings may be instituted in Federal or State court or pursuant to the Bureau's administrative adjudicatory process. Where appropriate, the Bureau also may refer investigations to appropriate Federal, State, or foreign governmental agencies.

(b) When the facts disclosed by an investigation indicate that an enforcement action is not necessary or would not be in the public interest, the investigational file will be closed. The matter may be further investigated, at any time, if circumstances so warrant.

(c) The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement are authorized to close Bureau investigations.

§ 1080.12 Orders requiring witnesses to testify or provide other information and granting immunity.

The Director has the nondelegable authority to request approval from the Attorney General of the United States for the issuance of an order requiring a witness to testify or provide other information and granting immunity under 18 U.S.C. 6004.

§ 1080.13 Custodians.

(a) The Bureau shall designate a custodian and one or more deputy custodians for material to be delivered pursuant to a civil investigative demand in an investigation. The custodian shall have the powers and duties prescribed by 12 CFR 1070.3 and section 1052 of the Act, 12 U.S.C. 5562. Deputy custodians may perform all of the duties assigned to custodians.

(b) Material produced pursuant to a civil investigative demand, while in the custody of the custodian, shall be for the official use of the Bureau in accordance with the Act; but such material shall upon reasonable notice to the custodian

be made available for examination by the person who produced such material, or his or her duly authorized representative, during regular office hours established for the Bureau.

§ 1080.14 Confidential treatment of demand material and non-public nature of investigations.

(a) Documentary materials, written reports, answers to questions, tangible things or transcripts of oral testimony the Bureau receives in any form or format pursuant to a civil investigative demand are subject to the requirements and procedures relating to the disclosure of records and information set forth in part 1070 of this title.

(b) Bureau investigations generally are non-public. Bureau investigators may disclose the existence of an investigation to potential witnesses or third parties to the extent necessary to advance the investigation.

Dated: June 4, 2012.

Richard Cordray,
Director, Bureau of Consumer Financial Protection.

[FR Doc. 2012-14047 Filed 6-28-12; 8:45 am]

BILLING CODE 4810-AM-P

BUREAU OF CONSUMER FINANCIAL PROTECTION

12 CFR Part 1082

[Docket No. CFPB-2011-0005]

RIN 3170-AA02

State Official Notification Rule

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Final rule.

SUMMARY: The Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010 (Dodd-Frank Act) requires the Bureau of Consumer Financial Protection (Bureau) to prescribe rules establishing procedures that govern the process by which State Officials notify the Bureau of actions undertaken pursuant to the authority granted to the States to enforce the Dodd-Frank Act or regulations prescribed thereunder. This final State Official Notification Rule (Final Rule) sets forth the procedures to govern this process.

DATES: The Final Rule is effective June 29, 2012.

FOR FURTHER INFORMATION CONTACT: Veronica Spicer, Office of Enforcement, Consumer Financial Protection Bureau, 1700 G Street NW., Washington, DC 20552, at (202) 435-7545.

SUPPLEMENTARY INFORMATION:

I. Background

The Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010 (Dodd-Frank Act) was signed into law on July 21, 2010. Title X of the Dodd-Frank Act established the Bureau to regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws. Section 1042 of the Dodd-Frank Act, 12 U.S.C. 5552, governs the enforcement powers of the States under the Dodd-Frank Act. Under section 1042(a), a State attorney general or regulator (State Official) may bring an action to enforce Title X of the Dodd-Frank Act and regulations issued thereunder. Prior to initiating any such action, the State Official is required to provide notice of the action to the Bureau and the prudential regulator, if any, pursuant to section 1042(b) of the Dodd-Frank Act. Section 1042(b) further authorizes the Bureau to intervene in the State Official's action as a party, remove the action to a Federal district court, and appeal any order or judgment.

Pursuant to section 1042(c) of the Dodd-Frank Act, the Bureau is required to issue regulations implementing the requirements of section 1042. On July 28, 2011, the Bureau promulgated the State Official Notification Rule (Interim Final Rule) with a request for comment. The comment period for the Interim Final Rule ended on September 26, 2011. After reviewing and considering the issues raised by the comments, the Bureau now promulgates the Final Rule establishing a procedure for the timing and content of the notice required to be provided by State Officials pursuant to section 1042(b) of the Dodd-Frank Act, 12 U.S.C. 5552(b).

II. Summary of the Final Rule

Like the Interim Final Rule, the Final Rule implements a procedure for the timing and content of the notice required by section 1042(b), sets forth the responsibilities of the recipients of the notice, and specifies the rights of the Bureau to participate in actions brought by State Officials under section 1042(a) of the Dodd-Frank Act. In drafting the Final Rule, the Bureau endeavored to create a process that would provide both the Bureau and, where applicable, the prudential regulators with timely notice of pending actions and account for the investigation and litigation needs of State regulators and law enforcement agencies. In keeping with this approach, the Final Rule provides for a default notice period of at least ten calendar days, with exceptions for emergencies and other extenuating circumstances,

and requires substantive notice that is both straightforward and comprehensive. The Final Rule further makes clear that the Bureau can intervene as a party in an action brought by a State Official under Title X of the Dodd-Frank Act or a regulation prescribed thereunder, provides for the confidential treatment of non-public information contained in the notice if a State so requests, and provides that provision of notice shall not be deemed a waiver of any applicable privilege. In addition, the Final Rule specifies that the notice provisions do not create any procedural or substantive rights for parties in litigation against the United States or against a State that brings an action under Title X of the Dodd-Frank Act or a regulation prescribed thereunder.

III. Legal Authority

Section 1042(c) of the Dodd-Frank Act authorizes the Bureau to prescribe regulations implementing the requirements of section 1042(b). In addition, the Bureau has general rulemaking authority pursuant to section 1022(b)(1) of the Dodd-Frank Act to prescribe rules to enable the Bureau to administer and carry out the purposes and objectives of the Federal consumer financial laws and to prevent evasions thereof.

IV. Overview of Comments Received

In response to the Interim Final Rule, the Bureau received several comments. Four letters were received from associations representing the financial industry, two letters were received from financial industry regulators and supervisors, and one letter was received from an individual consumer. The Bureau also received a comment letter from a financial industry regulator in response to its **Federal Register** notification of November 21, 2011, regarding the information collection requirements associated with the Interim Final Rule pursuant to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13: All of the comments are available for review on www.regulations.gov.

The financial industry associations' comments fell into several general categories. Several comments expressed concerns about the Bureau's ability to maintain confidentiality for notification materials received by the Bureau. Other commenters requested clarity as to the type of actions for which the Bureau requires notification. One commenter requested that the Bureau require uniform interpretation by States of all Federal law within the Bureau's jurisdiction.

Civil Investigative Demand Document Submission Standards

CFPB Office of Enforcement

CID Document Submission Standards

This describes the technical requirements for producing electronic document collections to the Consumer Finance Protection Bureau (“the Bureau”)’s Office of Enforcement. All documents shall be produced in complete form, in color when necessary to interpret the document, unredacted unless privileged, and shall not be edited, cut, or expunged. These standards must be followed for all documents you submit in response to the CID. Any proposed file formats other than those described below must be discussed with the legal and technical staff of the Bureau’s Office of Enforcement prior to submission.

Table of Contents

<i>CID Document Submission Standards</i>	2
<i>Table of Contents</i>	3
<i>A. Transmittal Instructions</i>	4
<i>B. Delivery Formats</i>	6
1) General ESI Standards	6
2) Native and Image Production	7
a) Metadata File	7
b) Document Text.....	9
c) Linked Native Files.....	10
d) Images	10
e) Image Cross Reference File	10
3) PDF File Production	11
4) Transactional Data	11
5) Audio/Video/Electronic Phone Records	12
<i>C. Production of Partially Privileged Documents</i>	14

A. Transmittal Instructions

- 1) A cover letter should be included with each production. The following information should be included in the letter:
 - a) Name of the party making the production and the date of the CID to which the submission is responsive.
 - b) List of each piece of media (hard drive, thumb drive, DVD or CD) included in the production (refer to the media by the unique number assigned to it, see ¶ 4)
 - c) List of custodians, identifying:
 - i) The Bates Range (and any gaps therein) for each custodian,
 - ii) Total number of images for each custodian, and
 - iii) Total number of native files for each custodian
 - d) List of fields in the order in which they are listed in the metadata load file.
 - e) Time zone in which emails were standardized during conversion (email collections only).
 - f) The specification(s) or portions thereof of the CID to which the submission is responsive.
- 2) Documents created or stored electronically **MUST** be produced in their original electronic format, not converted to another format such as PDF.
- 3) Data may be produced on CD, DVD, USB thumb drive, or hard drive; use the media requiring the least number of deliverables.
 - a) Magnetic media shall be carefully packed to avoid damage and must be clearly marked on the outside of the shipping container:
 - i) "MAGNETIC MEDIA – DO NOT USE METAL DETECTOR"
 - ii) "MAY BE OPENED FOR POSTAL INSPECTION"
 - b) CD-R CD-ROMs should be formatted to ISO 9660 specifications;
 - c) DVD-ROMs for Windows-compatible personal computers are acceptable;
 - d) USB 2.0 thumb drives for Windows-compatible personal computers are acceptable;

- e) USB 3.0 or USB 3.0/eSATA external hard disk drives, formatted in a Microsoft Windows-compatible file system (FAT32 or NTFS), uncompressed data are acceptable.
- 4) Label all media with the following:
 - a) Production date
 - b) Bates range
 - c) Disk number (1 of X), if applicable
 - d) Name of producing party
 - e) A unique production number identifying each production
- 5) All productions must be produced free of computer viruses. Infected productions may affect the timing of your compliance with the CID.
- 6) All produced media must be encrypted. Encryption format must be agreed upon prior to production.
 - a) Data deliveries should be encrypted at the disc level.
 - b) Decryption keys should be provided separately from the data delivery via email or phone.
- 7) Passwords for documents, files, and compressed archives should be provided separately either via email or in a separate cover letter from the data.

B. Delivery Formats

1) General ESI Standards

Before submitting any Electronically Stored Information (“ESI”) or any other documents submitted in electronic form that do not conform completely to the listed specifications, you must confirm with the Bureau that the proposed formats and media types that contain such ESI will be acceptable. You are encouraged to discuss your specific form of submission, and any related questions with the Bureau as soon as is practicable and not later than the Meet and Confer required pursuant to 12 C.F.R. § 1080.6(c).

All productions must follow the specifications outlined below:

De-duplication

De-duplication of documents should be applied across custodians (global); each custodian should be identified in the Custodian field in the metadata load file separated by semi-colon. The first name in the Custodian list should represent the original holder of the document.

Bates Numbering Documents

The Bates number must be a unique, sequential, consistently formatted identifier, i.e., an alpha prefix unique to each producing party along with a fixed length number, i.e., ABC0000001. This format must remain consistent across all productions. There should be no space in between the prefix and the number. The number of digits in the numeric portion of the format should not change in subsequent productions, nor should hyphens or other separators be added or deleted.

Document Retention / Preservation of Metadata

The recipient of this CID should use reasonable measures to maintain the original native source documents in a manner so as to preserve the metadata associated with these

electronic materials as it existed at the time of the original creation.

2) Native and Image Production

In general, and subject to the specific instructions below: (1) produce electronic documents in their complete native/original format along with corresponding bates-labeled single page TIFF images; (2) scan and process all paper documents into single page TIFF images, OCR the images, and apply bates numbers to each page of the image; (3) produce fully searchable document level text for every produced document; and (4) produce metadata for every produced document in a data file that conforms to the specific instructions below.

a) Metadata File

All produced documents, regardless of their original file format, must be produced with the below-described metadata fields in a data file (.DAT).

- i) The first line of the .DAT file must be a header row identifying the field names.
- ii) The .DAT file must use the following default delimiters:

TABLE 1: DAT FILE DELIMITERS

Comma	,	ASCII character (020)
Quote	"	ASCII character (254)
Newline	␣	ASCII character (174)

- iii) Date fields should be provided in the format: mm/dd/yyyy
- iv) All attachments should sequentially follow the parent document/email.
- v) All documents shall be produced in both their native/original form and as a corresponding bates-labeled single page TIFF image; provide the link to the original/native document in the NATIVELINK field.
- vi) Produce extracted metadata for each document in the form of a .DAT file, and include these fields (fields should be listed but left blank if not applicable):

TABLE 2: DAT FILE FIELDS

Field Name	Description
BATES_BEGIN	First Bates number of native file document/email
BATES_END	Last Bates number of native file document/email **The BATES_END field should be populated for single page documents/emails
ATTACH_BEGIN	First Bates number of attachment/family range
ATTACH_END	Last Bates number of attachment/family range
GROUP_ID	A unique family identifier used to link documents/emails and attachments
PRIV	Indicate "YES" if document has a Privilege claim
ROG_NUM	Indicate Interrogatory number(s) document is responsive to. (ROG ##) If multiple, separate by semi-colon
DR_NUM	Indicate Document Request document is responsive to. (DR ##) If multiple, separate by semi-colon
RECORDTYPE	Email: Populate field as "E-Mail" Attachment: Populate field as "Attachment" Email Attachment: Populate field as "Attachment (E-mail)" Loose Native: Populate field as "E-Document" Scanned Paper: Populate field as "Paper"
CUSTODIAN	Individual(s) or department(s) from which the record originated **semi-colon should be used to separate multiple entries
FROM	Email: Sender of email Non-email: (empty) **semi-colon should be used to separate multiple entries
TO	Email: Recipient(s) of email **semi-colon should be used to separate multiple entries
CC	Carbon copy recipient(s) **semi-colon should be used to separate multiple entries
BCC	Blind carbon copy recipient(s) **semi-colon should be used to separate multiple entries
SUBJECT	Subject line of the email
DATE_SENT	Email: Date the email was sent
TIME_SENT	Email: Time the email was sent **This data must be a separate field and cannot be combined with the DATE_SENT field

DATE_RECVD	Email: Date the email was received
TIME_RECVD	Email: Time the email was received
NATIVELINK	Hyperlink to the email or native file document **The linked file must be named per the BATES_BEGIN Number
FILE_EXT	The file extension representing the email or native file document
AUTHOR	Email: (empty) Non-email: Author of the document
DATE_CREATED	The date the electronic file was created
TIME_CREATED	The time the electronic file was created
DATE_MOD	Date an electronic file was last modified
TIME_MOD	Time an electronic file was last modified
PRINT_DATE	Date the document was last printed
PRINT_TIME	Time the document was last printed
FILE_SIZE	Size of native file document/email in KB
PGCOUNT	Number of pages in document/email
SOURCE	Email: Path to email container and email container name Non-email: Original path to source archive folder or files
FOLDERPATH	Email: Folder path within email container Non-email: Folder path to file
FILENAME	Email: Filename of loose email or subject of non-loose email Non-email: original file name
MD5HASH	The 32 digit value representing each unique document
TEXTPATH	Contains path to OCR/Extracted text file that is titled after the document BATES_BEGIN

b) Document Text

Searchable text of the entire document must be provided for every record, at the document level.

- i) Extracted text must be provided for all documents that originated in electronic format.

Note: Any document in which text cannot be extracted must be OCR'd.

- ii) For documents redacted on the basis of any privilege, provide the OCR text for unredacted/unprivileged portions.
- iii) The text should be delivered in the following method: As multi-page ASCII text

files with the files named the same as the Bates_Begin field. Text files can be placed in a separate folder or included with the .TIFF files.

c) Linked Native Files

Copies of original email and native file documents/attachments must be included for all electronic productions.

- i) Native file documents must be named per the BATES_BEGIN number (the original file name should be preserved and produced in the FILENAME metadata field).
- ii) The full path of the native file must be provided in the .DAT file in the NATIVELINK field.

d) Images

- i) Images should be single-page, Group IV TIFF files, scanned at 300 dpi.
- ii) File names should be titled per endorsed bates number.
- iii) Color should be preserved when necessary to interpret the document.
- iv) Bates numbers should be endorsed on the lower right corner of all images.
- v) For documents partially redacted on the basis of any privilege, ensure the redaction box is clearly labeled "REDACTED".

e) Image Cross Reference File

- i) The image cross-reference file is needed to link the images to the database. It is a comma-delimited file consisting of seven fields per line. There must be a line in the cross-reference file for every image in the database.

TABLE 3: IMAGE CROSS REFERENCE FILE FIELDS

Field Title	Description
ImageID	The unique designation use to identify an image.
	Note: This imageID key must be a unique and fixed length number. This number will be used in the .DAT file as the ImageID field that links the database to the images. The format of this image key must be consistent across all productions. We recommend that the format be an eight digit number to allow for the possible increase in the size of a production.
VolumeLabel	Optional
ImageFilePath	The full path to the image file.
DocumentBreak	The letter "Y" denotes the first page of a document. If this field is blank, then the page is not the first page of a document.
FolderBreak	Leave empty

BoxBreak	Leave empty
PageCount	Optional
	<i>*This file should not contain a header row.</i>

SAMPLE:

```

IMG0000001,OPTIONALVOLUMENAME,E:\001\IMG0000001.TIF,Y,,,3
IMG0000002,OPTIONALVOLUMENAME,E:\001\IMG0000002.TIF,,,,
IMG0000003,OPTIONALVOLUMENAME,E:\001\IMG0000003.TIF,,,,
IMG0000004,OPTIONALVOLUMENAME,E:\001\IMG0000003.TIF,Y,,,1
IMG0000005,OPTIONALVOLUMENAME,E:\001\IMG0000003.TIF,Y,,,2
IMG0000006,OPTIONALVOLUMENAME,E:\001\IMG0000003.TIF,,,,

```

3) PDF File Production

When approved, Adobe PDF files may be produced in lieu of TIFF images for scanned paper productions (metadata must also be produced in accordance with the instructions above):

- a) PDF files should be produced in separate folders named by the Custodian.
- b) All PDFs must be unitized at the document level, i.e. each PDF should represent a discrete document; a single PDF cannot contain multiple documents.
- c) All attachments should sequentially follow the parent document.
- d) All PDF files must contain embedded text that includes all discernible words within the document, not selected text only. This requires all layers of the PDF to be flattened first.
- e) If PDF files are Bates endorsed, the PDF files must be named by the Bates range
- f) The metadata load file listed in 2.a. should be included.

4) Transactional Data

If transactional data must be produced, further discussion must be had to ensure the intended export is properly composed. If available, a data dictionary should accompany the production, if unavailable; a description of fields should accompany transactional data productions. The following formats are acceptable:

- SQL Backup file
- MS Access
- XML
- CSV

- TSV
- Excel (with prior approval)

5) Audio/Video/Electronic Phone Records

- a) Audio files must be produced in a format that is playable using Microsoft Windows Media Player. Types of audio files that will be accepted include:
- Nice Systems audio files (.aud). AUD files offer efficient compression and would be preferred over both NMF and WAV files.
 - Nice Systems audio files (.nmf).
 - WAV Files
 - MP3, MP4
 - WMA
 - AIF

Produced audio files must be in a separate folder compared to other data in the production.

Additionally, the call information (metadata) related to each audio recording must be produced if it exists. The metadata file must be produced in delimited text format (DAT, CSV, or TXT), using a tab or pipe delimiter. Field names must be included in the first row of the metadata file. Please note that the field names are case sensitive and should be created as listed below. The metadata must include, if available, the following fields:

TABLE 4: AUDIO METADATA FIELDS

Field Name	Description
AgentName	Name of agent/employee
AgentId	Unique identifier of agent/employee
Group	Name for a collection of agents
Supervisor	Name of the Agent's supervisor
Site	Location of call facility
DNIS	Dialed Number Identification Service, identifies the number that was originally called

Extension	Extension where call was routed
CallDirection	Identifies whether the call was inbound, outbound, or internal
CallType	Purpose of the call
DURATION	Duration of call
CustomerId	Customer's Identification number
CustomerCity	Customer's city of residence
CustomerState	Customer's state of residence
CallDateTime	Date and start time of call (MM/DD/YYYY HH:MM:SS)
CUSTOMERNAME	Name of person called
FileName	Filename of audio file
BATES_BEGIN	Unique number of the audio file
CALLEDPARTYNUMBER	The call center or phone number called
CALLSIZE	File size of audio file
CALLSERVICE	Call service code
MD5HASH	The 32 digit value representing each unique document
DOC_REQ	Document request number to which the file is responsive
CUSTODIAN	Individual(s) or department(s) from which the recording originated
FOLDERPATH	Folder path of the audio file in the original source
SOURCE	Original path to where the source file resided
TIMEZONE	The time zone of the original call
GROUPOID	A unique group identifier for grouping multiple calls
CODEC	Encoding/decoding of the audio digital stream
BITRATE	The number of bits that are conveyed or processed per unit of time

Supported Date Format	Example
mm/dd/yyyy hh:mm:ss am/pm	01/25/1996 10:45:15 am

The filename is used to link the metadata to the produced audio file. The file name in the metadata and the file name used to identify the corresponding audio file must match exactly.

- b) Video files must be produced in a format that is playable using Microsoft Windows

Media Player along with any available metadata. If it is known that the video files do not contain associated audio, indicate this in the accompanying transmittal letter.

Types of video files accepted include:

- MPG
- AVI
- WMV
- MOV
- FLV

C. Production of Partially Privileged Documents

If a portion of any material called for by this CID is withheld based on a claim of privilege, those portions may be redacted from the responsive material as long as the following conditions are met.

- a) If originally stored as native electronic files, the image(s) of the unredacted portions are submitted in a way that preserves the same appearance as the original without the redacted material (i.e., in a way that depicts the size and location of the redactions). The OCR text will be produced from the redacted image(s). Any redacted, privileged material should be clearly labeled to show the redactions on the tiff image(s). Any metadata not being withheld for privilege should be produced in the DAT file; any content (e.g., PowerPoint speaker notes, Word comments, Excel hidden rows, sheets or columns) contained within the native and not being withheld for privilege should be tiffed and included in the production.
- b) If originally in hard copy form, the unredacted portions are submitted in a way that depicts the size and location of the redactions; for example, if all of the content on a particular page is privileged, a blank, sequentially numbered page should be included in the production where the responsive material, had it not been privileged, would have been located.

From: Brown, Lawrence (CFPB)
Sent: Friday, July 08, 2016 4:07 PM
To: Naylor, Jonathan (CFPB); Clark, Mary (Susie)(CFPB)
Subject: Fw: Feel free to share this draft with the examiners

Jonathan and Susie,

We seek your input on the attached draft consent order.

Thanks,

Lawrence

This message was sent from my Blackberry. Please excuse my typos.

From: Ehrlich, Jeffrey (CFPB)
Sent: Friday, July 08, 2016 06:03 PM
To: Brown, Lawrence (CFPB)
Subject: Feel free to share this draft with the examiners

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Reiferson, Barry \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Subject: RE: L.A. Complaint
Date: Wednesday, September 14, 2016 11:41:15 AM
Attachments: [Los Angeles v. Wells Fargo.pdf](#)

This is the only copy I have.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: 202-725-6619

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ehrlich, Jeffrey (CFPB)
Sent: Wednesday, September 14, 2016 11:36 AM
To: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: L.A. Complaint

Do you have it? Could you please send it ASAP? Thanks!

Jeff Ehrlich
Deputy Enforcement Director
Office: (202) 435-7598 | Mobile: (b) (6)
Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

EXHIBIT A

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 TINA L. HESS, Assistant City Attorney, SBN 143900
 SUZANNE V. SPILLANE, Deputy City Attorney, SBN 164476
 JESSICA B. BROWN, Deputy City Attorney, SBN 211642
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[NO FEE - Govt. Code § 6103]

FILED
 Superior Court of California
 County of Los Angeles

MAY 04 2015

Sherri R. Carter, Executive Officer/Clerk
 By Cristina Grijalva Deputy
 Cristina Grijalva

Attorneys for Plaintiff, the People of the State of California

D53 Steven J. Kleinfeld
SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES, CENTRAL DISTRICT
BC580778

THE PEOPLE OF THE STATE OF
 CALIFORNIA,

Plaintiff,

vs.

WELLS FARGO & COMPANY, a Delaware
 Corporation; WELLS FARGO BANK,
 NATIONAL ASSOCIATION, a National
 Banking Association, and DOES 1-100,
 inclusive,

Defendants.

Case No. [REDACTED]

**COMPLAINT FOR EQUITABLE
 RELIEF AND CIVIL PENALTIES FOR:**

**(1) VIOLATION OF THE CALIFORNIA
 UNFAIR COMPETITION LAW FOR
 GAMING (Bus. and Prof. Code
 § 17200, et seq.); AND**

**(2) VIOLATION OF THE CALIFORNIA
 UNFAIR COMPETITION LAW FOR
 FAILURE TO PROVIDE NOTICE OF
 DATA BREACH (Bus. and Prof. Code
 § 17200, et seq.)**

AMOUNT RECOVERABLE PURSUANT
 TO 6103.5 GO § 435.00
 PLUS A ONE TIME ADMINISTRATIVE FEE UPON JUDGEMENT
 IF THE PARTY RECOVERS JUDGEMENT CREDITOR

ORIGINAL

1 Plaintiff, the People of the State of California ("People"), complaining of the above-
 2 named Defendants ("Defendants"), alleges as follows, which allegations are based upon
 3 information and belief:

4 INTRODUCTION

5 1. For years, Wells Fargo & Company and Wells Fargo Bank, National Association
 6 (collectively "Wells Fargo") have victimized their customers by using pernicious and often
 7 illegal sales tactics to maintain high levels of sales of their banking and financial products. The
 8 banking business model employed by Wells Fargo is based on selling customers multiple
 9 banking products, which Wells Fargo calls "solutions." In order to achieve its goal of selling a
 10 high number of "solutions" to each customer, Wells Fargo imposes unrealistic sales quotas on its
 11 employees, and has adopted policies that have, predictably and naturally, driven its bankers to
 12 engage in fraudulent behavior to meet those unreachable goals. As a result, Wells Fargo's
 13 employees have engaged in unfair, unlawful, and fraudulent conduct, including opening
 14 customer accounts, and issuing credit cards, without authorization. Wells Fargo has known
 15 about and encouraged these practices for years. It has done little, if anything, to discourage its
 16 employees' behavior and protect its customers. Worse, on the rare occasions when Wells Fargo
 17 did take action against its employees for unethical sales conduct, Wells Fargo further victimized
 18 its customers by failing to inform them of the breaches, refund fees they were owed, or otherwise
 19 remedy the injuries that Wells Fargo and its bankers have caused. The result is that Wells Fargo
 20 has engineered a virtual fee-generating machine, through which its customers are harmed, its
 21 employees take the blame, and Wells Fargo reaps the profits.

22 2. This is a civil law enforcement action brought on behalf of the People by the
 23 Criminal Branch of the Los Angeles City Attorney's Office, under the Unfair Competition Law
 24 ("UCL") (Business and Professions Code § 17200, *et seq.*).¹ The People seek, *inter alia*: (a) to
 25 enjoin the above-named Defendants from engaging in unlawful, unfair, and fraudulent business
 26 acts and practices; (b) an order to restore to all persons in interest any money or property the
 27

28 ¹ All further references are to California codes, unless otherwise noted.

1 above-named Defendants acquired by means of those unfair, deceptive, and fraudulent business
2 acts and practices, pursuant to Business and Professions Code sections 17203 and 17204; (c) an
3 order that above-named Defendants be assessed civil penalties pursuant to Business and
4 Professions Code sections 17206 and 17206.1; and (d) recovery of the costs of this action.

5 3. Defendant Wells Fargo & Company operates the fourth biggest bank in the
6 United States, and the largest bank headquartered in California. It is California's oldest bank,
7 having begun banking services in 1852. Wells Fargo Bank, National Association is a subsidiary
8 of Wells Fargo & Company, and provides most of the banking products and services that are the
9 subject of this action.

10 4. Wells Fargo boasts about the average number of products held by its customers,
11 currently approximately six bank accounts or financial products per customer. Wells Fargo
12 seeks to increase this to an average of eight bank accounts or financial products per account
13 holder, a company goal Wells Fargo calls the "Gr-eight" initiative.

14 5. Wells Fargo's resulting market dominance has come at a significant price to the
15 general public, because it has been achieved in large part through an ambitious and strictly
16 enforced sales quota system. Wells Fargo quotas are difficult for many bankers to meet without
17 resorting to the abusive and fraudulent tactics described further below. Moreover, Wells Fargo
18 enforces its sales quotas by constant monitoring. Daily sales for each branch, and each sales
19 employee, are reported and discussed by Wells Fargo's District Managers four times a day, at
20 11:00 a.m., 1:00 p.m., 3:00 p.m., and 5:00 p.m. Those failing to meet daily sales quotas are
21 approached by management, and often reprimanded and/or told to "do whatever it takes" to meet
22 their individual sales quotas. Consequently, Wells Fargo's managers and bankers have for years
23 engaged in practices called "gaming." Gaming consists of, among other things, opening and
24 manipulating fee-generating customer accounts through often unfair, fraudulent, and unlawful
25 means, such as omitting signatures and adding unwanted secondary accounts to primary accounts
26 without permission. Other practices utilized as part of these "gaming" schemes have included
27 misrepresenting the costs, benefits, fees, and/or attendant services that come with an account or
28 product, all in order to meet sales quotas.

1 6. Wells Fargo's gaming practices have caused significant stress to, and hardship
2 and financial losses for, its customers. Specifically, Wells Fargo has: (a) withdrawn money from
3 customers' authorized accounts to pay for the fees assessed by Wells Fargo on unauthorized
4 accounts opened in customers' names; (b) placed customers into collections when the
5 unauthorized withdrawals from customer accounts went unpaid; (c) placed derogatory
6 information in credit reports when unauthorized fees went unpaid; (d) denied customers access to
7 their funds while Wells Fargo stockpiled account applications; and (e) caused customers to
8 purchase identity theft protection.

9 7. These gaming practices are so pervasive in Wells Fargo's business model that
10 some methods of gaming have even been given their own names. For example:

11 a. "*Sandbagging*" refers to Wells Fargo's practice of failing to open
12 accounts when requested by customers, and instead accumulating a number of
13 account applications to be opened at a later date. Specifically, Wells Fargo
14 employees collect manual applications for various products, stockpile them in an
15 unsecured fashion, and belatedly open up the accounts (often with additional,
16 unauthorized accounts) in the next sales reporting period, frequently before or
17 after banking hours, or on bank holidays such as New Year's Day.

18 b. "*Pinning*" refers to Wells Fargo's practice of assigning, without customer
19 authorization, Personal Identification Numbers ("PINs") to customer ATM card
20 numbers with the intention of, among other things, impersonating customers on
21 Wells Fargo computers, and enrolling those customers in online banking and
22 online bill paying without their consent.

23 c. "*Bundling*" refers to Wells Fargo's practice of incorrectly informing
24 customers that certain products are available only in packages with other products
25 such as additional accounts, insurance, annuities, and retirement plans.

26 8. While Wells Fargo has ostensibly terminated a small number of employees who
27 have engaged in gaming, other employees have been rewarded for these practices, and even
28 promoted, perpetuating the problem. Moreover, Wells Fargo has continued to impose the same

1 companywide goals of attaining as many accounts as possible at any expense, thereby fostering
 2 the practice of gaming. Wells Fargo thus puts its employees between a rock and a hard place,
 3 forcing them to choose between keeping their jobs and opening unauthorized accounts.

4 9. Wells Fargo has also failed to inform its customers when their personal
 5 information has been accessed or compromised as a result of Wells Fargo's gaming practices, in
 6 breach of its statutory duties to do so, thus causing its customers additional harm.

7 PLAINTIFF

8 10. Plaintiff, the People of the State of California, brings this action by and through
 9 Michael N. Feuer, City Attorney for the City of Los Angeles.

10 11. Pursuant to Business and Professions Code sections 17203, 17204, 17206 and
 11 17206.1, the Los Angeles City Attorney may bring a civil action in the name of the People of the
 12 State of California to enjoin any person who violates, or proposes to violate, the UCL, and to
 13 obtain mandatory civil penalties for each act of unfair competition.

14 DEFENDANTS

15 12. Defendant Wells Fargo & Company is, and at all times relevant hereto was, a
 16 corporation organized and existing under the laws of the State of Delaware, with its principal
 17 place of business in San Francisco, California. Wells Fargo & Company is a financial services
 18 company with \$1.5 trillion in assets, and provides banking, insurance, investments, mortgage,
 19 and consumer and commercial finance through more than 9,000 locations, 12,000 ATMs, and the
 20 Internet. It has approximately 265,000 full-time employees, and is ranked 29th on Fortune
 21 Magazine's 2014 rankings of America's 500 largest corporations.

22 13. Defendant Wells Fargo Bank, National Association is, and at all times relevant
 23 hereto was, a national banking association chartered under the laws of the United States, with its
 24 primary place of business in Sioux Falls, South Dakota. Wells Fargo Bank, National Association
 25 provides Wells Fargo & Company's personal and commercial banking services, and is Wells
 26 Fargo & Company's principal subsidiary.

27 14. The true names and capacities of Defendants sued herein as DOES 1 through 100,
 28 inclusive, are unknown to the People, who therefore sue said Defendants by such fictitious

names. When the true names and capacities of said Defendants have been ascertained, the People will ask leave of the Court to amend this Complaint, and to insert in lieu of such fictitious names the true names and capacities of said fictitiously-named Defendants. The People are informed and believe that DOES 1 through 100 participated in, and in some part are responsible for, the unlawful business acts and practices and other violations of law alleged herein.

15. At all relevant times, each Defendant was acting as an agent, servant, assignee, representative, partner, joint venturer, co-conspirator, or employee of the other Defendants, and, in doing the acts alleged herein, was acting within the course and scope of said agency, service, assignment, representation, partnership, joint venture, conspiracy, or employment. Due to the relationship between Defendants, each Defendant has knowledge or constructive notice of the acts of each of the other Defendants.

16. Each Defendant is a "person" within the meaning of Business and Professions Code section 17201.

17. In this Complaint, when reference is made to any act or omission of a Defendant, such allegations shall include the acts and omissions of owners, officers, directors, agents, employees, contractors, vendors, affiliates, and representatives of said Defendant while acting within the course and scope of their employment or agency on behalf of said Defendant.

JURISDICTION AND VENUE

18. Venue is proper in this county pursuant to Business and Professions Code sections 17204 in that violations alleged in this Complaint occurred in the City of Los Angeles and the County of Los Angeles. The Court has jurisdiction pursuant to Article VI, section 10 of the California Constitution and section 393 of the Code of Civil Procedure.

GENERAL ALLEGATIONS

19. To the extent that the following descriptions include specific examples, they are provided for purposes of illustrating the operation of Wells Fargo's illegal activities, with no intention of limiting this action to these specific examples.

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Wells Fargo's Quota – Driven Business Model

20. Wells Fargo's *modus operandi* is to attempt to get each customer to maintain numerous accounts with Wells Fargo. In a brochure published by Wells Fargo called "The Vision & Values of Wells Fargo," Wells Fargo states: "'Going for gr-eight.' Our average retail banking household has about six products with us. We want to get to eight . . . and beyond. One of every four already has eight or more. Four of every 10 have six or more."

21. In its 2014 Annual Report to the U.S. Securities and Exchange Commission, Wells Fargo boasts about its "products" per customer and its "cross-sell strategy": "Our vision is to satisfy all our customers' financial needs, help them succeed financially, be recognized as the premier financial services company in our markets and be one of America's great companies. Important to our strategy to achieve this vision is to increase the number of our products our customers use and to offer them all of the financial products that fulfill their financial needs." That report further states: "Our cross-sell strategy is to increase the number of products our customers use by offering them all of the financial products that satisfy their financial needs."

22. Wells Fargo further stated in its 2014 Annual Report to the U.S. Securities Exchange Commission: "we continued to maintain our solid customer relationships across the Company, with retail banking household cross-sell of 6.17 products per household (November 2014); Wholesale Banking cross-sell of 7.2 products per relationship (September 2014); and Wealth, Brokerage and Retirement cross-sell of 10.49 products per retail banking household (November 2014)." Wells Fargo further stated in that same filing: "We believe there is more opportunity for cross-sell as we continue to earn more business from our customers. Our goal is eight products per household"

23. In order to achieve its goal of eight accounts per household, Wells Fargo puts unrelenting pressure on its bankers to open numerous accounts per customer.

24. Wells Fargo has strict quotas regulating the number of daily "solutions" that its bankers must reach; these "solutions" include the opening of all new banking and credit card accounts. Managers constantly hound, berate, demean and threaten employees to meet these unreachable quotas. Managers often tell employees to do whatever it takes to reach their quotas.

1 Employees who do not reach their quotas are often required to work hours beyond their typical
2 work schedule without being compensated for that extra work time, and/or are threatened with
3 termination.

4 25. The quotas imposed by Wells Fargo on its employees are often not attainable
5 because there simply are not enough customers who enter a branch on a daily basis for
6 employees to meet their quotas through traditional means.

7 26. Wells Fargo's bankers are thus naturally and predictably forced to resort to
8 alternative means to meet quotas, including using high pressure sales tactics to coerce customers
9 into opening additional accounts or using inaccurate or misleading information about potential
10 accounts to induce customers to open them.

11 27. Wells Fargo employees also pressure their own family members and friends to
12 sign up for accounts to meet their quotas. Some employees report that they have "tapped out"
13 every family member and friend for accounts. Others report that they spend holiday dinners
14 trying to convince family members to sign up for accounts. Management encourages employees
15 to achieve "solutions" through family members. Since these accounts are opened by friends and
16 family as favors, they are often unfunded, and can result in fees charged by Wells Fargo to its
17 own employees' families or acquaintances, even for such "zero balance" accounts.

18 28. Employees thus resort to gaming tactics to increase their "solutions," and meet
19 minimum quotas. Gaming is so ingrained in the business of Wells Fargo that many of the tactics
20 employed to meet these sky-high quotas have commonly-used names.

21 ***"Bundling"***

22 29. In the practice known at Wells Fargo as "bundling," its customers are told that the
23 account or product they seek can be obtained only with the purchase of additional accounts or
24 products, when, in fact, the desired product is available on its own. In many instances,
25 employees are coached by management to ensure that every checking account is sold with three
26 other products also known as a "packed" account. Employees were, and are, instructed by
27 management to lie to customers by telling them that each checking account automatically comes
28

1 with a savings account, credit card, or other product such as life insurance, and/or "Express
2 Send" (an online program that allows customers to send money to foreign countries).

3 30. When customers discover an unauthorized account and inquire of Wells Fargo
4 about it, they are often informed that the products and services came with the authorized
5 accounts automatically. Even in the face of customer complaints, the "bundling" continues.

6 31. Customers who complain about receiving credit cards they did not request are
7 advised by Wells Fargo to simply destroy the unrequested and unauthorized cards. However,
8 simply destroying these unauthorized cards does not close the account nor repair the impact to a
9 customer's credit profile.

10 *"Pinning"*

11 32. In the practice known at Wells Fargo as "pinning," a Wells Fargo banker obtains
12 a debit card number, and personally sets the PIN, often to 0000, without customer authorization.
13 "Pinning" permits a banker to enroll a customer in online banking, for which the banker would
14 receive a solution (sales credit). To bypass computer prompts requiring customer contact
15 information, bankers impersonate the customer online, and input false generic email addresses
16 such as 1234@wellsfargo.com, noname@wellsfargo.com, or none@wellsfargo.com to ensure
17 that the transaction is completed, and that the customer remains unaware of the unauthorized
18 activity.

19 *"Sandbagging"*

20 33. In the practice known at Wells Fargo as "sandbagging," a banker delays opening
21 new accounts or processing a sale, unbeknownst to the account holder, until a time that is most
22 beneficial, such as when a new sales reporting period commences.

23 34. "Sandbagging" is common at Wells Fargo. "Sandbagging" often occurred on
24 New Year's Day, or at the beginning of a sales reporting period. New Year's Day was an
25 especially common date to open "sandbagged" accounts, because Wells Fargo ran a sales
26 program called "Jump into January." In this Wells Fargo program, its bankers were required to
27 meet even more aggressive sales goals than usual. As a result, bankers were encouraged to hold
28 onto, or not to process, new accounts or other requests until January 1. In fact, some employees

1 were required to list or confirm the accounts they would open on January 1 before January 1.
 2 This permitted Wells Fargo to report inflated First Quarter sales.

3 35. When customers inquire about why an account was not opened timely, they are
 4 given false explanations including: (a) a computer system failure or similar technical problem;
 5 (b) an oversight and the account would be processed immediately; and/or, (c) a mistake that
 6 would take time to correct.

7 *Other Gaming Tactics*

8 36. Because of Wells Fargo's on-going setting of unrealistic sales goals, Wells Fargo
 9 employees have engaged in, and continue to engage in, other gaming tactics, including:

- 10 a. Making misrepresentations to customers to get them to open additional
 11 accounts such as falsely stating: "you will incur a monthly fee on your checking
 12 account until you add a savings account."
- 13 b. Misrepresenting that additional accounts do not have monthly fees, when
 14 they actually do incur such fees.
- 15 c. Referring unauthorized, and therefore unfunded, accounts to collections
 16 because Wells Fargo's practices cause the accounts to have negative balances.
- 17 d. Targeting individuals holding Mexican Matriculada Consular cards
 18 because the lack of a Social Security Number makes it easier to open numerous
 19 fraudulent accounts. Wells Fargo employees provide false information to
 20 complaining customers, and advise many of these victims to ignore the
 21 unauthorized fees and letters from collection agencies because the lack of a Social
 22 Security number means the debt will not affect them.
- 23 e. Advising customers who do not want credit cards that they will be sent a
 24 credit card anyway, and to just tear it up when they receive it.

25 *Customers' Discovery of Gaming and the Harm it Causes*

26 37. Customers who have discovered unauthorized accounts often make the discovery
 27 accidentally. For instance: (a) unexplained money being withdrawn from authorized accounts to
 28 fund unauthorized accounts; (b) mailings from Wells Fargo congratulating a customer on

opening a new account the customer does not recognize, or asking a customer to update account information for accounts that the customer does not recognize; (c) calls from collection agencies stating the customer is overdrawn on an account that the customer does not recognize; and (d) discovering that checks a customer intended to be deposited into an authorized account do not appear in monthly statements because the checks had instead been deposited into an unauthorized account.

38. Customers have been prejudiced in numerous ways by Wells Fargo's gaming: (a) customers lose money to monthly service fees charged for unauthorized accounts; (b) customer accounts are placed into collection, forcing customers to fight with debt collection agencies for fees charged by Wells Fargo on unauthorized accounts; (c) customers' credit reports are affected, impacting job applications, loans for automobiles, and mortgage applications; and (d) customers are forced to purchase costly identity theft protection services to ensure against further fraudulent activities. But for Wells Fargo's quota-based business model, its customers would not have incurred wrongful fees, been put into collections, suffered derogatory references on their credit reports, or forced to purchase identity theft protection.

39. Customers' unauthorized accounts remain open, despite repeated customer requests to Wells Fargo to close those accounts.

40. Customers have difficulty reporting unauthorized activity. Reaching the correct representative is no guarantee the unauthorized account will be remedied, as complaining customers often never receive return calls from Wells Fargo.

Wells Fargo's Knowledge of Gaming and its Cosmetic Fixes

41. Wells Fargo knew, or in the exercise of reasonable care should have known, that its employees open unauthorized accounts. For example:

a. Customers often enter Wells Fargo's branches to complain about unauthorized accounts; many victims have even contacted Wells Fargo management by telephone.

b. Wells Fargo has access to, and frequently monitors, actions taken on its computers by employees. Wells Fargo has been put on notice by unusual activity

such as: numerous accounts being opened on January 1, a bank holiday; numerous unfunded accounts; frequent reopening of closed accounts; and customer accounts with the only account activity being Wells Fargo fees.

c. Wells Fargo requires that all new customer accounts be approved by a branch manager or assistant manager, thereby providing Wells Fargo management with a clear record of the number and types of accounts opened for each customer.

d. Wells Fargo is also aware its daily, weekly and monthly quotas are unrealistic for employees during normal working hours, since they have generated numerous complaints and lawsuits by employees.

e. Online banking accounts are often opened by Wells Fargo with obviously false customer contact information such as noname@wellsfargo.com.

f. Wells Fargo has terminated and/or otherwise disciplined a number of employees for gaming, but far fewer than have actually engaged in the practices, given Wells Fargo's widespread imposition of the quota system.

42. Despite Wells Fargo's knowledge of gaming by its employees, it has done little, if anything, to terminate these practices, nor to reform the business model it created that has fostered them. While Wells Fargo has made a few minor changes to its policies, and has terminated a handful of employees, those efforts have been, at most, cosmetic, and ultimately benefit Wells Fargo by providing them with plausible deniability. However, the policies that encourage these tactics continue, and employees who engage in them continue to be rewarded monetarily, and even promoted. Wells Fargo has not altered its quota system, nor has it reduced the pressure it has applied to its management and employees to reach their quotas, and the gaming that has been its inevitable result.

STATUTORY AND REGULATORY BACKGROUND

Laws Relating to Identity Theft

43. California has strict laws against making false financial statements.

44. It is unlawful to use another's personal data for illegal purposes: "[E]very person who willfully obtains personal identifying information . . . of another person, and uses that information for any unlawful purpose, including to obtain, or attempt to obtain, credit, goods, services, real property, or medical information without the consent of that person, is guilty of a public offense . . ." (Penal Code § 530.5(a)). Pursuant to the Penal Code: "personal identifying information" includes "name, address, telephone number, health insurance number, taxpayer identification number, school identification number, state or federal driver's license, or identification number, social security number, place of employment, employee identification number, professional or occupational number, mother's maiden name, demand deposit account number, savings account number, checking account number, PIN (personal identification number) or password, alien registration number, government passport number, [and] date of birth." (Penal Code § 530.55(b)).

Laws Relating to Computer Data Breaches

45. In California, if a business is in possession of "computerized data that includes personal information," that business "shall disclose any breach of the security of the system following discovery or notification of the breach in the security of the data to any resident of California whose unencrypted personal information was, or is reasonably believed to have been, acquired by an unauthorized person." (Civil Code § 1798.82(a)). "[P]ersonal information" includes: "[a]n individual's first name or first initial and last name," along with one or more of the following: Social Security number; driver's license number or California identification card number; account number, credit or debit card number "in combination with any required security code, access code, or password that would permit access to an individual's financial account;" medical information; or health insurance information. (Civil Code § 1798.82(h)(1)). "Personal information" also includes: "[a] user name or email address, in combination with a password or security question and answer that would permit access to an online account." (Civil Code § 1798.82(h)(2)). For purposes of this law, "breach of the security system" refers to "unauthorized acquisition of computerized data that compromises the security, confidentiality, or integrity of personal information maintained by the person or business." (Civil Code § 1798.82(g)).

46. It is illegal to knowingly access and without permission use "any data, computer, computer system, or computer network in order to either (A) devise or execute any scheme or artifice to defraud, deceive, or extort or (B) wrongfully control or obtain money, property, or data." (Penal Code § 502(c)(1).)

47. Furthermore, it is unlawful to knowingly access and without permission: "take[], cop[y], or make[] use of any data from a computer, computer system, or computer network . . . whether existing or residing internal or external to a computer, computer system, or computer network." (Penal Code § 502(c)(2).)

48. Under the California Penal Code "the word 'person' includes a corporation as well as a natural person." (Penal Code § 7).

49. Pursuant to the Gramm-Leach-Bliley Act, 15 United States Code section 6801, *et seq.*, and the rules and regulations promulgated thereunder, financial institutions have a duty to keep and protect the personal information of their customers from unauthorized access or misuse. When an "institution determines that misuse of its information has occurred or is reasonably possible, it should notify the affected customer as soon as possible. (70 Fed. Reg. 1575; 12 C.F.R. Part 30, App. B.)

ENFORCEMENT AUTHORITY

Business and Professions Code section 17200, et seq.

50. "Unfair competition" is defined in Business and Professions Code section 17200 as "any unlawful, unfair or fraudulent business act or practice," and any act prohibited by Chapter 1 (commencing with Section 17500) of Part 3 of Division 7 of the Business and Professions Code.

51. Pursuant to Business and Professions Code section 17206, any person who engages, has engaged, or proposes to engage in unfair competition shall be liable for a civil penalty not to exceed \$2,500 dollars for each violation.

52. Pursuant to Business and Professions Code section 17203, any person who engages, has engaged, or proposes to engage in unfair competition may be enjoined in any court of competent jurisdiction, and the court may make such orders or judgments to prevent the use of

1 any practice which constitutes unfair competition, or as may be necessary to restore to any
 2 person in interest any money or property which may have been acquired by means of such unfair
 3 competition.

4 53. Pursuant to Business and Professions Code section 17205, the remedies or
 5 penalties provided for violations of the UCL are cumulative to each other, and to the remedies or
 6 penalties available under all other laws of the state.

7 **FIRST CAUSE OF ACTION:**
 8 **VIOLATION OF THE UNFAIR COMPETITION LAW ("UCL")**
 9 **AGAINST ALL DEFENDANTS ("GAMING")**

(California Business and Professions Code § 17200, *et seq.*)

10 54. The People reallege and incorporate herein each and every allegation set forth in
 11 paragraphs 1 through and including 53 above, as though set forth fully herein.

12 55. Beginning on a date unknown to the People, but within the four years preceding
 13 the filing of this Complaint, Defendants and Does 1-100, and each of them, have violated and
 14 conspired to violate the UCL by engaging in one or more of the following *unlawful* business acts
 15 and practices, among others:

- 16 a. Willfully obtaining personal identifying information of another person
 17 (which includes name, address, telephone number, health insurance number,
 18 taxpayer identification number, school identification number, state or federal
 19 driver's license or identification number, Social Security number, place of
 20 employment, employee identification number, professional or occupational
 21 number, mother's maiden name, demand deposit account number, savings
 22 account number, checking account number, PIN or password, alien registration
 23 number, government passport number, and date of birth), and using that
 24 information for an unlawful purpose, including to obtain or attempt to obtain
 25 credit, goods, services, real property, or medical information without the consent
 26 of that person, in violation of Penal Code section 530.5, subdivision (a).
 27
 28

b. Being a party to any fraudulent conveyance of any contract or conveyance had, made, or contrived with intent to deceive and defraud others, or while being a party to any fraudulent conveyance of any contract or conveyance, wittingly and willingly putting in, using, avowing, maintaining, justifying, or defending the fraudulent conveyance of any contract or conveyance as true and done, had or made in good faith, or upon good consideration, in violation of Penal Code section 531.

c. Knowingly accessing and without permission using data, computers, computer systems, or computer networks to execute a scheme to defraud or wrongfully obtain money, property, or data, in violation of Penal Code section 502, subdivision (c)(1).

d. Knowingly accessing, and without permission taking, copying, or making use of customer information, in violation of Penal Code section 502, subdivision (c)(2).

e. Knowingly accessing, and without permission taking, copying, or making use of customer information, in violation of 15 United States Code section 680, *et seq.*, and the rules and regulations promulgated thereunder.

56. Beginning on a date unknown to the People, but within the four years preceding the filing of this Complaint, Defendants and Does 1-100, and each of them, have violated and conspired to violating the UCL by engaging in one or more of the following *unfair* business acts and practices, among others:

a. Threatening incipient violations of the aforementioned California laws and violated the public policy embodied in and spirit of those laws.

b. Violating the established public policy of the State of California, which, among other things, seeks to ensure that: all monetary contracts are duly authorized by each party; all bank accounts are authorized and agreed to by the customer in whose name the bank account is opened; residents of the state are not harmed in their credit reports by acts not actually performed, or debts not actually

1 incurred, by that resident; personal information of an individual is not improperly
 2 obtained and used for an unlawful purpose; and that when personal information is
 3 obtained without authority, that the person whose information was obtained is
 4 informed immediately.

5 c. Defendants' conduct as described in this Complaint has been immoral,
 6 unethical, oppressive and unscrupulous in that Defendants: (1) profit by
 7 improperly signing customers up for bank accounts to which the customers did
 8 not agree; (2) boast about the average number of accounts per customer they have
 9 achieved, knowing that many of those accounts were unauthorized; (3) expose the
 10 consumer to financial hardships involving unjustified debt collection and negative
 11 credit reporting, thus jeopardizing those customers' ability to obtain mortgages,
 12 automobile loans, and employment; and (4) otherwise garnered an unfair
 13 advantage over lawfully competing businesses.

14 d. Wells Fargo's acts and practices alleged in this Complaint have had, and
 15 continue to have, a substantial detrimental impact upon its customers and the
 16 community. This detrimental impact is not outweighed by any countervailing
 17 reasons, justifications, and motives of Wells Fargo. In short, the harm
 18 experienced by the customers and the surrounding community far outweighs the
 19 utility of Wells Fargo's conduct.

20 57. Beginning on a date unknown to the People, but within the four years preceding
 21 the filing of this Complaint, Defendants and Does 1-100, and each of them, have violated and
 22 conspired to violate the UCL by engaging in one or more of the following *fraudulent* business
 23 acts and practices, among others:

24 a. Using misrepresentations, deception, and concealment of material
 25 information to open unauthorized accounts in customers' names.

26 b. Using misrepresentations, deception, and concealment of material
 27 information to view customers' personal information, and then failing to reveal to
 28 the customers that their personal information was compromised.

SECOND CAUSE OF ACTION:
VIOLATION OF THE UNFAIR COMPETITION LAW ("UCL")
AGAINST ALL DEFENDANTS
(FAILURE TO PROVIDE NOTICE OF DATA BREACH)

(California Business and Professions Code § 17200, *et seq.*)

58. The People reallege and incorporate herein each and every allegation set forth in paragraphs 1 through and including 53 above, as though set forth fully herein.

59. Beginning on a date unknown to the People, but within the four years preceding the filing of this Complaint, Defendants and Does 1-100, and each of them, have violated and conspired to violate the UCL by engaging in one or more of the following *unlawful* business acts and practices, among others:

- a. Being a business that owns or licenses computerized data that includes personal information, and failing to disclose breaches of the security of the system containing that data following discovery or notification of the breach by an unauthorized person, in violation of Civil Code section 1798.82, subdivision (a).
- b. Failing to provide their customers with notice of any misuse of their customer information, as required by 15 United States Code section 6801, *et seq.*, and the rules and regulations promulgated thereunder.

60. Beginning on a date unknown to the People, but within the four years preceding the filing of this Complaint, Defendants and Does 1-100, and each of them, have violated and conspired to violate the UCL by engaging in one or more of the following *unfair* business acts and practices, among others:

- a. Threatening incipient violations of the aforementioned California laws, and violating the public policy embodied in, and the spirit of, those laws.
- b. Violating the established public policy of the State of California, which, among other things, seeks to ensure that: all monetary contracts are duly authorized by each party; all bank accounts are authorized and agreed to by the customer in whose name the bank account is opened; residents of the state

are not harmed in their credit reports by acts not actually performed, or debts not actually incurred, by that resident; personal information of an individual is not improperly obtained and used for an unlawful purpose; and that when personal information is obtained without authority, that the person whose information was obtained is informed immediately.

- c. Defendants' conduct as described in this Complaint has been immoral, unethical, oppressive and unscrupulous in that Defendants: (1) profit by improperly signing customers up for bank accounts to which the customers did not agree; (2) boast about the average number of accounts per customer they have achieved, knowing that many of those accounts were unauthorized; (3) expose the consumer to financial hardships involving unjustified debt collection and negative credit reporting, thus jeopardizing those customers' ability to obtain as mortgages, automobile loans, and employment; and (4) otherwise garnered an unfair advantage over lawfully competing businesses.
- d. Wells Fargo's acts and practices alleged in this Complaint have had, and continue to have, a substantial detrimental impact upon its customers and the community. This detrimental impact is not outweighed by any countervailing reasons, justifications, and motives of Wells Fargo. In short, the harm experienced by the customers and the surrounding community far outweighs the utility of Wells Fargo's conduct.

61. The acts of unfair competition of Defendants and Does 1-100, and each of them, present a continuing threat to the public's health, safety, and welfare, and the People have no adequate remedy at law. Accordingly, unless Defendants and Does 1-100 are permanently enjoined and restrained by order of this Court, they will continue to commit acts of unfair competition, and thereby continue to cause irreparable harm and injury to the public's health, safety, and welfare.

PRAYER FOR RELIEF

Wherefore, the People pray that:

1 Pursuant to Business and Professions Code sections 17203 and 17204, and the
2 equitable powers of the Court, Defendant Wells Fargo and DOES 1 through 100, together with
3 their officers, employees, servants, agents, partners, associates, representatives, contractors, and
4 all persons acting on behalf of or in concert with them, be enjoined from engaging in the
5 unlawful, unfair, and fraudulent business acts and practices described in this Complaint; be
6 ordered to comply with all laws and regulations concerning the opening and maintaining of bank
7 accounts; and be required to take such actions, and adopt such measures, as are necessary to
8 prevent Defendants from engaging in further such acts or practices.

9 2. Pursuant to Business and Professions Code sections 17203 and 17204, Defendants
10 be ordered to restore to all persons in interest any money or property they acquired by means of
11 the unlawful, unfair, and fraudulent business acts and practices in this Complaint.

12 3. Pursuant to Business and Professions Code section 17206, Defendants be assessed
13 a civil penalty of \$2,500 for each violation of the UCL that they committed, caused, aided and
14 abetted, or conspired to commit.

15 4. Pursuant to Business and Professions Code section 17206.1, Defendants also be
16 assessed a civil penalty of \$2,500 for each violation of the UCL that they committed, caused,
17 aided and abetted, or conspired to commit, against senior citizens or disabled persons.

18 5. The People recover the costs of this action.

19 6. The People be granted such other and further relief as the Court may deem to be
20 just and proper.

21 Dated: May 4, 2015

22 MICHAEL N. FEUER, City Attorney
23 TINA HESS, Assistant City Attorney
24 SUZANNE V. SPILLANE, Deputy City Attorney
25 JESSICA B. BROWN, Deputy City Attorney
26 JEREMY BERZON, Deputy City Attorney
27 OFFICE OF THE LOS ANGELES CITY ATTORNEY
28 CRIMINAL BRANCH
COMPLEX & SPECIAL LITIGATION SECTION

By: 

SUZANNE SPILLANE

Attorneys for Plaintiff,

The People of the State of California

CM-010

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): MICHAEL N. FEUER, City Attorney, (SBN 111529) TINA HESS, Assistant City Attorney, (SBN 143900) SUZANNE V. SPILLANE, Deputy City Attorney, (164476) Office of the Los Angeles City Attorney 200 North Main Street, 500 City Hall East, Los Angeles, CA 90012 TELEPHONE NO.: 213-473-6922 FAX NO.: 213-978-8112		FOR COURT USE ONLY <div style="text-align: center; font-weight: bold; font-size: 1.2em;">FILED</div> Superior Court of California County of Los Angeles <div style="text-align: center; font-weight: bold;">MAY 04 2015</div> Sherri R. Carter, Executive Officer/Clerk By <u>Cristina Grijalva</u> Deputy Cristina Grijalva	
ATTORNEY FOR (Name): <u>Plaintiff</u> SUPERIOR COURT OF CALIFORNIA, COUNTY OF Los Angeles STREET ADDRESS: 111 North Hill Street MAILING ADDRESS: 111 North Hill Street CITY AND ZIP CODE: Los Angeles, CA 90012 BRANCH NAME: Central		CASE NUMBER: <div style="background-color: black; width: 150px; height: 1.2em; margin: 5px 0;"></div> JUDGE: BC 580778 DEPT:	
CASE NAME: <u>People v. Wells Fargo & Company, et al.</u>		CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000) <input type="checkbox"/> Limited (Amount demanded is \$25,000 or less) Complex Case Designation <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)	

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:		
Auto Tort <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) Non-PI/PD/WD (Other) Tort <input checked="" type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) Employment <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	Contract <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) Real Property <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26) Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20) Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)

2. This case ☐ is ☒ is not complex under rule 3.400 of the California Rules of Court. If the case is complex; mark the factors requiring exceptional judicial management:
- a. ☐ Large number of separately represented parties d. ☒ Large number of witnesses
- b. ☒ Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve e. ☐ Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court
- c. ☒ Substantial amount of documentary evidence f. ☐ Substantial postjudgment judicial supervision
3. Remedies sought (check all that apply): a. ☒ monetary b. ☒ nonmonetary; declaratory or injunctive relief c. ☐ punitive
4. Number of causes of action (specify): Two
5. This case ☐ is ☒ is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case: (You may use form CM-015.)

Date: May 4, 2015

Suzanne V. Spillane, Deputy City Attorney
(TYPE OR PRINT NAME)

SIGNATURE OF PARTY OR ATTORNEY FOR PARTY

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

Page 1 of 2

INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET**CM-010**

To Plaintiffs and Others Filing First Papers. If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check **one** box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the **primary** cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

To Parties in Rule 3.740 Collections Cases. A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

To Parties in Complex Cases. In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

CASE TYPES AND EXAMPLES**Auto Tort**

Auto (22)—Personal Injury/Property Damage/Wrongful Death
Uninsured Motorist (46) (*if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto*)

Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

Asbestos (04)
Asbestos Property Damage
Asbestos Personal Injury/Wrongful Death
Product Liability (*not asbestos or toxic/environmental*) (24)
Medical Malpractice (45)
Medical Malpractice—Physicians & Surgeons
Other Professional Health Care Malpractice
Other PI/PD/WD (23)
Premises Liability (e.g., slip and fall)
Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)
Intentional Infliction of Emotional Distress
Negligent Infliction of Emotional Distress
Other PI/PD/WD

Non-PI/PD/WD (Other) Tort

Business Tort/Unfair Business Practice (07)
Civil Rights (e.g., discrimination, false arrest) (*not civil harassment*) (08)
Defamation (e.g., slander, libel) (13)
Fraud (16)
Intellectual Property (19)
Professional Negligence (25)
Legal Malpractice
Other Professional Malpractice (*not medical or legal*)
Other Non-PI/PD/WD Tort (35)
Employment
Wrongful Termination (36)
Other Employment (15)

Contract

Breach of Contract/Warranty (06)
Breach of Rental/Lease
Contract (*not unlawful detainer or wrongful eviction*)
Contract/Warranty Breach—Seller Plaintiff (*not fraud or negligence*)
Negligent Breach of Contract/Warranty
Other Breach of Contract/Warranty
Collections (e.g., money owed, open book accounts) (09)
Collection Case—Seller Plaintiff
Other Promissory Note/Collections Case
Insurance Coverage (*not provisionally complex*) (18)
Auto Subrogation
Other Coverage
Other Contract (37)
Contractual Fraud
Other Contract Dispute

Real Property

Eminent Domain/Inverse Condemnation (14)
Wrongful Eviction (33)
Other Real Property (e.g., quiet title) (26)
Writ of Possession of Real Property
Mortgage Foreclosure
Quiet Title
Other Real Property (*not eminent domain, landlord/tenant, or foreclosure*)

Unlawful Detainer

Commercial (31)
Residential (32)
Drugs (38) (*if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential*)

Judicial Review

Asset Forfeiture (05)
Petition Re: Arbitration Award (11)
Writ of Mandate (02)
Writ—Administrative Mandamus
Writ—Mandamus on Limited Court Case Matter
Writ—Other Limited Court Case Review
Other Judicial Review (39)
Review of Health Officer Order
Notice of Appeal—Labor
Commissioner Appeals

Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)

Antitrust/Trade Regulation (03)
Construction Defect (10)
Claims Involving Mass Tort (40)
Securities Litigation (28)
Environmental/Toxic Tort (30)
Insurance Coverage Claims (*arising from provisionally complex case type listed above*) (41)

Enforcement of Judgment

Enforcement of Judgment (20)
Abstract of Judgment (Out of County)
Confession of Judgment (*non-domestic relations*)
Sister State Judgment
Administrative Agency Award (*not unpaid taxes*)
Petition/Certification of Entry of Judgment on Unpaid Taxes
Other Enforcement of Judgment Case

Miscellaneous Civil Complaint

RICO (27)
Other Complaint (*not specified above*) (42)
Declaratory Relief Only
Injunctive Relief Only (*non-harassment*)
Mechanics Lien
Other Commercial Complaint Case (*non-tort/non-complex*)
Other Civil Complaint (*non-tort/non-complex*)

Miscellaneous Civil Petition

Partnership and Corporate Governance (21)
Other Petition (*not specified above*) (43)
Civil Harassment
Workplace Violence
Elder/Dependent Adult Abuse
Election Contest
Petition for Name Change
Petition for Relief from Late Claim
Other Civil Petition

SHORT TITLE: People v. Wells Fargo & Company, et al.

CASE NUMBER

BC 580778

**CIVIL CASE COVER SHEET ADDENDUM AND
STATEMENT OF LOCATION
(CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)**

This form is required pursuant to Local Rule 2.0 in all new civil case filings in the Los Angeles Superior Court.

Item I. Check the types of hearing and fill in the estimated length of hearing expected for this case:

JURY TRIAL? ☐ YES CLASS ACTION? ☐ YES LIMITED CASE? ☐ YES TIME ESTIMATED FOR TRIAL 20 ☐ HOURS/ ☒ DAYS

Item II. Indicate the correct district and courthouse location (4 steps – If you checked "Limited Case", skip to Item III, Pg. 4):

Step 1: After first completing the Civil Case Cover Sheet form, find the main Civil Case Cover Sheet heading for your case in the left margin below, and, to the right in Column **A**, the Civil Case Cover Sheet case type you selected.

Step 2: Check one Superior Court type of action in Column **B** below which best describes the nature of this case.

Step 3: In Column **C**, circle the reason for the court location choice that applies to the type of action you have checked. For any exception to the court location, see Local Rule 2.0.

Applicable Reasons for Choosing Courthouse Location (see Column C below)

- | | |
|--|--|
| 1. Class actions must be filed in the Stanley Mosk Courthouse, central district. | 6. Location of property or permanently garaged vehicle. |
| 2. May be filed in central (other county, or no bodily injury/property damage). | 7. Location where petitioner resides. |
| 3. Location where cause of action arose. | 8. Location wherein defendant/respondent functions wholly. |
| 4. Location where bodily injury, death or damage occurred. | 9. Location where one or more of the parties reside. |
| 5. Location where performance required or defendant resides. | 10. Location of Labor Commissioner Office |

ORIGINAL

Step 4: Fill in the information requested on page 4 in Item III; complete Item IV. Sign the declaration.

	A Civil Case Cover Sheet Category No	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Auto Tort	Auto (22)	<input type="checkbox"/> A7100 Motor Vehicle - Personal Injury/Property Damage/Wrongful Death	1., 2., 4.
	Uninsured Motorist (46)	<input type="checkbox"/> A7110 Personal Injury/Property Damage/Wrongful Death - Uninsured Motorist	1., 2., 4.
Other Personal Injury/Property Damage/Wrongful Death Tort	Asbestos (04)	<input type="checkbox"/> A6070 Asbestos Property Damage	2.
		<input type="checkbox"/> A7221 Asbestos - Personal Injury/Wrongful Death	2.
	Product Liability (24)	<input type="checkbox"/> A7260 Product Liability (not asbestos or toxic/environmental)	1., 2., 3., 4., 8.
	Medical Malpractice (45)	<input type="checkbox"/> A7210 Medical Malpractice - Physicians & Surgeons	1., 4.
		<input type="checkbox"/> A7240 Other Professional Health Care Malpractice	1., 4.
	Other Personal Injury Property Damage Wrongful Death (23)	<input type="checkbox"/> A7250 Premises Liability (e.g., slip and fall)	1., 4.
		<input type="checkbox"/> A7230 Intentional Bodily Injury/Property Damage/Wrongful Death (e.g., assault, vandalism, etc.)	1., 4.
		<input type="checkbox"/> A7270 Intentional Infliction of Emotional Distress	1., 3.
		<input type="checkbox"/> A7220 Other Personal Injury/Property Damage/Wrongful Death	1., 4.

SHORT TITLE: People v. Wells Fargo & Company, et al.

CASE NUMBER

	A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Non-Personal Injury/Property Damage/Wrongful Death Tort	Business Tort (07)	<input checked="" type="checkbox"/> A6029 Other Commercial/Business Tort (not fraud/breach of contract)	1., 3.
	Civil Rights (08)	<input type="checkbox"/> A6005 Civil Rights/Discrimination	1., 2., 3.
	Defamation (13)	<input type="checkbox"/> A6010 Defamation (slander/libel)	1., 2., 3.
	Fraud (16)	<input type="checkbox"/> A6013 Fraud (no contract)	1., 2., 3.
	Professional Negligence (25)	<input type="checkbox"/> A6017 Legal Malpractice <input type="checkbox"/> A6050 Other Professional Malpractice (not medical or legal)	1., 2., 3. 1., 2., 3.
	Other (35)	<input type="checkbox"/> A6025 Other Non-Personal Injury/Property Damage tort	2., 3.
Employment	Wrongful Termination (36)	<input type="checkbox"/> A6037 Wrongful Termination	1., 2., 3.
	Other Employment (15)	<input type="checkbox"/> A6024 Other Employment Complaint Case <input type="checkbox"/> A6109 Labor Commissioner Appeals	1., 2., 3. 10.
Contract	Breach of Contract/ Warranty (06) (not insurance)	<input type="checkbox"/> A6004 Breach of Rental/Lease Contract (not unlawful detainer or wrongful eviction) <input type="checkbox"/> A6008 Contract/Warranty Breach -Seller Plaintiff (no fraud/negligence) <input type="checkbox"/> A6019 Negligent Breach of Contract/Warranty (no fraud) <input type="checkbox"/> A6028 Other Breach of Contract/Warranty (not fraud or negligence)	2., 5. 2., 5. 1., 2., 5. 1., 2., 5.
	Collections (09)	<input type="checkbox"/> A6002 Collections Case-Seller Plaintiff <input type="checkbox"/> A6012 Other Promissory Note/Collections Case	2., 5., 6. 2., 5.
	Insurance Coverage (18)	<input type="checkbox"/> A6015 Insurance Coverage (not complex)	1., 2., 5., 8.
	Other Contract (37)	<input type="checkbox"/> A6009 Contractual Fraud <input type="checkbox"/> A6031 Tortious Interference <input type="checkbox"/> A6027 Other Contract Dispute(not breach/insurance/fraud/negligence)	1., 2., 3., 5. 1., 2., 3., 5. 1., 2., 3., 8.
		Eminent Domain/Inverse Condemnation (14)	<input type="checkbox"/> A7300 Eminent Domain/Condemnation Number of parcels _____
Real Property	Wrongful Eviction (33)	<input type="checkbox"/> A6023 Wrongful Eviction Case	2., 6.
	Other Real Property (26)	<input type="checkbox"/> A6018 Mortgage Foreclosure <input type="checkbox"/> A6032 Quiet Title <input type="checkbox"/> A6060 Other Real Property (not eminent domain, landlord/tenant, foreclosure)	2., 6. 2., 6. 2., 6.
		Unlawful Detainer-Commercial (31)	<input type="checkbox"/> A6021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)
Unlawful Detainer	Unlawful Detainer-Residential (32)	<input type="checkbox"/> A6020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	2., 6.
	Unlawful Detainer- Post-Foreclosure (34)	<input type="checkbox"/> A6020F Unlawful Detainer-Post-Foreclosure	2., 6.
	Unlawful Detainer-Drugs (38)	<input type="checkbox"/> A6022 Unlawful Detainer-Drugs	2., 6.

SHORT TITLE: People v. Wells Fargo & Company, et al.	CASE NUMBER
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	A Civil Case Cover Sheet Category No	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above		
Judicial Review	Asset Forfeiture (05)	<input type="checkbox"/> A6108 Asset Forfeiture Case	2., 6.		
	Petition re Arbitration (11)	<input type="checkbox"/> A6115 Petition to Compel/Confirm/Vacate Arbitration	2., 5.		
	Writ of Mandate (02)	<input type="checkbox"/> A6151 Writ - Administrative Mandamus <input type="checkbox"/> A6152 Writ - Mandamus on Limited Court Case Matter <input type="checkbox"/> A6153 Writ - Other Limited Court Case Review	2., 8. 2. 2.		
	Other Judicial Review (39)	<input type="checkbox"/> A6150 Other Writ /Judicial Review	2., 8.		
Provisionally Complex Litigation	Antitrust/Trade Regulation (03)	<input type="checkbox"/> A6003 Antitrust/Trade Regulation	1., 2., 8.		
	Construction Defect (10)	<input type="checkbox"/> A6007 Construction Defect	1., 2., 3.		
	Claims Involving Mass Tort (40)	<input type="checkbox"/> A6006 Claims Involving Mass Tort	1., 2., 8.		
	Securities Litigation (28)	<input type="checkbox"/> A6035 Securities Litigation Case	1., 2., 8.		
	Toxic Tort Environmental (30)	<input type="checkbox"/> A6036 Toxic Tort/Environmental	1., 2., 3., 8.		
	Insurance Coverage Claims from Complex Case (41)	<input type="checkbox"/> A6014 Insurance Coverage/Subrogation (complex case only)	1., 2., 5., 8.		
Enforcement of Judgment	Enforcement of Judgment (20)	<input type="checkbox"/> A6141 Sister State Judgment <input type="checkbox"/> A6160 Abstract of Judgment <input type="checkbox"/> A6107 Confession of Judgment (non-domestic relations) <input type="checkbox"/> A6140 Administrative Agency Award (not unpaid taxes) <input type="checkbox"/> A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax <input type="checkbox"/> A6112 Other Enforcement of Judgment Case	2., 9. 2., 6. 2., 9. 2., 8. 2., 8. 2., 8., 9.		
	RICO (27)	<input type="checkbox"/> A6033 Racketeering (RICO) Case	1., 2., 8.		
	Miscellaneous Civil Complaints	Other Complaints (Not Specified Above) (42)	<input type="checkbox"/> A6030 Declaratory Relief Only <input type="checkbox"/> A6040 Injunctive Relief Only (not domestic/harassment) <input type="checkbox"/> A6011 Other Commercial Complaint Case (non-tort/non-complex) <input type="checkbox"/> A6000 Other Civil Complaint (non-tort/non-complex)	1., 2., 8. 2., 8. 1., 2., 8. 1., 2., 8.	
		Partnership Corporation Governance (21)	<input type="checkbox"/> A6113 Partnership and Corporate Governance Case	2., 8.	
		Miscellaneous Civil Petitions	Other Petitions (Not Specified Above) (43)	<input type="checkbox"/> A6121 Civil Harassment <input type="checkbox"/> A6123 Workplace Harassment <input type="checkbox"/> A6124 Elder/Dependent Adult Abuse Case <input type="checkbox"/> A6190 Election Contest <input type="checkbox"/> A6110 Petition for Change of Name <input type="checkbox"/> A6170 Petition for Relief from Late Claim Law <input type="checkbox"/> A6100 Other Civil Petition	2., 3., 9. 2., 3., 9. 2., 3., 9. 2. 2., 7. 2., 3., 4., 8. 2., 9.

SHORT TITLE: <u>People v. Wells Fargo & Company, et al.</u>	CASE NUMBER
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Item III. Statement of Location: Enter the address of the accident, party's residence or place of business, performance, or other circumstance indicated in Item II., Step 3 on Page 1, as the proper reason for filing in the court location you selected.

REASON: Check the appropriate boxes for the numbers shown under Column C for the type of action that you have selected for this case. <input type="checkbox"/> 1. <input type="checkbox"/> 2. <input checked="" type="checkbox"/> 3. <input type="checkbox"/> 4. <input type="checkbox"/> 5. <input type="checkbox"/> 6. <input type="checkbox"/> 7. <input type="checkbox"/> 8. <input type="checkbox"/> 9. <input type="checkbox"/> 10.			ADDRESS: <u>200 North Main Street</u>
CITY: <u>Los Angeles</u>	STATE: <u>CA</u>	ZIP CODE: <u>90012</u>	

Item IV. Declaration of Assignment: I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that the above-entitled matter is properly filed for assignment to the Stanley Mosk courthouse in the Central District of the Superior Court of California, County of Los Angeles [Code Civ. Proc., § 392 et seq., and Local Rule 2.0, subds. (b), (c) and (d)].

Dated: May 4, 2015



(SIGNATURE OF ATTORNEY/FILING PARTY)

Suzanne V. Spillane, Deputy City Attorney

PLEASE HAVE THE FOLLOWING ITEMS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:

1. Original Complaint or Petition.
2. If filing a Complaint, a completed Summons form for issuance by the Clerk.
3. Civil Case Cover Sheet, Judicial Council form CM-010.
4. Civil Case Cover Sheet Addendum and Statement of Location form, LACIV 109, LASC Approved 03-04 (Rev. 03/11).
5. Payment in full of the filing fee, unless fees have been waived.
6. A signed order appointing the Guardian ad Litem, Judicial Council form CIV-010, if the plaintiff or petitioner is a minor under 18 years of age will be required by Court in order to issue a summons.
7. Additional copies of documents to be conformed by the Clerk. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.

BC 580778

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES
NOTICE OF CASE ASSIGNMENT - UNLIMITED CIVIL CASE (NON-CLASS ACTION)

Case Number _____

THIS FORM IS TO BE SERVED WITH THE SUMMONS AND COMPLAINT

Your case is assigned for all purposes to the judge indicated below. There is more information on the reverse side of this form.

ASSIGNED JUDGE	DEPT	ROOM	ASSIGNED JUDGE	DEPT	ROOM
Hon. Kevin C. Brazile	1	534	Hon. Elizabeth Allen White	48	506
Hon. Barbara A. Meiers	12	636	Hon. Deirdre Hill	49	509
Hon. Terry A. Green	14	300	Hon. John L. Segal	50	508
Hon. Richard Fruin	15	307	Hon. Mitchell L. Beckloff	51	511
Hon. Rita Miller	16	306	Hon. Susan Bryant-Deason	52	510
Hon. Richard E. Rico	17	309	Hon. Steven J. Kleiffeld	53	513
Hon. Stephanie Bowick	19	311	Hon. Ernest M. Hiroshige	54	512
Hon. Dalila Corral Lyons	20	310	Hon. Malcolm H. Mackey	55	515
Hon. Robert L. Hess	24	314	Hon. Michael Johnson	56	514
Hon. Yvette M. Palazuelos	28	318	Hon. Rolf M. Treu	58	516
Hon. Barbara Scheper	30	400	Hon. Gregory Keosian	61	732
Hon. Samantha Jessner	31	407	Hon. Michael L. Stern	62	600
Hon. Mary H. Strobel	32	406	Hon. Mark Mooney	68	617
Hon. Michael P. Linfield	34	408	Hon. William F. Fahey	69	621
Hon. Gregory Alarcon	36	410	Hon. Suzanne G. Bruguera	71	729
Hon. Marc Marmaro	37	413	Hon. Ruth Ann Kwan	72	731
Hon. Maureen Duffy-Lewis	38	412	Hon. Rafael Ongkeko	73	733
Hon. Elizabeth Feffer	39	415	Hon. Teresa Sanchez-Gordon	74	735
Hon. Michelle R. Rosenblatt	40	414	Hon. Gail Ruderman Feuer	78	730
Hon. Holly E. Kendig	42	416			
Hon. Mel Red Recana	45	529	Hon. Emile H. Elias	324	CCW
Hon. Frederick C. Shaller	46	500	*Provisionally Complex Non-class Action Cases Assignment is Pending Complex Determination	324	CCW
Hon. Debre K. Weintraub	47	507			

***Complex**

All non-class action cases designated as provisionally complex are forwarded to the Supervising Judge of the Complex Litigation Program located in the Central Civil West Courthouse (600 S. Commonwealth Ave., Los Angeles 90005), for complex/non-complex determination pursuant to Local Rule 3.3(k). This procedure is for the purpose of assessing whether or not the case is complex within the meaning of California Rules of Court, rule 3.400. Depending on the outcome of that assessment, the case may be reassigned to one of the judges of the Complex Litigation Program or reassigned randomly to a court in the Central District.

Given to the Plaintiff/Cross-Complainant/Attorney of Record on _____ SHERRI R. CARTER, Executive Officer/Clerk

By _____, Deputy Clerk

MAY 04 2015

INSTRUCTIONS FOR HANDLING UNLIMITED CIVIL CASES

The following critical provisions of the Chapter Three Rules, as applicable in the Central District, are summarized for your assistance.

APPLICATION

The Chapter Three Rules were effective January 1, 1994. They apply to all general civil cases.

PRIORITY OVER OTHER RULES

The Chapter Three Rules shall have priority over all other Local Rules to the extent the others are inconsistent.

CHALLENGE TO ASSIGNED JUDGE

A challenge under Code of Civil Procedure section 170.6 must be made within 15 days after notice of assignment for all purposes to a judge, or if a party has not yet appeared, within 15 days of the first appearance.

TIME STANDARDS

Cases assigned to the Individual Calendaring Court will be subject to processing under the following time standards:

COMPLAINTS: All complaints shall be served within 60 days of filing and proof of service shall be filed within 90 days of filing.

CROSS-COMPLAINTS: Without leave of court first being obtained, no cross-complaint may be filed by any party after their answer is filed. Cross-complaints shall be served within 30 days of the filing date and a proof of service filed within 60 days of the filing date.

A Status Conference will be scheduled by the assigned Independent Calendar Judge no later than 270 days after the filing of the complaint. Counsel must be fully prepared to discuss the following issues: alternative dispute resolution, bifurcation, settlement, trial date, and expert witnesses.

FINAL STATUS CONFERENCE

The Court will require the parties at a status conference not more than 10 days before the trial to have timely filed and served all motions in limine, bifurcation motions, statements of major evidentiary issues, dispositive motions, requested jury instructions, and special jury instructions and special jury verdicts. These matters may be heard and resolved at this conference. At least 5 days before this conference, counsel must also have exchanged lists of exhibits and witnesses and have submitted to the court a brief statement of the case to be read to the jury panel as required by Chapter Eight of the Los Angeles Superior Court Rules.

SANCTIONS

The court will impose appropriate sanctions for the failure or refusal to comply with Chapter Three Rules, orders made by the Court, and time standards or deadlines established by the Court or by the Chapter Three Rules. Such sanctions may be on a party or if appropriate on counsel for the party.

This is not a complete delineation of the Chapter Three Rules, and adherence only to the above provisions is therefore not a guarantee against the imposition of sanctions under Trial Court Delay Reduction. Careful reading and compliance with the actual Chapter Rules is absolutely imperative.

VOLUNTARY EFFICIENT LITIGATION STIPULATIONS

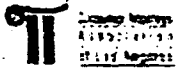


Superior Court of California
County of Los Angeles



Los Angeles County
Bar Association
Litigation Section

Los Angeles County
Bar Association Labor and
Employment Law Section



Consumer Attorneys
Association of Los Angeles



Southern California
Defense Counsel



Association of
Business Trial Lawyers



California Employment
Lawyers Association

The Early Organizational Meeting Stipulation, Discovery Resolution Stipulation, and Motions in Limine Stipulation are voluntary stipulations entered into by the parties. The parties may enter into one, two, or all three of the stipulations; however, they may not alter the stipulations as written, because the Court wants to ensure uniformity of application. These stipulations are meant to encourage cooperation between the parties and to assist in resolving issues in a manner that promotes economic case resolution and judicial efficiency.

The following organizations endorse the goal of promoting efficiency in litigation and ask that counsel consider using these stipulations as a voluntary way to promote communications and procedures among counsel and with the court to fairly resolve issues in their cases.

◆ Los Angeles County Bar Association Litigation Section ◆

◆ Los Angeles County Bar Association
Labor and Employment Law Section ◆

◆ Consumer Attorneys Association of Los Angeles ◆

◆ Southern California Defense Counsel ◆

◆ Association of Business Trial Lawyers ◆

◆ California Employment Lawyers Association ◆

NAME AND ADDRESS OF ATTORNEY OR PARTY WITHOUT ATTORNEY:		STATE BAR NUMBER	Reserved for Clerk's File Stamp
TELEPHONE NO.:		FAX NO. (Optional):	
E-MAIL ADDRESS (Optional):			
ATTORNEY FOR (Name):			
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES			
COURTHOUSE ADDRESS:			
PLAINTIFF:			
DEFENDANT:			
STIPULATION – DISCOVERY RESOLUTION			CASE NUMBER:

This stipulation is intended to provide a fast and informal resolution of discovery issues through limited paperwork and an informal conference with the Court to aid in the resolution of the issues.

The parties agree that:

1. Prior to the discovery cut-off in this action, no discovery motion shall be filed or heard unless the moving party first makes a written request for an Informal Discovery Conference pursuant to the terms of this stipulation.
2. At the Informal Discovery Conference the Court will consider the dispute presented by parties and determine whether it can be resolved informally. Nothing set forth herein will preclude a party from making a record at the conclusion of an Informal Discovery Conference, either orally or in writing.
3. Following a reasonable and good faith attempt at an informal resolution of each issue to be presented, a party may request an Informal Discovery Conference pursuant to the following procedures:
 - a. The party requesting the Informal Discovery Conference will:
 - i. File a Request for Informal Discovery Conference with the clerk's office on the approved form (copy attached) and deliver a courtesy, conformed copy to the assigned department;
 - ii. Include a brief summary of the dispute and specify the relief requested; and
 - iii. Serve the opposing party pursuant to any authorized or agreed method of service that ensures that the opposing party receives the Request for Informal Discovery Conference no later than the next court day following the filing.
 - b. Any Answer to a Request for Informal Discovery Conference must:
 - i. Also be filed on the approved form (copy attached);
 - ii. Include a brief summary of why the requested relief should be denied;

SHORT TITLE:	CASE NUMBER:
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- iii. Be filed within two (2) court days of receipt of the Request; and
 - iv. Be served on the opposing party pursuant to any authorized or agreed upon method of service that ensures that the opposing party receives the Answer no later than the next court day following the filing;
- c. No other pleadings, including but not limited to exhibits, declarations, or attachments, will be accepted.
 - d. If the Court has not granted or denied the Request for Informal Discovery Conference within ten (10) days following the filing of the Request, then it shall be deemed to have been denied. If the Court acts on the Request, the parties will be notified whether the Request for Informal Discovery Conference has been granted or denied and, if granted, the date and time of the Informal Discovery Conference, which must be within twenty (20) days of the filing of the Request for Informal Discovery Conference.
 - e. If the conference is not held within twenty (20) days of the filing of the Request for Informal Discovery Conference, unless extended by agreement of the parties and the Court, then the Request for the Informal Discovery Conference shall be deemed to have been denied at that time.
4. If (a) the Court has denied a conference or (b) one of the time deadlines above has expired without the Court having acted or (c) the Informal Discovery Conference is concluded without resolving the dispute, then a party may file a discovery motion to address unresolved issues.
 5. The parties hereby further agree that the time for making a motion to compel or other discovery motion is tolled from the date of filing of the Request for Informal Discovery Conference until (a) the request is denied or deemed denied or (b) twenty (20) days after the filing of the Request for Informal Discovery Conference, whichever is earlier, unless extended by Order of the Court.

It is the understanding and intent of the parties that this stipulation shall, for each discovery dispute to which it applies, constitute a writing memorializing a "specific later date to which the propounding [or demanding or requesting] party and the responding party have agreed in writing," within the meaning of Code Civil Procedure sections 2030.300(c), 2031.320(c), and 2033.290(c).
 6. Nothing herein will preclude any party from applying *ex parte* for appropriate relief, including an order shortening time for a motion to be heard concerning discovery.
 7. Any party may terminate this stipulation by giving twenty-one (21) days notice of intent to terminate the stipulation.
 8. References to "days" mean calendar days, unless otherwise noted. If the date for performing any act pursuant to this stipulation falls on a Saturday, Sunday or Court holiday, then the time for performing that act shall be extended to the next Court day.

SHORT TITLE	CASE NUMBER
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The following parties stipulate:

Date:

(TYPE OR PRINT NAME)

Date:

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(TYPE OR PRINT NAME)

CASE NUMBER

(ATTORNEY FOR PLAINTIFF)

(ATTORNEY FOR DEFENDANT)

(ATTORNEY FOR DEFENDANT)

(ATTORNEY FOR DEFENDANT)

(ATTORNEY FOR _____)

(ATTORNEY FOR _____)

(ATTORNEY FOR _____)

NAME AND ADDRESS OF ATTORNEY OR PARTY WITHOUT ATTORNEY:		STATE BAR NUMBER	Reserved for Clerk's File Stamp
TELEPHONE NO.:		FAX NO. (Optional):	
E-MAIL ADDRESS (Optional):			
ATTORNEY FOR (Name):			
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES			
COURTHOUSE ADDRESS:			
PLAINTIFF:			
DEFENDANT:			
STIPULATION – EARLY ORGANIZATIONAL MEETING			CASE NUMBER:

This stipulation is intended to encourage cooperation among the parties at an early stage in the litigation and to assist the parties in efficient case resolution.

The parties agree that:

1. The parties commit to conduct an initial conference (in-person or via teleconference or via videoconference) within 15 days from the date this stipulation is signed, *to discuss and consider whether there can be agreement on the following:*
 - a. Are motions to challenge the pleadings necessary? If the issue can be resolved by amendment as of right, or if the Court would allow leave to amend, could an amended complaint resolve most or all of the issues a demurrer might otherwise raise? If so, the parties agree to work through pleading issues so that a demurrer need only raise issues they cannot resolve. Is the issue that the defendant seeks to raise amenable to resolution on demurrer, or would some other type of motion be preferable? Could a voluntary targeted exchange of documents or information by any party cure an uncertainty in the pleadings?
 - b. Initial mutual exchanges of documents at the "core" of the litigation. (For example, in an employment case, the employment records, personnel file and documents relating to the conduct in question could be considered "core." In a personal injury case, an incident or police report, medical records, and repair or maintenance records could be considered "core.");
 - c. Exchange of names and contact information of witnesses;
 - d. Any insurance agreement that may be available to satisfy part or all of a judgment, or to indemnify or reimburse for payments made to satisfy a judgment;
 - e. Exchange of any other information that might be helpful to facilitate understanding, handling, or resolution of the case in a manner that preserves objections or privileges by agreement;
 - f. Controlling issues of law that, if resolved early, will promote efficiency and economy in other phases of the case. Also, when and how such issues can be presented to the Court;
 - g. Whether or when the case should be scheduled with a settlement officer, what discovery or court ruling on legal issues is reasonably required to make settlement discussions meaningful, and whether the parties wish to use a sitting judge or a private mediator or other options as

SHORT TITLE	CASE NUMBER
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discussed in the "Alternative Dispute Resolution (ADR) Information Package" served with the complaint;

- h. Computation of damages, including documents, not privileged or protected from disclosure, on which such computation is based;
 - i. Whether the case is suitable for the Expedited Jury Trial procedures (see information at www.lasuperiorcourt.org under "Civil" and then under "General Information").
2. The time for a defending party to respond to a complaint or cross-complaint will be extended to _____ (INSERT DATE) for the complaint, and _____ (INSERT DATE) for the cross-complaint, which is comprised of the 30 days to respond under Government Code § 68616(b), and the 30 days permitted by Code of Civil Procedure section 1054(a), good cause having been found by the Civil Supervising Judge due to the case management benefits provided by this Stipulation. A copy of the General Order can be found at www.lasuperiorcourt.org under "Civil", click on "General Information", then click on "Voluntary Efficient Litigation Stipulations".
 3. The parties will prepare a joint report titled "Joint Status Report Pursuant to Initial Conference and Early Organizational Meeting Stipulation, and if desired, a proposed order summarizing results of their meet and confer and advising the Court of any way it may assist the parties' efficient conduct or resolution of the case. The parties shall attach the Joint Status Report to the Case Management Conference statement, and file the documents when the CMC statement is due.
 4. References to "days" mean calendar days, unless otherwise noted. If the date for performing any act pursuant to this stipulation falls on a Saturday, Sunday or Court holiday, then the time for performing that act shall be extended to the next Court day

The following parties stipulate:

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Date:

(TYPE OR PRINT NAME)

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(ATTORNEY FOR PLAINTIFF)

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(ATTORNEY FOR DEFENDANT)

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(ATTORNEY FOR DEFENDANT)

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(ATTORNEY FOR DEFENDANT)

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(ATTORNEY FOR _____)

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(ATTORNEY FOR _____)

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(ATTORNEY FOR _____)

NAME AND ADDRESS OF ATTORNEY OR PARTY WITHOUT ATTORNEY:		STATE BAR NUMBER	Reserved for Clerk's File Stamp
TELEPHONE NO.:		FAX NO. (Optional):	
E-MAIL ADDRESS (Optional):			
ATTORNEY FOR (Name):			
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES			
COURTHOUSE ADDRESS:			
PLAINTIFF:			
DEFENDANT:			
INFORMAL DISCOVERY CONFERENCE (pursuant to the Discovery Resolution Stipulation of the parties)			CASE NUMBER:

1. This document relates to:

☐
☐

Request for Informal Discovery Conference

Answer to Request for Informal Discovery Conference

2. Deadline for Court to decide on Request: _____ (insert date 10 calendar days following filing of the Request).
3. Deadline for Court to hold Informal Discovery Conference: _____ (insert date 20 calendar days following filing of the Request).
4. For a Request for Informal Discovery Conference, briefly describe the nature of the discovery dispute, including the facts and legal arguments at issue. For an Answer to Request for Informal Discovery Conference, briefly describe why the Court should deny the requested discovery, including the facts and legal arguments at issue.

NAME AND ADDRESS OF ATTORNEY OR PARTY WITHOUT ATTORNEY:		STATE BAR NUMBER	Reserved for Clerk's File Stamp
TELEPHONE NO.: E-MAIL ADDRESS (Optional): ATTORNEY FOR (Name):		FAX NO. (Optional):	
SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES			
COURTHOUSE ADDRESS:			
PLAINTIFF:			
DEFENDANT:			CASE NUMBER:
STIPULATION AND ORDER – MOTIONS IN LIMINE			

This stipulation is intended to provide fast and informal resolution of evidentiary issues through diligent efforts to define and discuss such issues and limit paperwork.

The parties agree that:

1. At least ____ days before the final status conference, each party will provide all other parties with a list containing a one paragraph explanation of each proposed motion in limine. Each one paragraph explanation must identify the substance of a single proposed motion in limine and the grounds for the proposed motion.
2. The parties thereafter will meet and confer, either in person or via teleconference or videoconference, concerning all proposed motions in limine. In that meet and confer, the parties will determine:
 - a. Whether the parties can stipulate to any of the proposed motions. If the parties so stipulate, they may file a stipulation and proposed order with the Court.
 - b. Whether any of the proposed motions can be briefed and submitted by means of a short joint statement of issues. For each motion which can be addressed by a short joint statement of issues, a short joint statement of issues must be filed with the Court 10 days prior to the final status conference. Each side's portion of the short joint statement of issues may not exceed three pages. The parties will meet and confer to agree on a date and manner for exchanging the parties' respective portions of the short joint statement of issues and the process for filing the short joint statement of issues.
3. All proposed motions in limine that are not either the subject of a stipulation or briefed via a short joint statement of issues will be briefed and filed in accordance with the California Rules of Court and the Los Angeles Superior Court Rules.

SHORT TITLE	CASE NUMBER
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The following parties stipulate:

Date:

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(ATTORNEY FOR PLAINTIFF)

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(ATTORNEY FOR DEFENDANT)

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(ATTORNEY FOR DEFENDANT)

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(ATTORNEY FOR DEFENDANT)

>

(ATTORNEY FOR _____)

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(ATTORNEY FOR _____)

>

(ATTORNEY FOR _____)

THE COURT SO ORDERS.

Date:

JUDICIAL OFFICER

From: [Montier, William \(Contractor\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: LA CA Recommendation Memo
Date: Wednesday, March 30, 2016 9:26:41 AM

Thank you

From: Brown, Lawrence (CFPB)
Sent: Wednesday, March 30, 2016 9:26 AM
To: Montier, William (Contractor)
Subject: RE: LA CA Recommendation Memo

No sweat

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Montier, William (Contractor)
Sent: Wednesday, March 30, 2016 9:26 AM
To: Brown, Lawrence (CFPB)
Subject: RE: LA CA Recommendation Memo

I did not. I do apologize, going forward I will make sure that I make a copy of it for our records and also forward you an executed copy as well.

William Montier

From: Brown, Lawrence (CFPB)
Sent: Wednesday, March 30, 2016 9:23 AM
To: Montier, William (Contractor)
Subject: RE: LA CA Recommendation Memo

Did anyone scan a copy of the executed version so we can have a copy of our own records?

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Montier, William (Contractor)
Sent: Wednesday, March 30, 2016 9:21 AM
To: Brown, Lawrence (CFPB)
Subject: RE: LA CA Recommendation Memo

The hard copy was mailed yesterday.

From: Brown, Lawrence (CFPB)
Sent: Wednesday, March 30, 2016 8:53 AM
To: Montier, William (Contractor)
Subject: RE: LA CA Recommendation Memo

William,

I didn't see the executed letter. Would you mind forwarding it to me? Attachment A was an unsigned draft.

Thanks,

Lawrence D. Brown
Enforcement Attorney

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Montier, William (Contractor)
Sent: Tuesday, March 29, 2016 12:52 PM
To: Brown, Lawrence (CFPB)
Cc: Porter, Emily (CFPB); Snyder, David (CFPB); Agarwal, Anglee (CFPB); Frisone, Joseph (CFPB)
Subject: LA CA Recommendation Memo

Lawrence:

Attached please find the 1070.43(b) response letter and the Legal Division's recommendation memorandum related to the Los Angeles request for confidential information. The letter will be placed in the mail.

Please feel free to forward the letter (though not the memorandum) to Los Angeles.

Finally, please make sure that any materials we share are labeled as confidential information of the CFPB that may not be further disclosed without the prior permission of the CFPB.

If you have any questions, please do not hesitate to ask.

Thanks,
William Montier

William Montier
Data Governance Paralegal | Technology & Innovation
Office: (202) 435-9617 |

Consumer Financial Protection Bureau
consumerfinance.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ledbetter, Roshonda](#)
To: [Brown, Lawrence \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Message from 1625i-rm3043-konica-bizhub
Date: Friday, May 13, 2016 2:42:44 PM

Do you want me to forward the CID to the Lit inbox?

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Friday, May 13, 2016 2:34 PM
To: Ledbetter, Roshonda; Reiferson, Barry (CFPB)
Subject: RE: Message from 1625i-rm3043-konica-bizhub

Last thing is emailing counsel a courtesy copy.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Ledbetter, Roshonda
Sent: Friday, May 13, 2016 2:29 PM
To: Reiferson, Barry (CFPB); Brown, Lawrence (CFPB)
Subject: FW: Message from 1625i-rm3043-konica-bizhub

Attached is the tracking information.

Thank you,

Roshonda Ledbetter
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Wilkerson, Antoninette (CFPB)
Sent: Friday, May 13, 2016 2:05 PM
To: Ledbetter, Roshonda
Cc: Ehrlich, Jeffrey (CFPB)
Subject: FW: Message from 1625i-rm3043-konica-bizhub

Attached is the CID tracking number for this mailing.

From: 1625i-rm3043-konica-bizhub@cfpb.gov [<mailto:1625i-rm3043-konica-bizhub@cfpb.gov>]
Sent: Friday, May 13, 2016 2:00 PM
To: Wilkerson, Antoninette (CFPB)
Subject: Message from 1625i-rm3043-konica-bizhub



Consumer Financial
Protection Bureau

May 13, 2016

Via U.S. Certified Mail and Electronic Mail

Mr. Anand Raman
Skadden, Arps, Slate, Meagher & Flom, LLP
1440 New York Avenue, N.W.
Washington, D.C. 20005

Anand.Raman@skadden.com

Re: Civil Investigative Demand served on Wells Fargo Bank, N. A.
on May 13, 2016

Dear Mr. Raman:

Attached is a civil investigative demand (CID) issued to Wells Fargo Bank, N.A. by the Consumer Financial Protection Bureau (Bureau) under 12 C.F.R. § 1080.6 and section 1052(c) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 12 U.S.C. § 5562.

Rule 1080.6(c) of the Bureau's Rules Relating to Investigations requires that you contact me as soon as possible to schedule a meeting (by telephone or in person) to be held within ten (10) calendar days of receipt of this CID in order to discuss and attempt to resolve all issues regarding timely compliance with this demand. 12 C.F.R. § 1080.6(c); see also Instruction III., subpart (B). The rule requires that you make available at this meeting personnel with the knowledge necessary to resolve any such issues. Please be prepared to discuss your planned compliance schedule, and whether it is possible to tier your production by providing portions of the response prior to the due date.

to schedule a meeting, which must be held within
CID. My telephone number is (212) 328-7020. I

7015 0640 0001 0446 2080

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com	
OFFICIAL USE	
Certified Mail Fee	\$
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy)	\$
<input type="checkbox"/> Return Receipt (electronic)	\$
<input type="checkbox"/> Certified Mail Restricted Delivery	\$
<input type="checkbox"/> Adult Signature Required	\$
<input type="checkbox"/> Adult Signature Restricted Delivery	\$
Postage	\$
Total Postage and Fees	\$
Sent To	Mr. Anand Raman
Street and	
City, State, ZIP+4®	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

Postmark
Here
5/13/16



Consumer Financial
Protection Bureau

1700 G Street NW, Washington, DC 20552

March 21, 2016

Via UPS and Electronic Mail

Mr. Robert J. McGahan
Wells Fargo Bank, N.A.
301 South College Street
30th Floor
Charlotte, NC 28202-6000

Robert.McGahan@wellsfargo.com

Re: Civil Investigative Demand served on Wells Fargo Bank, N. A.
on March 21, 2016

Dear Mr. McGahan:

Attached is a civil investigative demand (CID) issued to Wells Fargo Bank, N.A. by the Consumer Financial Protection Bureau (Bureau) under 12 C.F.R. § 1080.6 and section 1052(c) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, 12 U.S.C. § 5562.

Rule 1080.6(c) of the Bureau's Rules Relating to Investigations requires that you contact me as soon as possible to schedule a meeting (by telephone or in person) to be held within ten (10) calendar days of receipt of this CID in order to discuss and attempt to resolve all issues regarding timely compliance with this demand. 12 C.F.R. § 1080.6(c); see also Instruction III., subpart (B). The rule requires that you make available at this meeting personnel with the knowledge necessary to resolve any such issues. Please be prepared to discuss your planned compliance schedule, and whether it is possible to tier your production by providing portions of the response prior to the due date.

Please contact me immediately to schedule a meeting, which must be held within ten (10) days of the date of issue of this CID. My telephone number is (202) 435-7116. I look forward to your call.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Brown", is written over a horizontal line.

Lawrence D. Brown
Enforcement Attorney

Enc. 1



Consumer Financial
Protection Bureau

United States of America
Consumer Financial Protection Bureau

Civil Investigative Demand

To **Wells Fargo Bank, N.A.**
c/o Robert J. McGahan
301 South College Street
30th Floor
Charlotte, NC 28202-6000

This demand is issued pursuant to Section 1052 of the Consumer Financial Protection Act of 2010 and 12 C.F.R. Part 1080 to determine whether there is or has been a violation of any laws enforced by the Bureau of Consumer Financial Protection.

Action Required (choose all that apply)

☐ **Appear and Provide Oral Testimony**

Location of Investigational Hearing	Date and Time of Investigational Hearing
	Bureau Investigators

☒ **Produce Documents and/or Tangible Things**, as set forth in the attached document, by the following date **04/20/2016**

☒ **Provide Written Reports and/or Answers to Questions**, as set forth in the attached document, by the following date **04/20/2016**

Notification of Purpose Pursuant to 12 C.F.R. § 1080.5

The purpose of this investigation is to determine whether depository institutions or other persons have engaged or are engaging in unlawful acts or practices in connection with unauthorized consumer bank, credit card, and other accounts in violation of §§ 1031 and 1036 of the Consumer Financial Protection Act of 2010, 12 U.S.C. §§ 5531, 5536; the Truth In Savings Act, 12 U.S.C. § 4301 et seq.; the Fair Credit Reporting Act, 15 U.S.C. § 1681 et seq.; the Truth in Lending Act, 15 U.S.C. § 1601 et seq.; the Electronic Fund Transfer Act, 15 U.S.C. § 1693 et seq.; their implementing regulations; or any other Federal consumer financial law. The purpose of this investigation is also to determine whether Bureau action to obtain legal or equitable relief would be in the public interest.

Custodian / Deputy Custodian

Jeffrey Paul Ehrlich, Custodian/Roshonda Ledbetter, Deputy Custodian
Consumer Financial Protection Bureau
Attention: Enforcement
1700 G Street, NW
Washington, DC 20552

Bureau Counsel

Lawrence D. Brown
Email: Lawrence.Brown@cfpb.gov
Phone: (202) 435-7116

Date Issued

03/21/2016

Signature

Jeffrey Paul Ehrlich

Digitally signed by Jeffrey Paul Ehrlich
DN: cn=Jeffrey Paul Ehrlich, o=CFPB, ou=Enforcement,
email=jeff.ehrlich@cfpb.gov, c=US
Date: 2016.03.21 09:20:56 -04'00'

Name / Title

Jeffrey Paul Ehrlich, Deputy Enforcement Director

Service

The delivery of this demand to you by any method prescribed by the Consumer Financial Protection Act of 2010, 12 U.S.C. § 5562, is legal service. If you fail to comply with this demand, the Bureau may seek a court order requiring your compliance.

Travel Expenses

Request a travel voucher to claim compensation to which you are entitled as a witness before the Bureau pursuant to Section 1052 of the Consumer Financial Protection Act of 2010, 12 U.S.C. § 5562.

Right to Regulatory Enforcement Fairness

The CFPB is committed to fair regulatory enforcement. If you are a small business under Small Business Administration standards, you have a right to contact the Small Business Administration's National Ombudsman at 1-888-REGFAIR (1-888-734-3247) or www.sba.gov/ombudsman regarding the fairness of the compliance and enforcement activities of the agency. You should understand, however, that the National Ombudsman cannot change, stop, or delay a federal agency enforcement action.

Paperwork Reduction Act

This demand does not require approval by OMB under the Paperwork Reduction Act of 1980.

CERTIFICATE OF COMPLIANCE WITH RFPA

The Right to Financial Privacy Act of 1978 (RFPA) does not apply to the disclosure of financial records or information to the Consumer Financial Protection Bureau (CFPB) "in the exercise of its authority with respect to a financial institution." 12 U.S.C. § 3413(r). This civil investigative demand is also issued in connection with an investigation within the meaning of section 3413(h)(1)(A) of the RFPA. Therefore, in accordance with section 3403(b) of the RFPA, the undersigned certifies that, to the extent applicable, the provisions of the RFPA have been complied with as to the Civil Investigative Demand to Wells Fargo Bank, N.A., to which this Certificate is attached.

The information obtained will be used to determine whether the persons named or referred to in the attached Civil Investigative Demand are in compliance with laws administered by the Consumer Financial Protection Bureau. The information may be transferred to another department or agency consistent with the RFPA.

Under the RFPA, good-faith reliance on this certificate relieves the recipient and its employees and agents of any liability to customers in connection with the requested disclosures of financial records of these customers. *See* 12 U.S.C. § 3417(c).

Jeffrey Paul Ehrlich

Digitally signed by Jeffrey Paul Ehrlich
DN: cn=Jeffrey Paul Ehrlich, o=CFPB, ou=Enforcement,
email=jeff.ehrlich@cfpb.gov, c=US
Date: 2016.03.21 09:21:55 -04'00'

Jeffrey P. Ehrlich
Deputy Assistant Director, Office of Enforcement
Consumer Financial Protection Bureau

III. Instructions

A. **Sharing of Information:** This CID relates to a nonpublic, law-enforcement investigation being conducted by the Bureau. The Bureau may make its files available to other civil and criminal federal, state, or local law-enforcement agencies under 12 C.F.R. §§ 1070.43(b)(1) and 1070.45(a)(5). Information you provide may be used in any civil or criminal proceeding by the Bureau or other agencies. As stated in 12 C.F.R. § 1080.14, information you provide in response to this CID is subject to the requirements and procedures relating to the disclosure of records and information set forth in 12 C.F.R. pt. 1070.

B. **Meet and Confer:** As stated in 12 C.F.R. § 1080.6(c), you must contact Enforcement Attorney **Lawrence D. Brown** at **(202) 435-7116** as soon as possible to schedule a meeting (telephonic or in person) to discuss your response to the CID. The

meeting must be held within **10** calendar days after you receive this CID or before the deadline for filing a petition to modify or set aside the CID, whichever is earlier.

C. Applicable Period for Responsive Materials: Unless otherwise directed, the applicable period for the request is from **January 1, 2011 until the date of this CID.**

D. Privilege Claims: If any material responsive to this CID is withheld on the grounds of privilege, you must make the privilege claim no later than the date set for the production of the material. As stated in 12 C.F.R. § 1080.8(a), any such claim must include a schedule of the documents, information, or tangible things withheld that states, for each:

1. its type, specific subject matter, and date;
2. the names, addresses, positions, and organizations of all authors and direct or indirect recipients;
3. the specific grounds for claiming the privilege;
4. the request to which the privileged document, information, or thing is responsive; and
5. its Bates number or range.

In addition, the person who submits the schedule and the attorney stating the grounds for the privilege must sign it. A person withholding material solely based on a claim of privilege must comply with the requirements of 12 C.F. R. § 1080.8 rather than file a petition for an order modifying or setting aside a demand under 12 C.F.R. § 1080.6(e). Please follow the enclosed Document Submission Standards for further instructions about producing redacted privileged documents.

E. Document Retention: Until you are notified otherwise, you are required to retain all documents and other tangible things that you used or relied on in responding to this CID. In addition, you must retain, and suspend any procedures that may result in the destruction of, documents, information, or tangible things that are in any way relevant to the investigation, as described in the CID's Notification of Purpose. You are required to prevent the destruction of relevant material irrespective of whether you believe such material is protected from future disclosure or discovery by privilege or otherwise. See 18 U.S.C. §§ 1505, 1519.

F. Modification Requests: If you believe that the scope of the search or response required by this CID can be narrowed consistent with the Bureau's need for documents or information, you are encouraged to discuss such possible modifications, including modifications of the requirements of these instructions, with Enforcement Attorney **Lawrence D. Brown** at **(202) 435-7116**. Modifications must be agreed to in writing by the Enforcement Director or a Deputy Enforcement Director. 12 C.F.R. § 1080.6(d).

G. Petition for Order Modifying or Setting Aside Demand: Under 12 U.S.C. § 5562(f) and 12 C.F.R. § 1080.6(e), you may petition the Bureau for an order modifying or setting aside this CID. To file a petition, you must send it by e-mail to the Bureau's Executive Secretary at ExecSec@cfpb.gov, copying the Enforcement Director at Enforcement@cfpb.gov, within 20 calendar days of service of the CID or, if the return date is less than 20 calendar days after service, before the return date. The subject line of the e-mail must say "Petition to Modify or Set Aside Civil Investigative Demand." If a request for confidential treatment is filed, you must file a redacted public petition in addition to the unredacted petition. All requests for confidential treatment must be supported by a showing of good cause in light of applicable statutes, rules, Bureau orders, court orders, or other relevant authority.

H. Certification: The person to whom the CID is directed or, if it is directed to an entity, any person having knowledge of the facts and circumstances relating to the production, must certify that the response to this CID is true and complete. This certification must be made on the form declaration included with this CID or by a sworn affidavit.

I. Scope of Search: This CID covers materials and information in your possession, custody, or control, including but not limited to documents in the possession, custody, or control of your attorneys, accountants, other agents or consultants, directors, officers, and employees.

J. Document Production: The Bureau encourages the electronic production of all material responsive to this CID; please follow the enclosed Document Submission Standards.

All productions sent by U.S. Postal Service should be addressed to:

Consumer Financial Protection Bureau
1700 G Street, NW
ATTN: Roshonda Ledbetter c/o Andrew Lubash, SEFL, Office of
Enforcement,
Room 4083-B
Washington, DC 20552

All productions sent by FedEx, UPS, or other courier should be addressed to:

Consumer Financial Protection Bureau
1625 Eye Street NW
ATTN: Roshonda Ledbetter c/o Andrew Lubash, SEFL, Office of
Enforcement,
Room 4083-B
Washington, DC 20006

Please provide your intended method of production and any tracking numbers by e-mail or telephone to Enforcement Attorney **Lawrence D. Brown** at **(202) 435-7116**, or **Lawrence.Brown@cfpb.gov**.

K. Document Identification: Documents that may be responsive to more than one request of this CID need not be submitted more than once. All documents responsive to this CID must be accompanied by an index that identifies: (i) the name of each custodian of each responsive document; (ii) the corresponding Bates number or range used to identify that person's documents; and (iii) the request or requests to which each document responds.

L. Sensitive Personally Identifiable Information: If any material called for by these requests contains sensitive personally identifiable information, sensitive health information of any individual, or Suspicious Activities Reports, please contact Enforcement Attorney **Lawrence D. Brown** at **(202) 435-7116** before sending those materials to discuss ways to protect the information during production. You must encrypt electronic copies of such materials with encryption software acceptable to the Bureau. When submitting encrypted material, you must provide the encryption key, certificate, or passcode in a separate communication.

For purposes of this CID, sensitive personally identifiable information includes an individual's Social Security number alone or an individual's name, address, or phone number *in combination with* one or more of the following: date of birth, Social Security number, driver's-license number or other state-identification number, or a foreign country equivalent, passport number, financial-account number, credit-card number, or debit-card number. Sensitive health information includes medical records and other individually identifiable health information relating to the past, present, or future physical or mental health or conditions of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual.

M. Information Identification: Each request for a written report or interrogatory in this CID must be answered separately and fully in writing under oath. All information submitted must clearly and precisely identify the request or requests to which it is responsive.

N. Declaration Certifying Records of Regularly Conducted Business Activity: Attached is a Declaration Certifying Records of Regularly Conducted Business Activity, which may limit the need to subpoena you to testify at future proceedings to establish the admissibility of documents produced in response to this CID. Please execute this Declaration and provide it with your response.

CERTIFICATE OF COMPLIANCE – DOCUMENTS

I, _____, pursuant to 28 U.S.C. § 1746, declare that:

1. I have made a diligent inquiry of all persons who likely have possession of responsive documents and information, and I have confirmed that a diligent search has been made of all of the locations and files that likely contained responsive documents and information in the possession, custody, or control of Wells Fargo Bank, N.A.
2. All of the documents and information identified through the search described in paragraph 1 above required by the Civil Investigative Demand dated March 21, 2016 that are within the possession, custody, or control of Wells Fargo Bank, N.A. have been submitted to the Bureau custodian or deputy custodian identified in this Civil Investigative Demand.
3. If a document or tangible thing responsive to this Civil Investigative Demand has not been submitted, a claim of privilege in compliance with 12 C.F.R. § 1080.8 has been submitted.

I certify under penalty of perjury that the foregoing is true and correct. Executed on _____, 2016.

Signature

CERTIFICATE OF COMPLIANCE – INTERROGATORY ANSWERS

I, _____, pursuant to 28 U.S.C. § 1746, declare that:

1. In preparing all answers and reports in response to the enclosed Civil Investigative Demand, I have made a diligent inquiry of all persons who likely have possession of responsive documents and information, and I have confirmed that a diligent search has been made of all of the locations and files that likely contained responsive documents and information within the possession, custody, control, or knowledge of Wells Fargo Bank, N.A.
2. Based on the information identified through the search described in paragraph 1 above, all answers and reports prepared in response to the enclosed required by the Civil Investigative Demand dated March 21, 2016 are true, correct, and complete.
3. If an interrogatory or a portion of an interrogatory has not been fully answered or a report or a portion of a report has not been completed, a claim of privilege in compliance with 12 C.F.R. § 1080.8 has been submitted.

I certify under penalty of perjury that the foregoing is true and correct. Executed on _____, 2016.

Signature

DECLARATION CERTIFYING RECORDS OF
REGULARLY CONDUCTED BUSINESS ACTIVITY
Pursuant to 28 U.S.C. § 1746

I, _____, pursuant to 28 U.S.C. § 1746, declare that:

1. I am employed by _____ as _____
and by reason of my position am authorized and qualified to certify the authenticity of the records produced by Wells Fargo Bank, N.A. and submitted with this Declaration.
2. The documents produced and submitted with this Declaration by Wells Fargo Bank, N.A. are true copies of records of regularly conducted activity that were:
 - a. made at or near the time of the occurrence of the matters set forth, by, or from information transmitted by, a person with knowledge of those matters;
 - b. kept in the course of the regularly conducted business activity; and
 - c. made by the regularly conducted business activity as a regular practice.

I certify under penalty of perjury that the foregoing is true and correct. Executed on _____, 2016.

Signature

§ 1081.405 Decision of the Director.

(a) Upon appeal from or upon further review of a recommended decision, the Director will consider such parts of the record as are cited or as may be necessary to resolve the issues presented and, in addition, will, to the extent necessary or desirable, exercise all powers which he or she could have exercised if he or she had made the recommended decision. In proceedings before the Director, the record shall consist of all items part of the record below in accordance with § 1081.306; any notices of appeal or order directing review; all briefs, motions, submissions, and other papers filed on appeal or review; and the transcript of any oral argument held. Review by the Director of a recommended decision may be limited to the issues specified in the notice(s) of appeal or the issues, if any, specified in the order directing further briefing. On notice to all parties, however, the Director may, at any time prior to issuance of his or her decision, raise and determine any other matters that he or she deems material, with opportunity for oral or written argument thereon by the parties.

(b) Decisional employees may advise and assist the Director in the consideration and disposition of the case.

(c) In rendering his or her decision, the Director will affirm, adopt, reverse, modify, set aside, or remand for further proceedings the recommended decision and will include in the decision a statement of the reasons or basis for his or her actions and the findings of fact upon which the decision is predicated.

(d) At the expiration of the time permitted for the filing of reply briefs with the Director, the Office of Administrative Adjudication will notify the parties that the case has been submitted for final Bureau decision. The Director will issue and the Office of Administrative Adjudication will serve the Director's final decision and order within 90 days after such notice, unless within that time the Director orders that the adjudication proceeding or any aspect thereof be remanded to the hearing officer for further proceedings.

(e) Copies of the final decision and order of the Director shall be served upon each party to the proceeding, upon other persons required by statute, and, if directed by the Director or required by statute, upon any appropriate State or Federal supervisory authority. The final decision and order will also be published on the Bureau's Web site or as otherwise deemed appropriate by the Bureau.

§ 1081.406 Reconsideration.

Within 14 days after service of the Director's final decision and order, any party may file with the Director a petition for reconsideration, briefly and specifically setting forth the relief desired and the grounds in support thereof. Any petition filed under this section must be confined to new questions raised by the final decision or final order and upon which the petitioner had no opportunity to argue, in writing or orally, before the Director. No response to a petition for reconsideration shall be filed unless requested by the Director, who will request such response before granting any petition for reconsideration. The filing of a petition for reconsideration shall not operate to stay the effective date of the final decision or order or to toll the running of any statutory period affecting such decision or order unless specifically so ordered by the Director.

§ 1081.407 Effective date; stays pending judicial review.

(a) Other than consent orders, which shall become effective at the time specified therein, an order to cease and desist or for other affirmative action under section 1053(b) of the Dodd-Frank Act becomes effective at the expiration of 30 days after the date of service pursuant to § 1081.113(d)(2), unless the Director agrees to stay the effectiveness of the order pursuant to this section.

(b) Any party subject to a final decision and order, other than a consent order, may apply to the Director for a stay of all or part of that order pending judicial review.

(c) A motion for stay shall state the reasons a stay is warranted and the facts relied upon, and shall include supporting affidavits or other sworn statements, and a copy of the relevant portions of the record. The motion shall address the likelihood of the movant's success on appeal, whether the movant will suffer irreparable harm if a stay is not granted, the degree of injury to other parties if a stay is granted, and why the stay is in the public interest.

(d) A motion for stay shall be filed within 30 days of service of the order on the party. Any party opposing the motion may file a response within five days after receipt of the motion. The movant may file a reply brief, limited to new matters raised by the response, within three days after receipt of the response.

(e) The commencement of proceedings for judicial review of a final decision and order of the Director does not, unless specifically ordered by the Director or a reviewing court, operate as a stay of any order issued by the

Director. The Director may, in his or her discretion, and on such terms as he or she finds just, stay the effectiveness of all or any part of an order pending a final decision on a petition for judicial review of that order.

Dated: June 4, 2012.

Richard Cordray,
Director, Bureau of Consumer Financial Protection.

[FR Doc. 2012-14061 Filed 6-28-12; 8:46 am]

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BUREAU OF CONSUMER FINANCIAL PROTECTION

12 CFR Part 1080

[Docket No.: CFPB-2011-0007]

RIN 3170-AA03

Rules Relating to Investigations

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Final rule.

SUMMARY: After considering the public comments on its interim final rule for the Rules Relating to Investigations, the Bureau of Consumer Financial Protection (Bureau), pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), is making revisions to its procedures for investigations under section 1052 of the Dodd-Frank Act.

DATES: The final rule is effective June 29, 2012.

FOR FURTHER INFORMATION CONTACT: Peter C. Wilson, Office of the General Counsel, Consumer Financial Protection Bureau, 1700 G Street NW., Washington, DC 20552, (202) 435-7585.

SUPPLEMENTARY INFORMATION:

I. Background

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) was signed into law on July 21, 2010. Title X of the Dodd-Frank Act established the Bureau of Consumer Financial Protection (Bureau) to regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws. The Dodd-Frank Act transferred to the Bureau the consumer financial protection functions formerly carried out by the Federal banking agencies, as well as certain authorities formerly carried out by the Department of Housing and Urban Development (HUD) and the Federal Trade Commission (FTC). As required by section 1062 of the Dodd-Frank Act, 12 U.S.C. 5582, the Secretary of the Treasury selected a

designated transfer date and the Federal banking agencies' functions and authorities transferred to the Bureau on July 21, 2011.

The Dodd-Frank Act authorizes the Bureau to conduct investigations to ascertain whether any person is or has been engaged in conduct that, if proved, would constitute a violation of any provision of Federal consumer financial law. Section 1052 of the Dodd-Frank Act sets forth the parameters that govern these investigations. 12 U.S.C. 5562. Section 1052 became effective immediately upon transfer on July 21, 2011 and did not require rules to implement its provisions. On July 28, 2011, the Bureau issued the interim final rule for the Rules Relating to Investigations (Interim Final Rule) to provide parties involved in Bureau investigations with clarification on how to comply with the statutory requirements relating to Bureau investigations.

II. Summary of the Final Rule

Consistent with section 1052 of the Dodd-Frank Act, the final rule for the Rules Relating to Investigations (Final Rule) describes a number of Bureau policies and procedures that apply in an investigational, nonadjudicative setting. Among other things, the Final Rule sets forth (1) the Bureau's authority to conduct investigations, and (2) the rights of persons from whom the Bureau seeks to compel information in investigations.

Like the Interim Final Rule, the Final Rule is modeled on investigative procedures of other law enforcement agencies. For guidance, the Bureau reviewed the procedures currently used by the FTC, the Securities and Exchange Commission (SEC), and the prudential regulators, as well as the FTC's recently proposed amendments to its nonadjudicative procedures. In light of the similarities between section 1052 of the Dodd-Frank Act and section 20 of the Federal Trade Commission Act (FTC Act), 15 U.S.C. 41 *et seq.*, the Bureau drew most heavily from the FTC's nonadjudicative procedures in constructing the rules.

The Final Rule lays out the Bureau's authority to conduct investigations before instituting judicial or administrative adjudicatory proceedings under Federal consumer financial law. The Final Rule authorizes the Director, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement to issue civil investigative demands (CIDs) for documentary material, tangible things, written reports, answers to questions, or oral testimony. The

demands may be enforced in district court by the Director, the General Counsel, or the Assistant Director of the Office of Enforcement. The Final Rule also details the authority of the Bureau's investigators to conduct investigations and hold investigational hearings pursuant to civil investigative demands for oral testimony.

Furthermore, the Final Rule sets forth the rights of persons from whom the Bureau seeks to compel information in an investigation. Specifically, the Final Rule describes how such persons should be notified of the purpose of the Bureau's investigation. It also details the procedures for filing a petition for an order modifying or setting aside a CID, which the Director is authorized to rule upon. And it describes the process by which persons may obtain copies of or access to documents or testimony they have provided in response to a civil investigative demand. In addition, the Final Rule describes a person's right to counsel at investigational hearings.

III. Legal Authority

As noted above, section 1052 of the Dodd-Frank Act outlines how the Bureau will conduct investigations and describes the rights of persons from whom the Bureau seeks information in investigations. This section became effective immediately upon the designated transfer date, July 21, 2011, without any requirement that the Bureau first issue procedural rules. Nevertheless, the Bureau believes that the legislative purpose of section 1052 will be furthered by the issuance of rules that specify the manner in which persons can comply with its provisions.

Section 1022 of the Dodd-Frank Act authorizes the Director to prescribe rules as may be necessary or appropriate for the Bureau to administer and carry out the purposes and objectives of Federal consumer financial laws and to prevent evasion of those laws. 12 U.S.C. 5512. The Bureau believes that the Final Rule will effectuate the purpose of section 1052 and facilitate compliance with Bureau investigations.

IV. Overview of Public Comments on the Interim Final Rule

After publication of the Interim Final Rule on July 28, 2011, the Bureau accepted public comments until September 26, 2011. During the comment period, the Bureau received seven comments. Two of the comments were submitted by individual consumers. Four trade associations and a mortgage company also submitted comments. The trade associations represent credit unions, banks, consumer credit companies, members of

the real estate finance industry, and other financial institutions.

The commenters generally support the Interim Final Rule. Most sections of the Interim Final Rule received no comment and are being finalized without change. The comments did, however, contain questions and recommendations for the Bureau.

Several of the commenters expressed concern that the Interim Final Rule appeared to provide staff-level Bureau employees with unchecked authority to initiate investigations and issue CIDs, or that the Interim Final Rule otherwise did not provide sufficient oversight for particular actions.

A number of commenters expressed concern about sections of the Interim Final Rule that relate to CIDs. One trade association recommended that a statement of "the purpose and scope" of a Bureau investigation—in addition to a notification of the nature of the conduct constituting the alleged violation under investigation and the applicable provisions of law—be included in CIDs. A commenter suggested that the Bureau require a conference between CID recipients and the Assistant Director of the Office of Enforcement to negotiate the terms of compliance with the demand. Three of the trade associations noted concern with the statement that extensions of time are disfavored for petitions to modify or set aside CIDs. Two commenters questioned who would rule on such petitions without a confirmed Director. One trade association commented that witnesses should be permitted to object to questions demanding information outside of the scope of the investigation during an investigational hearing pursuant to a CID for oral testimony.

A number of commenters expressed concern about maintaining the confidentiality of demand material, sharing information with other State and Federal agencies, and the duties of the custodians of those materials. For example, one trade association and the mortgage company recommended that investigations should remain confidential in all circumstances. Another trade association asserted that the Bureau is not permitted to engage in joint investigations with State attorneys general.

The Bureau reviewed all of the comments on its Interim Final Rule thoroughly and addresses the significant issues they raise herein. Although most sections of the Interim Final Rule received no comment and are being finalized without change, the Bureau has made several changes to the Interim Final Rule based on the comments it received. The comments and these

changes are discussed in more detail in parts V and VI of the **SUPPLEMENTARY INFORMATION**.

V. General Comments

Some comments on the Interim Final Rule were not directed at a specific section but rather concerned issues of general applicability. The Bureau addresses those comments in this section and addresses comments related to specific sections of the Interim Final Rule in part VI.

One commenter asked the Bureau to specify who would rule on petitions to set aside or modify CIDs while the Bureau lacked a Director. This commenter also asked who would review requests to the Attorney General under § 1080.12 for authority to immunize witnesses and to order them to testify or provide other information. The President appointed a Director of the Bureau on January 4, 2012. Therefore, both questions posed by this commenter are moot. The Director or any official to whom the Director has delegated his authority pursuant to 12 U.S.C. 5492(b) will rule on petitions to set aside or modify CIDs. Furthermore, the Bureau has revised § 1080.12 to clarify that only the Director has the authority to request approval from the Attorney General for the issuance of an order immunizing witnesses.

A commenter asserted that section 1052(c)(1) of the Dodd-Frank Act prohibits the Bureau from issuing CIDs after the institution of any proceedings under Federal consumer financial laws, including proceedings initiated by a State or a private party. The commenter argued that a CID should be accompanied by a certification that the demand will have no bearing on any ongoing proceeding. Section 1052(c)(1) provides, in relevant part, that “the Bureau may, before the institution of any proceedings under the Federal consumer financial law, issue in writing, and cause to be served upon such person, a civil investigative demand.” The language “before the institution of any proceeding under Federal consumer financial law” refers to the institution of proceedings by the Bureau. It does not limit the Bureau’s authority to issue CIDs based upon the commencement of a proceeding by other parties.

Another commenter requested that the Bureau exempt all credit unions from Bureau investigations. The Bureau believes that granting an exemption from the Bureau’s enforcement authority through the Final Rule would be inappropriate and that there is an insufficient record to support such an exemption.

A commenter recommended that covered persons be allowed to recover attorneys’ fees and costs incurred by defending against an investigation that is shown to be without merit. The Dodd-Frank Act does not provide the right to recover fees and costs by defending against an investigation. Further, as explained below, the Bureau believes that the procedures for petitioning to modify or set aside a CID set forth in § 1080.6(d) of the Interim Final Rule (now 1080.6(e) of the Final Rule) provide sufficient protections to a recipient of a demand it believes lacks merit.

VI. Section-by-Section Summary

Section 1080.1 Scope

This section describes the scope of the Interim Final Rule. It makes clear that these rules only apply to investigations under section 1052 of the Dodd-Frank Act. The Bureau received no comment on § 1080.1 of the Interim Final Rule and is adopting it as the Final Rule without change.

Section 1080.2 Definitions

This section of the Interim Final Rule defines several terms used throughout the rules. Many of these definitions also may be found in section 1051 of the Dodd-Frank Act.

A commenter questioned the breadth of the definition of the term “Assistant Director of the Division of Enforcement.” The commenter argued that because that term was defined to include “any Bureau employee to whom the Assistant Director of the Division of Enforcement has delegated authority to act under this part,” the Interim Final Rule could give Bureau employees inappropriately broad authority to take certain actions, such as issuing CIDs.

The Bureau has revised the Final Rule in response to these comments. The Final Rule identifies those with authority to take particular actions under each section of the Final Rule. Sections 1080.4 (initiating and conducting investigations) and 1080.6 (civil investigative demands) of the Final Rule clarify that the authority to initiate investigations and issue CIDs cannot be delegated by the identified officials. The Final Rule also changes the defined term “Division of Enforcement” to “Office of Enforcement” to reflect the Bureau’s current organizational structure.

Section 1080.3 Policy as to Private Controversies

This section of the Interim Final Rule states the Bureau’s policy of pursuing investigations that are in the public

interest. Section 1080.3 is consistent with the Bureau’s mission to protect consumers by investigating potential violations of Federal consumer financial law. The Bureau received no comments on § 1080.3 of the Interim Final Rule and is adopting it as the Final Rule without change.

Section 1080.4 Initiating and Conducting Investigations

This section of the Interim Final Rule explains that Bureau investigators are authorized to conduct investigations pursuant to section 1052 of the Dodd-Frank Act.

A commenter observed that this section of the Interim Final Rule did not explicitly provide a procedure for senior agency officials to authorize the opening of an investigation. The commenter argued that only senior agency officials should decide whether to initiate investigations. The commenter questioned whether staff-level employees could open investigations and issue CIDs without sufficient supervision, and noted that the FTC’s analogous rule specifically lists the senior officials to whom the Commission has delegated, without power of redelegation, the authority to initiate investigations.

A commenter also expressed concern that the FTC’s analogous rule explicitly provides that FTC investigators must comply with the laws of the United States and FTC regulations. According to the commenter, such language is necessary to ensure that the Bureau complies with the Right to Financial Privacy Act (RFPA) to the extent that statute applies to the Bureau. The commenter also believes that this language is needed to guard against investigations undertaken for what the commenter characterized as the impermissible purpose of aiding State attorneys general or State regulators. The commenter suggested that the Bureau add a statement to this section of the Interim Final Rule similar to the FTC’s rule requiring compliance with Federal law and agency regulations.

The Final Rule clarifies that only the Assistant Director or any Deputy Assistant Director of the Office of Enforcement has the authority to initiate investigations. The Bureau has significant discretion to determine whether and when to open an investigation, and the public benefits from a process whereby the Bureau can open and close investigations efficiently. But the Bureau did not intend its rules to be interpreted so broadly as to suggest that any staff-level employee could unilaterally open an investigation or issue a CID. The Final

Rule also provides that Bureau investigators will perform their duties in accordance with Federal law and Bureau regulations.

Section 1080.5 Notification of Purpose

This section of the Interim Final Rule specifies that a person compelled to provide information to the Bureau or to testify in an investigational hearing must be advised of the nature of the conduct constituting the alleged violation under investigation and the applicable provisions of law. This section of the Interim Final Rule implements the requirements for CIDs described in section 1052(c)(2) of the Dodd-Frank Act.

Commenters noted that although the Dodd-Frank Act and the FTC Act both require CIDs to state "the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable to such violation," the two agencies' implementing regulations on this topic differ. Both agencies' regulations require a statement of the nature of the conduct at issue and the relevant provisions of law, but the FTC rule also requires that the recipient of the CID be advised of "the purpose and scope" of the investigation. Commenters argued that the Bureau should add this phrase to its rule because excluding it would lead to requests for materials outside the scope of an investigation. One commenter argued that only senior agency officials should authorize investigations to ensure that CIDs are relevant to the purpose and scope of the Bureau's investigations.

The language in § 1080.5 of the Interim Final Rule mirrors the language of the Dodd-Frank Act, which provides that "[e]ach civil investigative demand shall state the nature of the conduct constituting the alleged violation which is under investigation and the provision of law applicable to such violation." The Bureau believes that the information covered by this statutory language provides sufficient notice to recipients of CIDs. As discussed above, § 1080.4 (initiating and conducting investigations) of the Final Rule limits the authority to open investigations to the Assistant Director or any Deputy Assistant Director of the Office of Enforcement. Similarly, § 1080.6 of the Final Rule (civil investigative demands) limits the authority to issue CIDs to the Director of the Bureau, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement. Thus, one of these identified officials will review and approve the initiation of all investigations and the issuance of all

CIDs. In addition, to the extent recipients of CIDs consider the demands to be for an unauthorized purpose or outside the scope of the investigation, they will have an opportunity to negotiate the terms of compliance pursuant to § 1080.6(c) of the Interim Final Rule (now § 1080.6(d) of the Final Rule) or to petition to set aside or modify the demand pursuant to § 1080.6(d) of the Interim Final Rule (now § 1080.6(e) of the Final Rule).

The Bureau therefore adopts this section of the Interim Final Rule as the Final Rule without change.

Section 1080.6 Civil Investigative Demands

This section of the Interim Final Rule lays out the Bureau's procedures for issuing CIDs. It authorizes the Assistant Director of the Office of Enforcement to issue CIDs for documentary material, tangible things, written reports, answers to questions, and oral testimony. This section of the Interim Final Rule details the information that must be included in CIDs and the requirement that responses be made under a sworn certificate. Section 1080.6 of the Interim Final Rule also authorizes the Assistant Director of the Office of Enforcement to negotiate and approve the terms of compliance with CIDs and grant extensions for good cause. Finally, this section of the Interim Final Rule describes the procedures for seeking an order to modify or set aside a CID, which the Director is authorized to rule upon.

One commenter argued that § 1080.6(a) permits almost any Bureau employee to issue CIDs without sufficient supervision. The commenter stated that this lack of oversight is problematic and does not reflect Congress' intent when it enacted the Act.

Section 1080.6(a) of the Final Rule limits the authority to issue CIDs to the Director, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement. This change to the Final Rule balances the efficiency of the Bureau's investigative process with appropriate supervision and oversight.

A commenter suggested that the Bureau require a conference between the CID recipient and the Assistant Director of the Office of Enforcement within ten days of service of the CID to negotiate and approve the terms of compliance. The commenter envisioned a conference analogous to a discovery planning conference under the Federal Rules of Civil Procedure, during which the parties could discuss requests for information, appropriate limitations on

the scope of requests, issues related to electronically stored information (ESI), issues related to privilege and confidential information, and a reasonable time for compliance. The commenter stated that this type of conference would better ensure prompt and efficient production of material and information related to the investigation.

The Bureau agrees that a conference between the parties within ten calendar days of serving a CID is likely to improve the efficiency of investigations, and § 1080.6(c) of the Final Rule provides for such a conference. The Final Rule does not, however, adopt the suggestion that the Assistant Director of the Office of Enforcement preside over all such conferences.

Several commenters also noted concern with the statement in § 1080.6(d) of the Interim Final Rule disfavoring extensions of time for petitioning for an order modifying or setting aside CIDs. One commenter argued that the 20-day period to file petitions, for which extensions of time are disfavored, is inconsistent with the "reasonable" period of time for compliance with the CID set forth in § 1080.6(a). The commenter also argued that this timeframe leaves a short period for the CID recipient to decide which documents are privileged or otherwise protected and to file a petition articulating privilege and scope objections. Another commenter noted that the analogous FTC rules do not include a provision disfavoring extensions for petitions to modify or set aside a CID. These commenters recommended that the Bureau delete the sentence related to disfavoring extensions. One commenter recommended that the rules be corrected to provide an independent review if a covered person believes a CID is without merit.

Like the Interim Final Rule, the Final Rule includes a provision disfavoring extensions of time for petitions to modify or set aside a CID. The Bureau believes its policy of disfavoring extensions is appropriate in light of its significant interest in promoting an efficient process for seeking materials through CIDs. By disfavoring extensions, the Bureau means to prompt recipients to decide within 20 days whether they intend to comply with the CID. The Final Rule also clarifies that this 20-day period should be computed with calendar days.

The Bureau notes that § 1080.6(d) of the Interim Final Rule (now § 1080.6(e) of the Final Rule) only provides the due date for a petition for an order modifying or setting aside a CID. It does not require recipients to comply fully

with CIDs within 20 days. In addition, the Final Rule provides several options to recipients of CIDs that need additional time to respond. For example, the recipient may negotiate for a reasonable extension of time for compliance or a rolling document production schedule pursuant to § 1080.6(c) of the Interim Final Rule (now § 1080.6(d) of the Final Rule).

Section 1080.6(e) of the Final Rule clarifies that recipients of CIDs should not assert claims of privilege through a petition for an order modifying or setting aside a CID. Instead, when privilege is the only basis for withholding particular materials, they should utilize the procedures set forth in § 1080.8 (withholding requested material) of the Final Rule. Section 1080.6(e) of the Final Rule also lays out the authority of Bureau investigators to provide to the Director a reply to a petition seeking an order modifying or setting aside a CID. Specifically, the Final Rule states that Bureau investigators may provide the Director with a statement setting forth any factual and legal responses to a petition. The Bureau will not make these statements or any other internal deliberations part of the Bureau's public records. Section 1080.6(g) of the Final Rule clarifies that the Bureau, however, will make publicly available both the petition and the Director's order in response. Section 1080.6(g) of the Final Rule also clarifies that if a CID recipient wants to prevent the Director from making the petition public, any showing of good cause must be made no later than the time the petition is filed. The Final Rule also adds a provision clarifying how the Bureau will serve the petitioner with the Director's order.

Finally, the Bureau believes the procedures for petitions to modify or set aside a CID set forth in the Final Rule adequately protect a covered person who believes a CID is without merit, and that an additional independent review is unnecessary.

Section 1080.7 Investigational Hearings

This section of the Interim Final Rule describes the procedures for investigational hearings initiated pursuant to a CID for oral testimony. It also lays out the roles and responsibilities of the Bureau investigator conducting the investigational hearing, which include excluding unauthorized persons from the hearing room and ensuring that the investigational hearing is transcribed, the witness is duly sworn, the transcript is a true record of the testimony, and the

transcript is provided to the designated custodian.

A commenter argued that the Bureau is not authorized to conduct joint investigations with State attorneys general under the Dodd-Frank Act and, correspondingly, State attorneys general cannot attend an investigational hearing as a representative of an agency with whom the Bureau is conducting a joint investigation. The commenter argued that Congress distinguished between State attorneys general and State regulatory agencies in section 1042 of the Dodd-Frank Act and that State attorneys general are therefore not "agencies" with whom the Bureau can partner. The commenter also asserted that the Bureau cannot share a copy of the transcript of an investigational hearing with another agency without the consent of the witness.

Another commenter argued that representatives of agencies with which the Bureau is conducting a joint investigation may be present at an investigational hearing only with the witness's consent. This commenter stated that the Bureau should recognize in the rules that a witness who does not consent to the presence of a representative of another agency at an investigational hearing should not be presumed guilty.

The Dodd-Frank Act states that the Bureau "may engage in joint investigations and requests for information, as authorized under this title." This statutory language permits the Bureau to engage in joint investigations with State or Federal law enforcement agencies, including State attorneys general, with jurisdiction that overlaps with the Bureau's. The Bureau's disclosure rules also permit the Bureau to share certain confidential information, including investigational hearing transcripts, with Federal or State agencies to the extent the disclosure is relevant to the exercise of an agency's statutory or regulatory authority. See 12 CFR 1070.43(b). In addition, neither the Dodd-Frank Act nor the rules require the consent of the witness to permit a representative of an agency with which the Bureau is conducting a joint investigation to be present at the hearing. Consent is required only when people other than those listed in the rule are included.

Thus, the Bureau adopts § 1080.7 of the Interim Final Rule as the Final Rule without change.

Section 1080.8 Withholding Requested Material

This section of the Interim Final Rule describes the procedures that apply when persons withhold material

responsive to a CID. It requires the recipient of the CID to assert a privilege by the production date and, if so directed in the CID, also to submit a detailed schedule of the items withheld. Section 1080.8 also sets forth the procedures for handling the disclosure of privileged or protected information or communications.

The Bureau received no comment on § 1080.8 of the Interim Final Rule and is adopting it as the Final Rule without substantive change.

Section 1080.9 Rights of Witnesses in Investigations

This section of the Interim Final Rule describes the rights of persons compelled to submit information or provide testimony in an investigation. It details the procedures for obtaining a copy of submitted documents or a copy of or access to a transcript of the person's testimony. This section of the Interim Final Rule also describes a witness's right to make changes to his or her transcript and the rules for signing the transcript.

Section 1080.9 of the Interim Final Rule lays out a person's right to counsel at an investigational hearing and describes his or her counsel's right to advise the witness as to any question posed for which an objection may properly be made. It also describes the witness's or counsel's rights to object to questions or requests that the witness is privileged to refuse to answer. This section of the Interim Final Rule states that counsel for the witness may not otherwise object to questions or interrupt the examination to make statements on the record but may request that the witness have an opportunity to clarify any of his or her answers. Finally, this section of the Interim Final Rule authorizes the Bureau investigator to take all necessary action during the course of the hearing to avoid delay and to prevent or restrain disorderly, dilatory, obstructionist, or contemptuous conduct, or contemptuous language.

A commenter noted that under the Interim Final Rule witnesses could not object during an investigational hearing on the ground that a question was outside the scope of the investigation. The commenter argued that a covered person's inability to raise such objections might allow "a fishing expedition." The commenter recommended amending § 1080.9(b) to allow objections based on scope.

Section 1052(c)(13)(D)(iii) of the Dodd-Frank Act states, in relevant part:

[a]n objection may properly be made, received, and entered upon the record when it is claimed that such person is entitled to

refuse to answer the question on grounds of any constitutional or other legal right or privilege, including the privilege against self-incrimination, but the person shall not otherwise object to or refuse to answer any question, and such person or attorney shall not otherwise interrupt the oral examination.

Thus, to the extent the scope objection was grounded in a witness's constitutional or other legal right, it would be a proper objection.

The Final Rule clarifies that counsel may confer with a witness while a question is pending or instruct a witness not to answer a question only if an objection based on privilege or work product may properly be made. The Final Rule also describes counsel's limited ability to make additional objections based on other constitutional or legal rights. The Final Rule provides that if an attorney has refused to comply with his or her obligations in the rules of this part, or has allegedly engaged in disorderly, dilatory, obstructive, or contemptuous conduct, or contemptuous language during an investigational hearing, the Bureau may take further action, including action to suspend or disbar the attorney from further participation in the investigation or further practice before the Bureau pursuant to 12 CFR 1081.107(c). The Final Rule also includes other nonsubstantive changes, including clarifying that the 30-day period that the witness has to sign and submit his or her transcript should be computed using calendar days.

Section 1080.10 Noncompliance With Civil Investigative Demands

This section of the Interim Final Rule authorizes the Director, the Assistant Director of the Office of Enforcement, and the General Counsel to initiate an action to enforce a CID in connection with the failure or refusal of a person to comply with, or to obey, a CID. In addition, they are authorized to seek civil contempt or other appropriate relief in cases where a court order enforcing a CID has been violated.

The Bureau received no comment on § 1080.10 of the Interim Final Rule and is adopting it as the Final Rule without substantive change.

Section 1080.11 Disposition

This section of the Interim Final Rule explains that an enforcement action may be instituted in Federal or State court or through administrative proceedings when warranted by the facts disclosed by an investigation. It further provides that the Bureau may refer investigations to appropriate Federal, State, or foreign government agencies as appropriate. This section of the Interim Final Rule

also authorizes the Assistant Director of the Office of Enforcement to close the investigation when the facts of an investigation indicate an enforcement action is not necessary or warranted in the public interest.

One commenter indicated that the Bureau's authority to refer investigations to other law enforcement agencies should be limited to circumstances when it is expressly authorized to do so by the Dodd-Frank Act, an enumerated consumer financial law, or other Federal law, because of potential risks to the confidentiality of the investigatory files.

The Bureau's ability to refer matters to appropriate law enforcement agencies is inherent in the Bureau's authority and is a corollary to the Bureau's statutorily recognized ability to conduct joint investigations. The documentary materials and tangible things obtained by the Bureau pursuant to a CID are subject to the requirements and procedures relating to disclosure of records and information in part 1070 of this title. These procedures for sharing information with law enforcement agencies provide significant and sufficient protections for these materials.

The Bureau has amended § 1080.11 to clarify that the Assistant Director and any Deputy Assistant Director of the Office of Enforcement are authorized to close investigations.

The Bureau adopts § 1080.11 of the Interim Final Rule with the changes discussed above.

Section 1080.12 Orders Requiring Witnesses To Testify or Provide Other Information and Granting Immunity

This section of the Interim Final Rule authorizes the Assistant Director of the Office of Enforcement to request approval from the Attorney General for the issuance of an order requiring a witness to testify or provide other information and granting immunity under 18 U.S.C. 6004. The Interim Final Rule also sets forth the Bureau's right to review the exercise of these functions and states that the Bureau will entertain an appeal from an order requiring a witness to testify or provide other information only upon a showing that a substantial question is involved, the determination of which is essential to serve the interests of justice. Finally, this section of the Interim Final Rule describes the applicable rules and time limits for such appeals.

A commenter questioned whether this section of the Interim Final Rule would permit any Bureau employee to request that the Attorney General approve the issuance of an order granting immunity

under 18 U.S.C. 6004 and requiring a witness to testify or provide information. The commenter noted that the Dodd-Frank Act authorizes the Bureau, with the Attorney General's permission, to compel a witness to testify under 18 U.S.C. 6004 if the witness invokes his or her privilege against self-incrimination. The commenter argued that this section should delegate the authority to seek permission to compel testimony to a specific individual to provide accountability and ensure that information is not disclosed to the Attorney General in a manner that violates the Right to Financial Privacy Act. The commenter noted that the FTC's analogous rule specifically lists the senior agency officials who are authorized to make such requests to the Attorney General, and identifies a liaison officer through whom such requests must be made. The commenter also suggested that § 1080.12(b) of the Interim Final Rule, which provides that the Assistant Director's exercise of this authority is subject to review by "the Bureau," specify who will conduct this review.

The Final Rule provides that only the Director of the Bureau has the authority to request approval from the Attorney General for the issuance of an order requiring a witness to testify or provide other information and granting immunity under 18 U.S.C. 6004. This change addresses the concern that requests for witness immunity would be made without oversight. Limiting this authority to the Director provides sufficient accountability.

Section 1080.13 Custodians

This section of the Interim Final Rule describes the procedures for designating a custodian and deputy custodian for material produced pursuant to a CID in an investigation. It also states that these materials are for the official use of the Bureau, but, upon notice to the custodian, must be made available for examination during regular office hours by the person who produced them.

A commenter suggested that the Bureau should detail the particular duties of custodians designated under this section and that, without an enumerated list of duties, the custodian would not have any responsibilities regarding CID materials. The commenter noted that the FTC Act requires the custodian to take specific actions, while the Dodd-Frank Act does not. The commenter suggested specifying a series of custodial duties, including (1) taking and maintaining custody of all materials submitted pursuant to CIDs or subpoenas that the Bureau issues,

including transcripts of oral testimony taken by the Bureau; (2) maintaining confidentiality of those materials as required by applicable law; (3) providing the materials to either House of Congress upon request, after ten days notice to the party that owns or submitted the materials; (4) producing any materials as required by a court of competent jurisdiction; and (5) complying at all times with the Trade Secrets Act.

Section 1052 of the Dodd-Frank Act sets forth the duties of the Bureau's custodian. Sections 1052(c)(3) through (c)(6) of the Dodd-Frank Act give the custodian responsibility for receiving documentary material, tangible things, written reports, answers to questions, and transcripts of oral testimony given by any person in compliance with any CID. Section 1052(d) of the Dodd-Frank Act, as well as the Bureau's Rules for Disclosure of Records and Information in part 1070 of this title, outline the requirements for the confidential treatment of demand material. Section 1052(g) addresses custodial control and provides that a person may file, in the district court of the United States for the judicial district within which the office of the custodian is situated, a petition for an order of such court requiring the performance by the custodian of any duty imposed upon him by section 1052 of the Dodd-Frank Act or by Bureau rule. These duties and obligations do not require additional clarification by rule.

The Final Rule clarifies that the custodian has the powers and duties of both section 1052 of the Dodd-Frank Act and 12 CFR 1070.3.

The Bureau adopts § 1080.13 of the Interim Final Rule with the changes discussed above.

Section 1080.14 Confidential Treatment of Demand Material and Non-Public Nature of Investigations

Section 1080.14 of the Interim Final Rule explains that documentary materials, written reports, answers to questions, tangible things, or transcripts of oral testimony received by the Bureau in any form or format pursuant to a CID are subject to the requirements and procedures relating to disclosure of records and information in part 1070 of this title. This section of the Interim Final Rule also states that investigations generally are non-public. A Bureau investigator may disclose the existence of an investigation to the extent necessary to advance the investigation.

A commenter recommended that the Bureau revise this section to mandate that Bureau investigations remain confidential. The commenter noted the

potential reputation risk to an entity if an investigation is disclosed to the public. In addition, the commenter argued that failing to conduct investigations confidentially will increase litigation risk. One commenter recommended that the Bureau issue a public absolution of a company if the Bureau does not maintain the confidentiality of an investigation.

Section 1080.14 of the Interim Final Rule provides that investigations generally will not be disclosed to the public, but permits Bureau investigators to disclose the existence of an investigation when necessary to advance the investigation. The Interim Final Rule does not contemplate publicizing an investigation, but rather disclosing the existence of the investigation to, for example, a potential witness or third party with potentially relevant information when doing so is necessary to advance the investigation. This limited exception sufficiently balances the concerns expressed by the commenter with the Bureau's need to obtain information efficiently.

Thus, the Bureau adopts § 1080.14 of the Interim Final Rule as the Final Rule without change.

VII. Section 1022(b)(2) Provisions

In developing the Final Rule, the Bureau has considered the potential benefits, costs, and impacts, and has consulted or offered to consult with the prudential regulators, HUD, the SEC, the Department of Justice, and the FTC, including with regard to consistency with any prudential, market, or systemic objectives administered by such agencies.¹

The Final Rule neither imposes any obligations on consumers nor is expected to have any appreciable impact on their access to consumer financial products or services. Rather, the Final Rule provides a clear, efficient mechanism for investigating compliance with the Federal consumer financial laws, which benefits consumers by creating a systematic process to protect them from unlawful behavior.

¹ Section 1022(b)(2)(A) of the Dodd-Frank Act addresses the consideration of the potential benefits and costs of regulation to consumers and covered persons, including the potential reduction of access by consumers to consumer financial products or services; the impact on depository institutions and credit unions with \$10 billion or less in total assets as described in section 1026 of the Dodd-Frank Act; and the impact on consumers in rural areas. Section 1022(b)(2)(B) addresses consultation between the Bureau and other Federal agencies during the rulemaking process. The manner and extent to which these provisions apply to procedural rules and benefits, costs and impacts that are compelled by statutory changes rather than discretionary Bureau action is unclear. Nevertheless, to inform this rulemaking more fully, the Bureau performed the described analyses and consultations.

The Final Rule imposes certain obligations on covered persons who receive CIDs in Bureau investigations. Specifically, as described above, the Final Rule sets forth the process for complying with or objecting to CIDs for documentary material, tangible things, written reports or answers to questions, and oral testimony. Most obligations in the Final Rule stem from express language in the Dodd-Frank Act and do not impose additional burdens on covered persons.

To the extent that the Final Rule includes provisions not expressly required by statute, these provisions benefit covered persons by providing clarity and certainty. In addition, the Final Rule vests the Bureau with discretion to modify CIDs or extend the time for compliance for good cause. This flexibility benefits covered persons by enabling the Bureau to assess the cost of compliance with a civil investigative demand in a particular circumstance and take appropriate steps to mitigate any unreasonable compliance burden.

Moreover, because the Final Rule is largely based on section 20 of the FTC Act and its corresponding regulations, it should present an existing, stable model of investigatory procedures to covered persons. This likely familiarity to covered persons should further reduce the compliance costs for covered persons.

The Final Rule provides that requests for extensions of time to file petitions to modify or set aside CIDs are disfavored. This may impose a burden on covered entities in some cases, but it may also lead to a more expeditious resolution of matters, reducing uncertainty. Furthermore, the Final Rule has no unique impact on insured depository institutions or insured credit unions with less than \$10 billion in assets as described in section 1026(a) of the Dodd-Frank Act. Nor does the Final Rule have a unique impact on rural consumers.

A commenter suggested that the Bureau conduct a nonpublic study of the impact of complying with a CID on the entities who have been subjected to them by other agencies, with specific focus on those that were found not to have violated the law. As the commenter implicitly recognizes, such data does not currently exist and thus was not reasonably available to the Bureau in finalizing the Interim Final Rule. Moreover, as explained above, most of the costs associated with complying with a CID result from the Dodd-Frank Act, which authorizes the Bureau to issue such demands.

A commenter asserted that disfavoring extensions of petitions to

modify or set aside CIDs will require the recipient to conduct a full review of the demanded material within the normal 20-day period in order to comply with the deadline for filing a petition. Under the Final Rule, recipients of a CID are not required to comply fully within twenty days; rather, they are required simply to decide whether they will comply with the demand at all. The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement have the discretion to negotiate and approve the terms of satisfactory compliance with CIDs and, for good cause shown, may extend the time prescribed for compliance. Thus, the Final Rule provides reasonable steps to mitigate compliance burden while simultaneously protecting the Bureau's law enforcement interests.

Another commenter stated that the four interim final rules that the Bureau promulgated together on July 28, 2011 failed to satisfy the rulemaking requirements under section 1022 of the Dodd-Frank Act. Specifically, the commenter stated that "the CFPB's analysis of the costs and benefits of its rules does not recognize the significant costs the CFPB imposes on covered persons." The Bureau believes that it appropriately considered the benefits, costs, and impacts of the Interim Final Rule pursuant to section 1022. Notably, the commenter did not identify any specific costs to covered persons that are not discussed in Part C of the SUPPLEMENTARY INFORMATION to the Interim Final Rule.

VIII. Procedural Requirements

As noted in publishing the Interim Final Rule, under the Administrative Procedure Act, 5 U.S.C. 553(b), notice and comment is not required for rules of agency organization, procedure, or practice. As discussed in the preamble to the Interim Final Rule, the Bureau confirms its finding that this is a procedural rule for which notice and comment is not required. In addition, because the Final Rule relates solely to agency procedure and practice, it is not subject to the 30-day delayed effective date for substantive rules under section 553(d) of the Administrative Procedure Act, 5 U.S.C. 551 *et seq.* Because no notice of proposed rulemaking is required, the requirements of the Regulatory Flexibility Act, 5 U.S.C. 601(2) do not apply. Finally, the Bureau has determined that this Final Rule does not impose any new recordkeeping, reporting, or disclosure requirements on covered entities or members of the public that would be collections of

information requiring approval under 44 U.S.C. 3501. *et seq.*

List of Subjects in 12 CFR Part 1080

Administrative practice and procedure, Banking, Banks, Consumer protection, Credit, Credit unions, Investigations, Law enforcement, National banks, Savings associations, Trade practices.

For the reasons set forth in the preamble, the Bureau of Consumer Financial Protection revises part 1080 to Chapter X in Title 12 of the Code of Federal Regulations to read as follows:

PART 1080—RULES RELATING TO INVESTIGATIONS

Sec.

- 1080.1 Scope.
- 1080.2 Definitions.
- 1080.3 Policy as to private controversies.
- 1080.4 Initiating and conducting investigations.
- 1080.5 Notification of purpose.
- 1080.6 Civil investigative demands.
- 1080.7 Investigational hearings.
- 1080.8 Withholding requested material.
- 1080.9 Rights of witnesses in investigations.
- 1080.10 Noncompliance with civil investigative demands.
- 1080.11 Disposition.
- 1080.12 Orders requiring witnesses to testify or provide other information and granting immunity.
- 1080.13 Custodians.
- 1080.14 Confidential treatment of demand material and non-public nature of investigations.

Authority: Pub. L. 111–203, Title X, 12 U.S.C. 5481 *et seq.*

§ 1080.1 Scope.

The rules of this part apply to Bureau investigations conducted pursuant to section 1052 of the Dodd-Frank Act, 12 U.S.C. 5562.

§ 1080.2 Definitions.

For the purposes of this part, unless explicitly stated to the contrary:

Bureau means the Bureau of Consumer Financial Protection.

Bureau investigation means any inquiry conducted by a Bureau investigator for the purpose of ascertaining whether any person is or has been engaged in any conduct that is a violation.

Bureau investigator means any attorney or investigator employed by the Bureau who is charged with the duty of enforcing or carrying into effect any Federal consumer financial law.

Custodian means the custodian or any deputy custodian designated by the Bureau for the purpose of maintaining custody of information produced pursuant to this part.

Director means the Director of the Bureau or a person authorized to

perform the functions of the Director in accordance with the law.

Documentary material means the original or any copy of any book, document, record, report, memorandum, paper, communication, tabulation, chart, log, electronic file, or other data or data compilation stored in any medium, including electronically stored information.

Dodd-Frank Act means the Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010, as amended, Public Law 111–203 (July 21, 2010), Title X, codified at 12 U.S.C. 5481 *et seq.*

Electronically stored information (ESI) means any information stored in any electronic medium from which information can be obtained either directly or, if necessary, after translation by the responding party into a reasonably usable form.

Office of Enforcement means the office of the Bureau responsible for enforcement of Federal consumer financial law.

Person means an individual, partnership, company, corporation, association (incorporated or unincorporated), trust, estate, cooperative organization, or other entity.

Violation means any act or omission that, if proved, would constitute a violation of any provision of Federal consumer financial law.

§ 1080.3 Policy as to private controversies.

The Bureau shall act only in the public interest and will not initiate an investigation or take other enforcement action when the alleged violation is merely a matter of private controversy and does not tend to affect adversely the public interest.

§ 1080.4 Initiating and conducting investigations.

The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement have the nondelegable authority to initiate investigations. Bureau investigations are conducted by Bureau investigators designated and duly authorized under section 1052 of the Dodd-Frank Act, 12 U.S.C. 5562, to conduct such investigations. Bureau investigators are authorized to exercise and perform their duties in accordance with the laws of the United States and the regulations of the Bureau.

§ 1080.5 Notification of purpose.

Any person compelled to furnish documentary material, tangible things, written reports or answers to questions, oral testimony, or any combination of

such material, answers, or testimony to the Bureau shall be advised of the nature of the conduct constituting the alleged violation that is under investigation and the provisions of law applicable to such violation.

§ 1080.6 Civil investigative demands.

(a) *In general.* In accordance with section 1052(c) of the Act, the Director of the Bureau, the Assistant Director of the Office of Enforcement, and the Deputy Assistant Directors of the Office of Enforcement, have the nondelegable authority to issue a civil investigative demand in any Bureau investigation directing the person named therein to produce documentary material for inspection and copying or reproduction in the form or medium requested by the Bureau; to submit tangible things; to provide a written report or answers to questions; to appear before a designated representative at a designated time and place to testify about documentary material, tangible things, or other information; and to furnish any combination of such material, things, answers, or testimony.

(1) *Documentary material.* (i) Civil investigative demands for the production of documentary material shall describe each class of material to be produced with such definiteness and certainty as to permit such material to be fairly identified, prescribe a return date or dates that will provide a reasonable period of time within which the material so demanded may be assembled and made available for inspection and copying or reproduction, and identify the custodian to whom such material shall be made available. Documentary material for which a civil investigative demand has been issued shall be made available as prescribed in the civil investigative demand.

(ii) Production of documentary material in response to a civil investigative demand shall be made under a sworn certificate, in such form as the demand designates, by the person to whom the demand is directed or, if not a natural person, by any person having knowledge of the facts and circumstances relating to such production, to the effect that all of the documentary material required by the demand and in the possession, custody, or control of the person to whom the demand is directed has been produced and made available to the custodian.

(2) *Tangible things.* (i) Civil investigative demands for tangible things shall describe each class of tangible things to be produced with such definiteness and certainty as to permit such things to be fairly identified, prescribe a return date or

dates which will provide a reasonable period of time within which the things so demanded may be assembled and submitted, and identify the custodian to whom such things shall be submitted.

(ii) Submissions of tangible things in response to a civil investigative demand shall be made under a sworn certificate, in such form as the demand designates, by the person to whom the demand is directed or, if not a natural person, by any person having knowledge of the facts and circumstances relating to such production, to the effect that all of the tangible things required by the demand and in the possession, custody, or control of the person to whom the demand is directed have been submitted to the custodian.

(3) *Written reports or answers to questions.* (i) Civil investigative demands for written reports or answers to questions shall propound with definiteness and certainty the reports to be produced or the questions to be answered, prescribe a date or dates at which time written reports or answers to questions shall be submitted, and identify the custodian to whom such reports or answers shall be submitted.

(ii) Each reporting requirement or question in a civil investigative demand shall be answered separately and fully in writing under oath. Responses to a civil investigative demand for a written report or answers to questions shall be made under a sworn certificate, in such form as the demand designates, by the person to whom the demand is directed or, if not a natural person, by any person responsible for answering each reporting requirement or question, to the effect that all of the information required by the demand and in the possession, custody, control, or knowledge of the person to whom the demand is directed has been submitted to the custodian.

(4) *Oral testimony.* (i) Civil investigative demands for the giving of oral testimony shall prescribe a date, time, and place at which oral testimony shall be commenced, and identify a Bureau investigator who shall conduct the investigation and the custodian to whom the transcript of such investigation shall be submitted. Oral testimony in response to a civil investigative demand shall be taken in accordance with the procedures for investigational hearings prescribed by §§ 1080.7 and 1080.9 of this part.

(ii) Where a civil investigative demand requires oral testimony from an entity, the civil investigative demand shall describe with reasonable particularity the matters for examination and the entity must designate one or more officers, directors, or managing

agents, or designate other persons who consent to testify on its behalf. Unless a single individual is designated by the entity, the entity must designate the matters on which each designee will testify. The individuals designated must testify about information known or reasonably available to the entity and their testimony shall be binding on the entity.

(b) *Manner and form of production of ESI.* When a civil investigative demand requires the production of ESI, it shall be produced in accordance with the instructions provided by the Bureau regarding the manner and form of production. Absent any instructions as to the form for producing ESI, ESI must be produced in the form in which it is ordinarily maintained or in a reasonably usable form.

(c) *Meet and confer.* The recipient of a civil investigative demand shall meet and confer with a Bureau investigator within 10 calendar days after receipt of the demand or before the deadline for filing a petition to modify or set aside the demand, whichever is earlier, to discuss and attempt to resolve all issues regarding compliance with the civil investigative demand. The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement may authorize the waiver of this requirement for routine third-party civil investigative demands or in other circumstances where he or she determines that a meeting is unnecessary. The meeting may be in person or by telephone.

(1) *Personnel.* The recipient must make available at the meeting personnel with the knowledge necessary to resolve any issues relevant to compliance with the demand. Such personnel could include individuals knowledgeable about the recipient's information or records management systems and/or the recipient's organizational structure.

(2) *ESI.* If the civil investigative demand seeks ESI, the recipient shall ensure that a person familiar with its ESI systems and methods of retrieval participates in the meeting.

(3) *Petitions.* The Bureau will not consider petitions to set aside or modify a civil investigative demand unless the recipient has meaningfully engaged in the meet and confer process described in this subsection and will consider only issues raised during the meet and confer process.

(d) *Compliance.* The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement are authorized to negotiate and approve the terms of satisfactory compliance with civil investigative demands and, for good

cause shown, may extend the time prescribed for compliance.

(e) *Petition for order modifying or setting aside demand—in general.* Any petition for an order modifying or setting aside a civil investigative demand shall be filed with the Executive Secretary of the Bureau with a copy to the Assistant Director of the Office of Enforcement within 20 calendar days after service of the civil investigative demand, or, if the return date is less than 20 calendar days after service, prior to the return date. Such petition shall set forth all factual and legal objections to the civil investigative demand, including all appropriate arguments, affidavits, and other supporting documentation. The attorney who objects to a demand must sign any objections.

(1) *Statement.* Each petition shall be accompanied by a signed statement representing that counsel for the petitioner has conferred with counsel for the Bureau pursuant to section 1080.6(c) in a good-faith effort to resolve by agreement the issues raised by the petition and has been unable to reach such an agreement. If some of the matters in controversy have been resolved by agreement, the statement shall specify the matters so resolved and the matters remaining unresolved. The statement shall recite the date, time, and place of each such meeting between counsel, and the names of all parties participating in each such meeting.

(2) *Extensions of time.* The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement are authorized to rule upon requests for extensions of time within which to file such petitions. Requests for extensions of time are disfavored.

(3) *Bureau investigator response.* Bureau investigators may, without serving the petitioner, provide the Director with a statement setting forth any factual and legal response to a petition for an order modifying or setting aside the demand.

(4) *Disposition.* The Director has the authority to rule upon a petition for an order modifying or setting aside a civil investigative demand. The order may be served on the petitioner via email, facsimile, or any other method reasonably calculated to provide notice of the order to the petitioner.

(f) *Stay of compliance period.* The timely filing of a petition for an order modifying or setting aside a civil investigative demand shall stay the time permitted for compliance with the portion challenged. If the petition is denied in whole or in part, the ruling will specify a new return date.

(g) *Public disclosure.* All such petitions and the Director's orders in response to those petitions are part of the public records of the Bureau unless the Bureau determines otherwise for good cause shown. Any showing of good cause must be made no later than the time the petition is filed.

§ 1080.7 Investigational hearings.

(a) Investigational hearings, as distinguished from hearings in adjudicative proceedings, may be conducted pursuant to a civil investigative demand for the giving of oral testimony in the course of any Bureau investigation, including inquiries initiated for the purpose of determining whether or not a respondent is complying with an order of the Bureau.

(b) Investigational hearings shall be conducted by any Bureau investigator for the purpose of hearing the testimony of witnesses and receiving documentary material, tangible things, or other information relating to any subject under investigation. Such hearings shall be under oath or affirmation and stenographically reported, and a transcript thereof shall be made a part of the record of the investigation. The Bureau investigator conducting the investigational hearing also may direct that the testimony be recorded by audio, audiovisual, or other means, in which case the recording shall be made a part of the record of the investigation as well.

(c) In investigational hearings, the Bureau investigators shall exclude from the hearing room all persons except the person being examined, his or her counsel, the officer before whom the testimony is to be taken, any investigator or representative of an agency with which the Bureau is engaged in a joint investigation, and any individual transcribing or recording such testimony. At the discretion of the Bureau investigator, and with the consent of the person being examined, persons other than those listed in this paragraph may be present in the hearing room. The Bureau investigator shall certify or direct the individual transcribing the testimony to certify on the transcript that the witness was duly sworn and that the transcript is a true record of the testimony given by the witness. A copy of the transcript shall be forwarded promptly by the Bureau investigator to the custodian designated in section 1080.13.

§ 1080.8 Withholding requested material.

(a) Any person withholding material responsive to a civil investigative demand or any other request for

production of material shall assert a claim of privilege not later than the date set for the production of material. Such person shall, if so directed in the civil investigative demand or other request for production, submit, together with such claim, a schedule of the items withheld which states, as to each such item, the type, specific subject matter, and date of the item; the names, addresses, positions, and organizations of all authors and recipients of the item; and the specific grounds for claiming that the item is privileged. The person who submits the schedule and the attorney stating the grounds for a claim that any item is privileged must sign it.

(b) A person withholding material solely for reasons described in this subsection shall comply with the requirements of this subsection in lieu of filing a petition for an order modifying or setting aside a civil investigative demand pursuant to section 1080.6(e).

(c) Disclosure of privileged or protected information or communications produced pursuant to a civil investigative demand shall be handled as follows:

(1) The disclosure of privileged or protected information or communications shall not operate as a waiver with respect to the Bureau if:

(i) The disclosure was inadvertent;

(ii) The holder of the privilege or protection took reasonable steps to prevent disclosure; and

(iii) The holder promptly took reasonable steps to rectify the error, including notifying a Bureau investigator of the claim of privilege or protection and the basis for it.

(2) After being notified, the Bureau investigator must promptly return, sequester, or destroy the specified information and any copies; must not use or disclose the information until the claim is resolved; must take reasonable steps to retrieve the information if he or she disclosed it before being notified; and, if appropriate, may sequester such material until such time as a hearing officer or court rules on the merits of the claim of privilege or protection. The producing party must preserve the information until the claim is resolved.

(3) The disclosure of privileged or protected information or communications shall waive the privilege or protection with respect to the Bureau as to undisclosed information or communications only if:

(i) The waiver is intentional;

(ii) The disclosed and undisclosed information or communications concern the same subject matter; and

(iii) They ought in fairness to be considered together.

§ 1080.9 Rights of witnesses in investigations.

(a) Any person compelled to submit documentary material, tangible things, or written reports or answers to questions to the Bureau, or to testify in an investigational hearing, shall be entitled to retain a copy or, on payment of lawfully prescribed costs, request a copy of the materials, things, reports, or written answers submitted, or a transcript of his or her testimony. The Bureau, however, may for good cause deny such a request and limit the witness to inspection of the official transcript of the testimony. Upon completion of transcription of the testimony of the witness, the witness shall be offered an opportunity to read the transcript of his or her testimony. Any changes by the witness shall be entered and identified upon the transcript by the Bureau investigator with a statement of the reasons given by the witness for making such changes. The transcript shall then be signed by the witness and submitted to the Bureau unless the witness cannot be found, is ill, waives in writing his or her right to signature, or refuses to sign. If the signed transcript is not submitted to the Bureau within 30 calendar days of the witness being afforded a reasonable opportunity to review it, the Bureau investigator, or the individual transcribing the testimony acting at the Bureau investigator's direction, shall sign the transcript and state on the record the fact of the waiver, illness, absence of the witness, or the refusal to sign, together with any reasons given for the failure to sign.

(b) Any witness compelled to appear in person at an investigational hearing may be accompanied, represented, and advised by counsel as follows:

(1) Counsel for a witness may advise the witness, in confidence and upon the initiative of either counsel or the witness, with respect to any question asked of the witness where it is claimed that a witness is privileged to refuse to answer the question. Counsel may not otherwise consult with the witness while a question directed to the witness is pending.

(2) Any objections made under the rules in this part shall be made only for the purpose of protecting a constitutional or other legal right or privilege, including the privilege against self-incrimination. Neither the witness nor counsel shall otherwise object or refuse to answer any question. Any objection during an investigational hearing shall be stated concisely on the record in a nonargumentative and nonsuggestive manner. Following an objection, the examination shall proceed

and the testimony shall be taken, except for testimony requiring the witness to divulge information protected by the claim of privilege or work product.

(3) Counsel for a witness may not, for any purpose or to any extent not allowed by paragraphs (b)(1) and (2) of this section, interrupt the examination of the witness by making any objections or statements on the record. Petitions challenging the Bureau's authority to conduct the investigation or the sufficiency or legality of the civil investigative demand shall be addressed to the Bureau in advance of the hearing in accordance with § 1080.6(e). Copies of such petitions may be filed as part of the record of the investigation with the Bureau investigator conducting the investigational hearing, but no arguments in support thereof will be allowed at the hearing.

(4) Following completion of the examination of a witness, counsel for the witness may, on the record, request that the Bureau investigator conducting the investigational hearing permit the witness to clarify any of his or her answers. The grant or denial of such request shall be within the sole discretion of the Bureau investigator conducting the hearing.

(5) The Bureau investigator conducting the hearing shall take all necessary action to regulate the course of the hearing to avoid delay and to prevent or restrain disorderly, dilatory, obstructionist, or contumacious conduct, or contemptuous language. Such Bureau investigator shall, for reasons stated on the record, immediately report to the Bureau any instances where an attorney has allegedly refused to comply with his or her obligations under the rules in this part, or has allegedly engaged in disorderly, dilatory, obstructionist, or contumacious conduct, or contemptuous language in the course of the hearing. The Bureau will thereupon take such further action, if any, as the circumstances warrant, including actions consistent with those described in 12 CFR 1081.107(c) to suspend or disbar the attorney from further practice before the Bureau or exclude the attorney from further participation in the particular investigation.

§ 1080.10 Noncompliance with civil investigative demands.

(a) In cases of failure to comply in whole or in part with Bureau civil investigative demands, appropriate action may be initiated by the Bureau, including actions for enforcement.

(b) The Director, the Assistant Director of the Office of Enforcement,

and the General Counsel of the Bureau are authorized to:

(1) Institute, on behalf of the Bureau, an enforcement proceeding in the district court of the United States for any judicial district in which a person resides, is found, or transacts business, in connection with the failure or refusal of such person to comply with, or to obey, a civil investigative demand in whole or in part if the return date or any extension thereof has passed; and

(2) Seek civil contempt or other appropriate relief in cases where a court order enforcing a civil investigative demand has been violated.

§ 1080.11 Disposition.

(a) When the facts disclosed by an investigation indicate that an enforcement action is warranted, further proceedings may be instituted in Federal or State court or pursuant to the Bureau's administrative adjudicatory process. Where appropriate, the Bureau also may refer investigations to appropriate Federal, State, or foreign governmental agencies.

(b) When the facts disclosed by an investigation indicate that an enforcement action is not necessary or would not be in the public interest, the investigational file will be closed. The matter may be further investigated, at any time, if circumstances so warrant.

(c) The Assistant Director of the Office of Enforcement and the Deputy Assistant Directors of the Office of Enforcement are authorized to close Bureau investigations.

§ 1080.12 Orders requiring witnesses to testify or provide other information and granting immunity.

The Director has the nondelegable authority to request approval from the Attorney General of the United States for the issuance of an order requiring a witness to testify or provide other information and granting immunity under 18 U.S.C. 6004.

§ 1080.13 Custodians.

(a) The Bureau shall designate a custodian and one or more deputy custodians for material to be delivered pursuant to a civil investigative demand in an investigation. The custodian shall have the powers and duties prescribed by 12 CFR 1070.3 and section 1052 of the Act, 12 U.S.C. 5562. Deputy custodians may perform all of the duties assigned to custodians.

(b) Material produced pursuant to a civil investigative demand, while in the custody of the custodian, shall be for the official use of the Bureau in accordance with the Act; but such material shall upon reasonable notice to the custodian

be made available for examination by the person who produced such material, or his or her duly authorized representative, during regular office hours established for the Bureau.

§ 1080.14 Confidential treatment of demand material and non-public nature of investigations.

(a) Documentary materials, written reports, answers to questions, tangible things or transcripts of oral testimony the Bureau receives in any form or format pursuant to a civil investigative demand are subject to the requirements and procedures relating to the disclosure of records and information set forth in part 1070 of this title.

(b) Bureau investigations generally are non-public. Bureau investigators may disclose the existence of an investigation to potential witnesses or third parties to the extent necessary to advance the investigation.

Dated: June 4, 2012.

Richard Cordray,
Director, Bureau of Consumer Financial Protection.

[FR Doc. 2012-14047 Filed 6-28-12; 8:45 am]

BILLING CODE 4810-AM-P

BUREAU OF CONSUMER FINANCIAL PROTECTION

12 CFR Part 1082

[Docket No. CFPB-2011-0005]

RIN 3170-AA02

State Official Notification Rule

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Final rule.

SUMMARY: The Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010 (Dodd-Frank Act) requires the Bureau of Consumer Financial Protection (Bureau) to prescribe rules establishing procedures that govern the process by which State Officials notify the Bureau of actions undertaken pursuant to the authority granted to the States to enforce the Dodd-Frank Act or regulations prescribed thereunder. This final State Official Notification Rule (Final Rule) sets forth the procedures to govern this process.

DATES: The Final Rule is effective June 29, 2012.

FOR FURTHER INFORMATION CONTACT: Veronica Spicer, Office of Enforcement, Consumer Financial Protection Bureau, 1700 G Street NW., Washington, DC 20552, at (202) 435-7545.

SUPPLEMENTARY INFORMATION:

I. Background

The Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010 (Dodd-Frank Act) was signed into law on July 21, 2010. Title X of the Dodd-Frank Act established the Bureau to regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws. Section 1042 of the Dodd-Frank Act, 12 U.S.C. 5552, governs the enforcement powers of the States under the Dodd-Frank Act. Under section 1042(a), a State attorney general or regulator (State Official) may bring an action to enforce Title X of the Dodd-Frank Act and regulations issued thereunder. Prior to initiating any such action, the State Official is required to provide notice of the action to the Bureau and the prudential regulator, if any, pursuant to section 1042(b) of the Dodd-Frank Act. Section 1042(b) further authorizes the Bureau to intervene in the State Official's action as a party, remove the action to a Federal district court, and appeal any order or judgment.

Pursuant to section 1042(c) of the Dodd-Frank Act, the Bureau is required to issue regulations implementing the requirements of section 1042. On July 28, 2011, the Bureau promulgated the State Official Notification Rule (Interim Final Rule) with a request for comment. The comment period for the Interim Final Rule ended on September 26, 2011. After reviewing and considering the issues raised by the comments, the Bureau now promulgates the Final Rule establishing a procedure for the timing and content of the notice required to be provided by State Officials pursuant to section 1042(b) of the Dodd-Frank Act, 12 U.S.C. 5552(b).

II. Summary of the Final Rule

Like the Interim Final Rule, the Final Rule implements a procedure for the timing and content of the notice required by section 1042(b), sets forth the responsibilities of the recipients of the notice, and specifies the rights of the Bureau to participate in actions brought by State Officials under section 1042(a) of the Dodd-Frank Act. In drafting the Final Rule, the Bureau endeavored to create a process that would provide both the Bureau and, where applicable, the prudential regulators with timely notice of pending actions and account for the investigation and litigation needs of State regulators and law enforcement agencies. In keeping with this approach, the Final Rule provides for a default notice period of at least ten calendar days, with exceptions for emergencies and other extenuating circumstances,

and requires substantive notice that is both straightforward and comprehensive. The Final Rule further makes clear that the Bureau can intervene as a party in an action brought by a State Official under Title X of the Dodd-Frank Act or a regulation prescribed thereunder, provides for the confidential treatment of non-public information contained in the notice if a State so requests, and provides that provision of notice shall not be deemed a waiver of any applicable privilege. In addition, the Final Rule specifies that the notice provisions do not create any procedural or substantive rights for parties in litigation against the United States or against a State that brings an action under Title X of the Dodd-Frank Act or a regulation prescribed thereunder.

III. Legal Authority

Section 1042(c) of the Dodd-Frank Act authorizes the Bureau to prescribe regulations implementing the requirements of section 1042(b). In addition, the Bureau has general rulemaking authority pursuant to section 1022(b)(1) of the Dodd-Frank Act to prescribe rules to enable the Bureau to administer and carry out the purposes and objectives of the Federal consumer financial laws and to prevent evasions thereof.

IV. Overview of Comments Received

In response to the Interim Final Rule, the Bureau received several comments. Four letters were received from associations representing the financial industry, two letters were received from financial industry regulators and supervisors, and one letter was received from an individual consumer. The Bureau also received a comment letter from a financial industry regulator in response to its *Federal Register* notification of November 21, 2011, regarding the information collection requirements associated with the Interim Final Rule pursuant to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13: All of the comments are available for review on www.regulations.gov.

The financial industry associations' comments fell into several general categories. Several comments expressed concerns about the Bureau's ability to maintain confidentiality for notification materials received by the Bureau. Other commenters requested clarity as to the type of actions for which the Bureau requires notification. One commenter requested that the Bureau require uniform interpretation by States of all Federal law within the Bureau's jurisdiction.

Civil Investigative Demand Document Submission Standards

CFPB Office of Enforcement

CID Document Submission Standards

This describes the technical requirements for producing electronic document collections to the Consumer Finance Protection Bureau (“the Bureau”)’s Office of Enforcement. All documents shall be produced in complete form, in color when necessary to interpret the document, unredacted unless privileged, and shall not be edited, cut, or expunged. These standards must be followed for all documents you submit in response to the CID. Any proposed file formats other than those described below must be discussed with the legal and technical staff of the Bureau’s Office of Enforcement prior to submission.

Table of Contents

<i>CID Document Submission Standards</i>	2
<i>Table of Contents</i>	3
<i>A. Transmittal Instructions</i>	4
<i>B. Delivery Formats</i>	6
1) General ESI Standards	6
2) Native and Image Production	7
a) Metadata File	7
b) Document Text.....	9
c) Linked Native Files.....	10
d) Images	10
e) Image Cross Reference File	10
3) PDF File Production	11
4) Transactional Data	11
5) Audio/Video/Electronic Phone Records	12
<i>C. Production of Partially Privileged Documents</i>	14

A. Transmittal Instructions

- 1) A cover letter should be included with each production. The following information should be included in the letter:
 - a) Name of the party making the production and the date of the CID to which the submission is responsive.
 - b) List of each piece of media (hard drive, thumb drive, DVD or CD) included in the production (refer to the media by the unique number assigned to it, see ¶ 4)
 - c) List of custodians, identifying:
 - i) The Bates Range (and any gaps therein) for each custodian,
 - ii) Total number of images for each custodian, and
 - iii) Total number of native files for each custodian
 - d) List of fields in the order in which they are listed in the metadata load file.
 - e) Time zone in which emails were standardized during conversion (email collections only).
 - f) The specification(s) or portions thereof of the CID to which the submission is responsive.
- 2) Documents created or stored electronically **MUST** be produced in their original electronic format, not converted to another format such as PDF.
- 3) Data may be produced on CD, DVD, USB thumb drive, or hard drive; use the media requiring the least number of deliverables.
 - a) Magnetic media shall be carefully packed to avoid damage and must be clearly marked on the outside of the shipping container:
 - i) "MAGNETIC MEDIA – DO NOT USE METAL DETECTOR"
 - ii) "MAY BE OPENED FOR POSTAL INSPECTION"
 - b) CD-R CD-ROMs should be formatted to ISO 9660 specifications;
 - c) DVD-ROMs for Windows-compatible personal computers are acceptable;
 - d) USB 2.0 thumb drives for Windows-compatible personal computers are acceptable;

- e) USB 3.0 or USB 3.0/eSATA external hard disk drives, formatted in a Microsoft Windows-compatible file system (FAT32 or NTFS), uncompressed data are acceptable.
- 4) Label all media with the following:
 - a) Production date
 - b) Bates range
 - c) Disk number (1 of X), if applicable
 - d) Name of producing party
 - e) A unique production number identifying each production
- 5) All productions must be produced free of computer viruses. Infected productions may affect the timing of your compliance with the CID.
- 6) All produced media must be encrypted. Encryption format must be agreed upon prior to production.
 - a) Data deliveries should be encrypted at the disc level.
 - b) Decryption keys should be provided separately from the data delivery via email or phone.
- 7) Passwords for documents, files, and compressed archives should be provided separately either via email or in a separate cover letter from the data.

B. Delivery Formats

1) General ESI Standards

Before submitting any Electronically Stored Information (“ESI”) or any other documents submitted in electronic form that do not conform completely to the listed specifications, you must confirm with the Bureau that the proposed formats and media types that contain such ESI will be acceptable. You are encouraged to discuss your specific form of submission, and any related questions with the Bureau as soon as is practicable and not later than the Meet and Confer required pursuant to 12 C.F.R. § 1080.6(c).

All productions must follow the specifications outlined below:

De-duplication

De-duplication of documents should be applied across custodians (global); each custodian should be identified in the Custodian field in the metadata load file separated by semi-colon. The first name in the Custodian list should represent the original holder of the document.

Bates Numbering Documents

The Bates number must be a unique, sequential, consistently formatted identifier, i.e., an alpha prefix unique to each producing party along with a fixed length number, i.e., ABC0000001. This format must remain consistent across all productions. There should be no space in between the prefix and the number. The number of digits in the numeric portion of the format should not change in subsequent productions, nor should hyphens or other separators be added or deleted.

Document Retention / Preservation of Metadata

The recipient of this CID should use reasonable measures to maintain the original native source documents in a manner so as to preserve the metadata associated with these

electronic materials as it existed at the time of the original creation.

2) Native and Image Production

In general, and subject to the specific instructions below: (1) produce electronic documents in their complete native/original format along with corresponding bates-labeled single page TIFF images; (2) scan and process all paper documents into single page TIFF images, OCR the images, and apply bates numbers to each page of the image; (3) produce fully searchable document level text for every produced document; and (4) produce metadata for every produced document in a data file that conforms to the specific instructions below.

a) Metadata File

All produced documents, regardless of their original file format, must be produced with the below-described metadata fields in a data file (.DAT).

- i) The first line of the .DAT file must be a header row identifying the field names.
- ii) The .DAT file must use the following default delimiters:

TABLE 1: DAT FILE DELIMITERS

Comma	,	ASCII character (020)
Quote	"	ASCII character (254)
Newline	␣	ASCII character (174)

- iii) Date fields should be provided in the format: mm/dd/yyyy
- iv) All attachments should sequentially follow the parent document/email.
- v) All documents shall be produced in both their native/original form and as a corresponding bates-labeled single page TIFF image; provide the link to the original/native document in the NATIVELINK field.
- vi) Produce extracted metadata for each document in the form of a .DAT file, and include these fields (fields should be listed but left blank if not applicable):

TABLE 2: DAT FILE FIELDS

Field Name	Description
BATES_BEGIN	First Bates number of native file document/email
BATES_END	Last Bates number of native file document/email **The BATES_END field should be populated for single page documents/emails
ATTACH_BEGIN	First Bates number of attachment/family range
ATTACH_END	Last Bates number of attachment/family range
GROUP_ID	A unique family identifier used to link documents/emails and attachments
PRIV	Indicate "YES" if document has a Privilege claim
ROG_NUM	Indicate Interrogatory number(s) document is responsive to. (ROG ##) If multiple, separate by semi-colon
DR_NUM	Indicate Document Request document is responsive to. (DR ##) If multiple, separate by semi-colon
RECORDTYPE	Email: Populate field as "E-Mail" Attachment: Populate field as "Attachment" Email Attachment: Populate field as "Attachment (E-mail)" Loose Native: Populate field as "E-Document" Scanned Paper: Populate field as "Paper"
CUSTODIAN	Individual(s) or department(s) from which the record originated **semi-colon should be used to separate multiple entries
FROM	Email: Sender of email Non-email: (empty) **semi-colon should be used to separate multiple entries
TO	Email: Recipient(s) of email **semi-colon should be used to separate multiple entries
CC	Carbon copy recipient(s) **semi-colon should be used to separate multiple entries
BCC	Blind carbon copy recipient(s) **semi-colon should be used to separate multiple entries
SUBJECT	Subject line of the email
DATE_SENT	Email: Date the email was sent
TIME_SENT	Email: Time the email was sent **This data must be a separate field and cannot be combined with the DATE_SENT field

DATE_RECVD	Email: Date the email was received
TIME_RECVD	Email: Time the email was received
NATIVELINK	Hyperlink to the email or native file document **The linked file must be named per the BATES_BEGIN Number
FILE_EXT	The file extension representing the email or native file document
AUTHOR	Email: (empty) Non-email: Author of the document
DATE_CREATED	The date the electronic file was created
TIME_CREATED	The time the electronic file was created
DATE_MOD	Date an electronic file was last modified
TIME_MOD	Time an electronic file was last modified
PRINT_DATE	Date the document was last printed
PRINT_TIME	Time the document was last printed
FILE_SIZE	Size of native file document/email in KB
PGCOUNT	Number of pages in document/email
SOURCE	Email: Path to email container and email container name Non-email: Original path to source archive folder or files
FOLDERPATH	Email: Folder path within email container Non-email: Folder path to file
FILENAME	Email: Filename of loose email or subject of non-loose email Non-email: original file name
MD5HASH	The 32 digit value representing each unique document
TEXTPATH	Contains path to OCR/Extracted text file that is titled after the document BATES_BEGIN

b) Document Text

Searchable text of the entire document must be provided for every record, at the document level.

- i) Extracted text must be provided for all documents that originated in electronic format.

Note: Any document in which text cannot be extracted must be OCR'd.

- ii) For documents redacted on the basis of any privilege, provide the OCR text for unredacted/unprivileged portions.
- iii) The text should be delivered in the following method: As multi-page ASCII text

files with the files named the same as the Bates_Begin field. Text files can be placed in a separate folder or included with the .TIFF files.

c) Linked Native Files

Copies of original email and native file documents/attachments must be included for all electronic productions.

- i) Native file documents must be named per the BATES_BEGIN number (the original file name should be preserved and produced in the FILENAME metadata field).
- ii) The full path of the native file must be provided in the .DAT file in the NATIVELINK field.

d) Images

- i) Images should be single-page, Group IV TIFF files, scanned at 300 dpi.
- ii) File names should be titled per endorsed bates number.
- iii) Color should be preserved when necessary to interpret the document.
- iv) Bates numbers should be endorsed on the lower right corner of all images.
- v) For documents partially redacted on the basis of any privilege, ensure the redaction box is clearly labeled "REDACTED".

e) Image Cross Reference File

- i) The image cross-reference file is needed to link the images to the database. It is a comma-delimited file consisting of seven fields per line. There must be a line in the cross-reference file for every image in the database.

TABLE 3: IMAGE CROSS REFERENCE FILE FIELDS

Field Title	Description
ImageID	The unique designation use to identify an image.
	<i>Note: This imageID key must be a unique and fixed length number. This number will be used in the .DAT file as the ImageID field that links the database to the images. The format of this image key must be consistent across all productions. We recommend that the format be an eight digit number to allow for the possible increase in the size of a production.</i>
VolumeLabel	Optional
ImageFilePath	The full path to the image file.
DocumentBreak	The letter "Y" denotes the first page of a document. If this field is blank, then the page is not the first page of a document.
FolderBreak	Leave empty

BoxBreak	Leave empty
PageCount	Optional
<i>*This file should not contain a header row.</i>	

SAMPLE:

IMG0000001,OPTIONALVOLUMENAME,E:\001\IMG0000001.TIF,Y,,,3
 IMG0000002,OPTIONALVOLUMENAME,E:\001\IMG0000002.TIF,,,,
 IMG0000003,OPTIONALVOLUMENAME,E:\001\IMG0000003.TIF,,,,
 IMG0000004,OPTIONALVOLUMENAME,E:\001\IMG0000003.TIF,Y,,,1
 IMG0000005,OPTIONALVOLUMENAME,E:\001\IMG0000003.TIF,Y,,,2
 IMG0000006,OPTIONALVOLUMENAME,E:\001\IMG0000003.TIF,,,,

3) PDF File Production

When approved, Adobe PDF files may be produced in lieu of TIFF images for scanned paper productions (metadata must also be produced in accordance with the instructions above):

- a) PDF files should be produced in separate folders named by the Custodian.
- b) All PDFs must be unitized at the document level, i.e. each PDF should represent a discrete document; a single PDF cannot contain multiple documents.
- c) All attachments should sequentially follow the parent document.
- d) All PDF files must contain embedded text that includes all discernible words within the document, not selected text only. This requires all layers of the PDF to be flattened first.
- e) If PDF files are Bates endorsed, the PDF files must be named by the Bates range
- f) The metadata load file listed in 2.a. should be included.

4) Transactional Data

If transactional data must be produced, further discussion must be had to ensure the intended export is properly composed. If available, a data dictionary should accompany the production, if unavailable; a description of fields should accompany transactional data productions. The following formats are acceptable:

- SQL Backup file
- MS Access
- XML
- CSV

- TSV
- Excel (with prior approval)

5) Audio/Video/Electronic Phone Records

- a) Audio files must be produced in a format that is playable using Microsoft Windows Media Player. Types of audio files that will be accepted include:
- Nice Systems audio files (.aud). AUD files offer efficient compression and would be preferred over both NMF and WAV files.
 - Nice Systems audio files (.nmf).
 - WAV Files
 - MP3, MP4
 - WMA
 - AIF

Produced audio files must be in a separate folder compared to other data in the production.

Additionally, the call information (metadata) related to each audio recording must be produced if it exists. The metadata file must be produced in delimited text format (DAT, CSV, or TXT), using a tab or pipe delimiter. Field names must be included in the first row of the metadata file. Please note that the field names are case sensitive and should be created as listed below. The metadata must include, if available, the following fields:

TABLE 4: AUDIO METADATA FIELDS

Field Name	Description
AgentName	Name of agent/employee
AgentId	Unique identifier of agent/employee
Group	Name for a collection of agents
Supervisor	Name of the Agent's supervisor
Site	Location of call facility
DNIS	Dialed Number Identification Service, identifies the number that was originally called

Extension	Extension where call was routed
CallDirection	Identifies whether the call was inbound, outbound, or internal
CallType	Purpose of the call
DURATION	Duration of call
CustomerId	Customer's Identification number
CustomerCity	Customer's city of residence
CustomerState	Customer's state of residence
CallDateTime	Date and start time of call (MM/DD/YYYY HH:MM:SS)
CUSTOMERNAME	Name of person called
FileName	Filename of audio file
BATES_BEGIN	Unique number of the audio file
CALLEDPARTYNUMBER	The call center or phone number called
CALLSIZE	File size of audio file
CALLSERVICE	Call service code
MD5HASH	The 32 digit value representing each unique document
DOC_REQ	Document request number to which the file is responsive
CUSTODIAN	Individual(s) or department(s) from which the recording originated
FOLDERPATH	Folder path of the audio file in the original source
SOURCE	Original path to where the source file resided
TIMEZONE	The time zone of the original call
GROUPOID	A unique group identifier for grouping multiple calls
CODEC	Encoding/decoding of the audio digital stream
BITRATE	The number of bits that are conveyed or processed per unit of time

Supported Date Format	Example
mm/dd/yyyy hh:mm:ss am/pm	01/25/1996 10:45:15 am

The filename is used to link the metadata to the produced audio file. The file name in the metadata and the file name used to identify the corresponding audio file must match exactly.

- b) Video files must be produced in a format that is playable using Microsoft Windows

Media Player along with any available metadata. If it is known that the video files do not contain associated audio, indicate this in the accompanying transmittal letter.

Types of video files accepted include:

- MPG
- AVI
- WMV
- MOV
- FLV

C. Production of Partially Privileged Documents

If a portion of any material called for by this CID is withheld based on a claim of privilege, those portions may be redacted from the responsive material as long as the following conditions are met.

- a) If originally stored as native electronic files, the image(s) of the unredacted portions are submitted in a way that preserves the same appearance as the original without the redacted material (i.e., in a way that depicts the size and location of the redactions). The OCR text will be produced from the redacted image(s). Any redacted, privileged material should be clearly labeled to show the redactions on the tiff image(s). Any metadata not being withheld for privilege should be produced in the DAT file; any content (e.g., PowerPoint speaker notes, Word comments, Excel hidden rows, sheets or columns) contained within the native and not being withheld for privilege should be tiffed and included in the production.
- b) If originally in hard copy form, the unredacted portions are submitted in a way that depicts the size and location of the redactions; for example, if all of the content on a particular page is privileged, a blank, sequentially numbered page should be included in the production where the responsive material, had it not been privileged, would have been located.

From: [Reiferson, Barry \(CFPB\)](#)
To: [Naylor, Jonathan \(CFPB\)](#); [Clark, Mary \(Susie\)\(CFPB\)](#); [Fiene, Laura \(CFPB\)](#)
Cc: [Coon, Clayton \(CFPB\)](#); [Young, Christopher \(CFPB\)](#); [Hendricks, David \(CFPB\)](#); [Vazire, Navid \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#); [Ledbetter, Roshonda](#)
Subject: Notice of Issuance of CID to Wells Fargo Bank, N.A. on May 13, 2016
Date: Friday, May 13, 2016 4:41:31 PM
Attachments: [2016.05.13 Wells Fargo CID.pdf](#)

Bureau colleagues,

Attached please find a courtesy copy of a civil investigative demand the Office of Enforcement issued to Wells Fargo Bank, N.A. today, May 13, 2016. The CID was sent to Anand Raman at Skadden, counsel to Wells Fargo, via certified mail and electronic mail. Any questions regarding the CID should be directed to me, Lawrence Brown, or Leanne Hartmann.

Best,
Barry

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: [Ledbetter, Roshonda \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Subject: Wells Fargo CID
Date: Monday, March 21, 2016 11:36:41 AM
Attachments: [3.21.16 Well Fargo.pdf](#)

From: [Goldblatt, Stefanie Isser \(CFPB\)](#)
To: [Reiferson, Barry \(CFPB\)](#); [Gonsalves, Roshonda](#); [Lohr, Douglas \(CFPB\)](#); [Brown, Lawrence \(CFPB\)](#)
Cc: [Hartmann, Leanne \(CFPB\)](#)
Subject: RE: Wells Fargo Sales Practices (still waiting for Legal to approve pending requests)
Date: Monday, September 19, 2016 4:20:17 PM

Thanks!

Roshonda, will you get these to Doug to be put onto the disk?

Stefanie Isser Goldblatt

Senior Litigation Counsel
Office of Enforcement
Northeast Regional Office
Consumer Financial Protection Bureau
Tel: 212-328-7009
Stefanie.Goldblatt@cfpb.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Reiferson, Barry (CFPB)
Sent: Monday, September 19, 2016 4:13 PM
To: Goldblatt, Stefanie Isser (CFPB); Gonsalves, Roshonda; Lohr, Douglas (CFPB); Brown, Lawrence (CFPB)
Cc: Hartmann, Leanne (CFPB)
Subject: RE: Wells Fargo Sales Practices (still waiting for Legal to approve pending requests)

Here is the redacted (b) transcript. (My apologies for the white instead of black redactions. They were done before I realized the setting.)

The Pyles and MacDuff transcripts need no redactions.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Goldblatt, Stefanie Isser (CFPB)
Sent: Monday, September 19, 2016 12:26 PM
To: Gonsalves, Roshonda; Lohr, Douglas (CFPB); Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: RE: Wells Fargo Sales Practices (still waiting for Legal to approve pending requests)

Thanks, (b) (5), (b) (7)(A)

From: Gonsalves, Roshonda
Sent: Monday, September 19, 2016 12:21 PM
To: Goldblatt, Stefanie Isser (CFPB); Lohr, Douglas (CFPB); Brown, Lawrence (CFPB)
Cc: Reiferson, Barry (CFPB)
Subject: RE: Wells Fargo Sales Practices (still waiting for Legal to approve pending requests)

Hi,

(b) (8)

Thanks,

Roshonda Ledbetter Gonsalves
Paralegal Specialist | Enforcement
Office: (212) 328-7002 (b) (6) Mobile
Consumer Financial Protection Bureau

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From: Goldblatt, Stefanie Isser (CFPB)
Sent: Monday, September 19, 2016 10:53 AM
To: Lohr, Douglas (CFPB); Brown, Lawrence (CFPB); Gonsalves, Roshonda
Cc: Reiferson, Barry (CFPB)
Subject: RE: Wells Fargo Sales Practices (still waiting for Legal to approve pending requests)

Perfect.

Roshonda is going to work with you to take out certain documents in relativity that shouldn't be produced (b) (5), (b) (8)

From: Lohr, Douglas (CFPB)
Sent: Monday, September 19, 2016 10:22 AM
To: Brown, Lawrence (CFPB)
Cc: Goldblatt, Stefanie Isser (CFPB)
Subject: RE: Wells Fargo Sales Practices (still waiting for Legal to approve pending requests)

+Stephanie

OK, I have 3 disks on my desk with Exhibits, 1-28, that they requested. I believe these files are IH exhibits. I will hold onto the disks until I hear otherwise and I will hold off on the Relativity production as well.

Doug

From: Brown, Lawrence (CFPB)
Sent: Monday, September 19, 2016 10:19 AM
To: Lohr, Douglas (CFPB)
Subject: Wells Fargo Sales Practices (still waiting for Legal to approve pending requests)
Importance: High

Doug,

Although we have received a number of access requests, the Legal Division still has not granted any of them since the settlement. Please do not transmit anything until we can provide you with documentation that a particular access request has been approved.

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116
Mobile: (b) (6)
Fax: (202) 435-7722

consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Subject: FW: RE: Wells Fargo.
Date: Friday, April 08, 2016 4:41:50 PM
Attachments: (b) (8), (b) (5)

This message was sent securely using ZixCorp.

Part 4 - this is the last one.

--- Originally sent by steven.son@lacity.org on Apr 8, 2016 1:39 PM ---

Part 3. (More attachments.)

--- Originally sent by steven.son@lacity.org on Apr 8, 2016 1:36 PM ---

Part 2 of this e-mail chain. (With additional attachments.)

--- Originally sent by steven.son@lacity.org on Apr 8, 2016 1:33 PM ---

Lawrence,

We thought we had a productive call today. (b) (5), (b) (8)

[REDACTED]

Thanks,

Steve

This message was secured by [ZixCorp](#)^(R).

From: [Reiferson, Barry \(CFPB\)](#)
To: [Ehrlich, Jeffrey \(CFPB\)](#); [Wells, John \(CFPB\)](#); [Hartmann, Leanne \(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: hot off the cyber press
Date: Friday, June 10, 2016 9:42:43 AM
Attachments: [NELP-Report-Banking-on-the-Hard-Sell.pdf](#)

And the cited report is attached here.

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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From: Reiferson, Barry (CFPB)
Sent: Friday, June 10, 2016 9:36 AM
To: Ehrlich, Jeffrey (CFPB); Wells, John (CFPB); Hartmann, Leanne (CFPB)
Cc: Brown, Lawrence (CFPB)
Subject: hot off the cyber press

<http://www.latimes.com/business/la-fi-bank-sales-tactics-20160608-snap-story.html>

Barry Reiferson
Enforcement Attorney
Office: 212-328-7020 | Mobile: (b) (6)

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Banking on the Hard Sell: Low Wages and Aggressive Sales Metrics Put Bank Workers and Customers at Risk

By Anastasia Christman

Executive Summary

In the aftermath of the Great Recession, regulators reined in damaging bank practices like those concerning mortgages and launched investigations of others such as overdraft fees. These new rules diminished the income streams from these practices. However, big banks continue to implement practices and policies that hurt customers and boost profits. Among these lucrative practices is the use of aggressive sales metrics and incentives programs to encourage front-line workers to push multiple banking “solutions,” or products, on often unwitting customers. As each product comes with its own set of rules and fees, customers’ financial standing can be damaged and their credit rating destroyed, and they can spend years paying for products they didn’t really need. At the same time, workers laboring under these onerous quota systems experience hostile work conditions, excessive stress, and uncertain incomes that make caring for themselves and their families nearly impossible.

Banking on the Hard Sell incorporates information gleaned from class action lawsuits, landscape literature on banking practices, and interviews with dozens of workers employed by numerous banks in many positions to investigate the dangers of aggressive sales metrics to customers and workers alike. We find that workers suffer harassment and threats in order to make ever-changing over-aggressive quotas, and that low base wages mean they need to put their own financial interests above those of the customers. We note that at least one large U.S. bank, Amalgamated, does not use these types of quotas and that in other countries, agreements between bank workers and their employers ensure decent quality jobs and banking practices that put the customer first.

Key Findings

- Even six years after launching new consumer protections, the number of complaints to the federal Consumer Financial Protection Bureau (CFPB) concerning “Bank Account or Services” and “Debt Collection” continue to rise.
- Fees and service charges on deposit accounts, credit cards, and other products accounted for more than a quarter of revenues at one big bank, Wells Fargo, while “Commission and Incentive Compensation” expenses totaled only half of that windfall, meaning that the

employees who sell the products that bring in millions of dollars for their employer reap less than half the reward, with the banks pocketing the rest.

- Workers speak out:
 - A Maryland SunTrust worker says that “the goals are constantly shifting. If you don’t hit your goal, it goes up 5 percent. If you do hit your goal, it goes up 10-15 percent.”
 - A California teller recalled, “God forbid you went home without solutions. You could be subjected to ridicule for not meeting goals.”
 - Several workers note that managers would look the other way when documentation verifying identity was lacking or when forms were turned in signed but not filled in.
 - Another worker with experience at both SunTrust and Bank of America recalled, “Managers really pushed me to ignore it when consumers say no.”
 - One Minnesota U.S. Bank collections worker said, “There was a constant battle of how you do right for the customer without sacrificing, you know, not paying a light bill or having shoes for the kids going back to school. You can’t make that sacrifice.”
- Banks in other countries—often the same banks that operate in the United States—work with bank workers to establish codes of conduct regarding sales quotas that ensure business success while still protecting customers and ensuring decent working conditions.

Introduction

With news of the recession and the mortgage crisis largely pushed off the nation’s front pages, big banks are no longer under so much public scrutiny nor the object of so much public disapproval. Meanwhile, they’ve been profiting in ways that hurt customers and their own employees alike. Bank employees walk a tightrope between offering customer service and financial advice and selling products to profit their employer, and the employer is the only one who benefits. Bank employees we interviewed reported high stress, mental distress, and physical ailments due to overwhelming pressure to sell banking products. One Bank of America worker, who ended up with an ulcer and vomiting blood after a dozen years in the industry, recalled a meeting when a coworker explained why he didn’t offer to sell a product. “He said the account was overdrawn and the customer said she was out of work and had just lost her job,” he remembered. “The manager told the worker that they should have offered a credit card because it’s not our responsibility for them to pay the bill, just to make the sale.”¹

“It’s not our responsibility for [customers] to pay the bill, just to make the sale.”

—Bank of America manager to worker on pushing credit cards

In the recession’s aftermath, regulatory agencies implemented new rules that cut into the cash streams created by subprime mortgages and massive overdraft charges, which fed big bank profit columns.² Yet, the country’s biggest banks saw impressive profit gains in the years following the recession—impressive even as compared to the profit rates they enjoyed during the boom years leading up to it.³ And while the big banks see some quarterly losses due to volatile market conditions, they report increased sales of credit cards and customer accounts.⁴ They may report lower revenues in investment banking, but their consumer

banking businesses remain profitable, with Wells Fargo, Bank of America, and J.P. Morgan all seeing increases of 3 to 4 percent in the first three months of the year.⁵ Overdraft fees at the 628 banks reporting to the Federal Financial Institutions Examination Council totaled \$11.16 billion and accounted for 5.5 percent of their pre-tax profits.⁶ In the first quarter of 2016, Bank of America issued about 1.2 million new credit cards, Wells Fargo reported a steady \$459 billion in consumer loans, and Citibank saw a significant increase in its average card loans in North America.⁷ Five years ago, a former Wall Street banker admitted that “the customer is simply an income stream and exploiting that is the purpose of the banking organization.”⁸ Last year, critics observed that Americans spent more on bank overdraft charges in 2013 (\$32 billion) than what the country spends on fresh vegetables.⁹

Bank CEOs are reaping big rewards. Bank of America CEO Brian Moynihan will take home \$16 million this year, a 23 percent raise from last year, while Michael Corbat of Citi received a 27 percent bump to \$3.5 million and Jamie Dimon of J.P. Morgan received a whopping 35 percent raise. As *Fortune* magazine points out, the average bank CEO takes home approximately 455 times the average American worker’s salary.¹⁰ As big banks ring up profits off customer fees and monthly charges, front-line bank employees still labor under extreme pressure to push dangerous products on unwitting customers. Aggressive sales quotas rest on low employee wages and complicated commission and incentive programs, creating a moral dilemma for millions of low-wage hourly workers who must balance protecting customers’ financial needs with meeting those of their own families. From numerous unnecessary credit cards, to multiple accounts and complicated financial tools they may not understand (each with its own set of fees and requirements), customers may find themselves struggling with unneeded products and unanticipated financial hardships as a result of these sales requirements. At the same time, bank workers suffer extreme stress in the workplace to meet these quotas and physical and mental problems at home trying to reconcile daily practices that feel unethical even if they are not, strictly speaking, illegal.

So long as individual workers, teams, branches, call centers, loan offices, and managers are all judged—and paid—based on their ability to meet onerous and ever-changing quotas, everyone suffers under this system. While the sales metrics systems remain in place for front-line workers—along with the accompanying bullying, threats of termination, and strong monetary incentives—there appears to be little indication that the big banks have set aside their view of customers as “simply an income stream” and workers as simply sales machines.

This paper reveals the responses to the sales quota system from workers themselves in the context of extensive literature on current consumer banking practices. Many of these critiques center on Wells Fargo which, as the defendant in several lawsuits, has been the subject of the most intense scrutiny. However, coupled with responses from bank workers from a variety of banks to a set of 75 informational interviews conducted in 18 different states, it becomes clear that Wells Fargo is not alone in implementing these policies. These workers, some current and some former bank employees, represent a variety of positions ranging from branch tellers to workers staffing collections call centers to branch managers. Taken together, their impressions about the dangers of the sales quota incentive systems in place in most big banks are troubling.

These testimonies highlight a variety of questionable sales tactics that workers are encouraged to use every day with banking customers and the harms they do to consumer finances and credit reports. It is critical for workers and customers alike that policymakers continue to reform the banking system and address these practices. In this paper, we suggest some examples from which U.S. policymakers might learn best practices.

Who Are the Bank Workers?

Roughly 1.7 million men and women work in retail banking, nearly half of whom are either bank tellers or customer service workers. They are overwhelmingly women (84.3 percent), and nearly one in three makes less than \$15 an hour. Bank tellers, the single largest occupation within this category, have a median hourly wage of \$12.44.¹¹ These wages have been stagnant for decades; the value of a teller's wages has been dropping since the 1970s.¹² With wages this low, it is little surprise that so many workers must fall back onto publicly funded safety net programs to support themselves and their families. In 2014, researchers at the University of California, Berkeley, found that nearly one-third of tellers' families were enrolled in one or more such programs (the Earned Income Tax Credit, Medicaid and/or CHIP healthcare programs, Supplemental Nutrition/Food Stamps, and TANF) at a public cost to taxpayers of nearly \$900 million per year.¹³ Thus it is also understandable that these workers would become concerned about and dependent on commission-based incentive pay offered on top of these wages for selling various banking products to customers.

The pressure to do so is extreme. According to recent studies, only about 13 percent of customer interactions with their bank involve entering a brick and mortar branch,¹⁴ which can explain in part the extraordinary pressure workers in those locations feel to offer a long list of products to every customer who walks through the door. Workers in call centers staffing phones are presented with rigid scripts and quotas to close payment commitments on outstanding bills or to sell new financial products every few minutes. As one Wells Fargo branch operations manager recalled, "I practically chase customers out the door hawking unwanted credit and debit card accounts to a clientele hailing largely from African-American communities that have already been ravaged by foreclosure and predatory lending."

What Are the Bad Banking Practices and Policies?

Banks have long counted on various fees and charges on their customers to lift their bottom line. New regulations after the Great Recession cut into some of these income streams. For example, new rules implemented in 2010 made it difficult to change the order in which transactions were processed to maximize overdraft charges or impose fees on debit and automated-teller-machine transactions unless a customer actively opted to participate in overdraft protection programs.¹⁵ By 2015, bank filings show this line item was 4 percent lower than the year before.¹⁶ After these practices were publicized and the newly formed Consumer Financial Protection Bureau (CFPB) began investigating them, more big banks began voluntarily adopting fee disclosure forms. While workers report that sometimes these forms are not properly used and they are not encouraged to educate consumers, there has nonetheless been some measurable success in addressing these harmful practices.¹⁷ As the Center for Responsible Lending pointed out, not only do abusive consumer banking practices

hurt customers' balance sheets, they also "crowd out better products by removing incentives for banks to offer lower-cost" options.¹⁸

This is why the perseverance of aggressive sales quotas and incentives programs at the nation's biggest banks is so disturbing. Without increased oversight and regulatory reform, these practices will continue to hurt workers and customers alike in order to boost the banks' bottom line. And customers are unhappy: complaints to the CFPB about "Bank Account or Services" have increased 34 percent from 2014-15 to 2015-16. In February of 2016, debt collection achieved the dubious distinction of being the single greatest source of complaints, constituting more than one-quarter of all complaints filed with the agency.¹⁹

Without enforced safeguards for customers, the banks have little incentive to stop these practices. As Wells Fargo assured shareholders, "Noninterest income was relatively stable in 2015 compared with a year ago, reflecting our ability to generate fee income despite fluctuations in market sensitive revenue."²⁰ Indeed, service charges on deposit accounts held steady at \$5.17 million (6 percent of revenue), and card fees brought in another \$3.7 million (4 percent of revenue). Other types of fees accounted for an additional \$18.7 million (21 percent of revenue). At the same time, the line item for "Commission and Incentive Compensation" expenses totaled \$10.4 million, meaning that the employees who sell the products that bring in millions of dollars for their employer aren't seeing the rewards in their paychecks.

Aggressive Sales Metrics Hurt Customers

In late 2013, the *Los Angeles Times* published the accounts of workers employed at Wells Fargo facilities across the country, revealing the aggressive sales quota systems in place there and the potential harms they caused to customers.²¹ By spring of 2015, the Los Angeles City Attorney's Office had filed a lawsuit on behalf of California customers of the bank, alleging that the San Francisco-based bank was engaged in unfair business practices by misusing personal customer information without consent or even notification.²² Six months later, *The Wall Street Journal* reported that the Office of the Comptroller of the Currency and the San Francisco Federal Reserve were also investigating the practices at Wells Fargo.²³

The Los Angeles City Attorney's Office uses language in its filing that makes the severity with which they view the dangers of the sales quota system quite clear: words like "victimized," "pernicious," "unrealistic," and "fraudulent" indicate the dangers it sees for customers and the dilemma faced by workers. Based on information given by numerous employees, the suit characterizes the working conditions as "unrelenting pressure" and notes that managers "constantly hound, berate, demean and threaten employees to meet these unreachable quotas." It seeks a stop to the practices, financial restitution to the victims where appropriate, and civil penalties levied on the bank.

This effort is not the first in California to try to redress unfair banking practices that hurt customers, though it is the first attempt to directly take on the aggressive marketing of retail consumer debt vehicles by a big bank. In 2012, Los Angeles followed the example set in Cleveland, Boston, New York, Philadelphia, and Pittsburgh of responsible banking ordinances, building on Community Reinvestment Act laws, to ensure that banks that seek to manage public funds commit to fair lending and mortgage practices in underserved

communities.²⁴ And nationally, in 2010 federal regulators required that customers actively opt-in to overdraft protection programs and are currently investigating other practices designed to maximize overdraft charges.²⁵ Furthermore, the CFPB solicits information from current and former employees of financial institutions concerning consumer protection violations.²⁶ However, given the ubiquity of these sales programs not just at Wells Fargo but at all the big banks, the potential danger to the financial well-being of area families, and the challenges that low-wage workers face in standing up to the pressure to engage in unethical behavior, it is clear that stronger safeguards need to be in place regulating the use of sales quotas in retail banking. As one Los Angeles-based Wells Fargo personal banker stated, “Wells Fargo wants customers to succeed financially while ripping them off through overdraft and monthly fees, and all the other unnecessary products they were pushed to get in order to increase the monthly fees and interest.”

“[The bank] wants customers to succeed financially while ripping them off through overdraft and monthly fees.”

—Wells Fargo personal banker

In March of 2016 alone, almost one-fifth of the more than 115,000 California consumer complaints filed with the CFPB dealt with bank accounts or services, credit cards, or other financial services. If one assumes that at least some of the 16,000 credit reporting complaints and 28,000 debt collecting complaints also originated in unwanted products or services pushed to meet worker sales quotas, it becomes clear that these practices could create serious trouble for consumers.²⁷ And with 12,000 of the state’s nearly 44,000 bank tellers, Los Angeles is the metropolitan area with the second-highest employment level in this occupation in the country (second only to the Greater New York City area), a significant number of workers laboring under stressful and troubling sales metric quotas.²⁸ Based on the information that has come to light about this element of routine banking practices since the responsible banking ordinance was last revised, the Los Angeles City Council needs to consider the dangers of aggressive sales quotas on its residents—retail banking customers and banking workers alike—and implement measures to safeguard against the unnecessary sale of banking products.

The California lawsuit is premised on the fact that practices come with numerous dangers for consumers. They may accrue fees for unknown accounts, and failing to pay them can result in accounts going to a collection agency. Unauthorized credit cards or other loans may negatively affect credit reports, making it difficult for consumers to qualify for purchases later. As one Rhode Island Bank of America worker observed, “Obviously, when you open a credit card that someone didn’t want, it lowers their credit score. Closing an account can also lower your credit score. There’s a lot of confusion it can cause; people can get all sorts of fees they don’t understand.” A lawsuit filed against Wells Fargo in Arizona alleges that as a direct result of sales metrics and quotas like the “Gr-Eight” program, bank employees opened multiple accounts for the plaintiff without her knowledge, and that as a result of fees accruing on these accounts, her information was sent to collection agencies.²⁹

Customers suffer when banks disapprove of their financial behavior. As the National Consumer Law Center points out, the majority of negative reports filed on consumers with bank-account consumer-reporting-agency databases are based on “account abuse” related to overdrafts.³⁰ However, given the practices laid out here, allegations of these consumer abuses must be taken with a grain of salt because some customers may not even be aware of these accounts. Further, the fact that these reporting agencies are frequently owned by the same big banks that sell unneeded and unwanted banking products to consumers is simply adding insult to injury. Recognizing the financial repercussions of a single bad consumer banking report, the New York attorney general negotiated deals with big banks like Citigroup, Capital One, and Santander to stop using the largest of these screening companies, ChexSystems, which reported only negative information on those seeking to open bank accounts.³¹

Shopping for a bank account can be difficult for any customer, and even legally mandated consumer information can be hard to come by and confusing, with disclosure forms running into the dozens of pages.³² The Wells Fargo “Vision and Values” pamphlet addresses this issue when it states that the bank’s “customers trust us as their financial resource.”³³ But numerous workers we interviewed expressed frustration at the speed with which they had to serve customers in order to make their quotas, often skipping clarifying questions or ensuring customers understood disclosure forms before signing them. Customers talk to bank employees expecting help and informed advice about financial products, but workers need to encourage consumers to sign up for as many products as possible—regardless of their applicability—in order to pay their own bills or even to keep their jobs.

Largest Consumer Banking Screening Companies and Their Relationships to Big Banks

Check and Bank Screening Company	Affiliated Companies	Nature of Relationship and History of Bad Behavior
Certegy Check Services	Fidelity National Information Services, Inc. (<i>FNIS performs a variety of services for leading U.S. banks, including deposit and lending systems, mobile and e-banking systems, branch automation, electronic funds transfer, and it issues credit cards and prepaid cards.</i>)	Owned by the FNIS subsidiary eFunds. In 2013, Certegy paid \$3.5 million to settle a Federal Trade Commission charge that it violated the Fair Credit Reporting Act.
ChexSystems	Fidelity National Information Services, Inc.	Owned by the FNIS subsidiary eFunds. ChexSystems is the country’s largest consumer banking screening agency; subscribers include Bank of America, JP Morgan Chase, Citibank, and Wells Fargo.
Early Warning Services	Bank of America, BB&T, Capital One, JPMorgan Chase, and Wells Fargo	Co-owned. Told <i>The New York Times</i> that approximately 80 percent of the largest American banks subscribe to its deposit-check service. (“Over a Million Are Denied Bank Accounts for Past Errors,” <i>New York Times</i> , July 30, 2013.)
TeleCheck Services	First Data Corporation. (<i>First Data, a spin-off from American Express, handles e-commerce services including bank transactions and credit and debit card issuing and processing. It runs the STAR network that links ATM machines across numerous banking systems. Its CEO is Frank Bisignano, formerly the COO of JP Morgan Chase.</i>)	Wholly owned subsidiary. TeleCheck and its affiliate TRS Recovery Services, a debt collection company, settled with the Federal Trade Commission in 2014 for violations of the Federal Credit Reporting Act.

The Structure of Abusive Sales Metric Systems

As Wells Fargo explains to shareholders, they use “cross-sell metrics” to determine how well they are serving their customers. However, they note, products that qualify for inclusion in the retail household cross-sell metrics must “have the potential for revenue generation and long-term viability.” Thus, the types of baseline banking products that most customers would request, including ATM cards, online banking, and direct deposit, are not included in the metrics.³⁴ Instead, the bank counts only products such as credit cards, debit cards, auto and student loans, mortgages, and home equity loans. For 2015, Wells Fargo’s household cross-sell was 6.11, or just over six banking products on average per accountholder address.³⁵ A company pamphlet on vision and values states a desire to increase this number: “We want to get to eight...and beyond.”³⁶

To fulfill these kinds of growth plans, banks need to implement aggressive sales quotas at numerous levels: for the company overall, regionally, by location, and for each individual worker. Employees at every level explain extreme pressure to meet these goals, which often change and are sometimes not revealed to the workers in a timely manner. As one former manager for a Santander branch explains, goals for each employee of his facility came pre-packaged from the regional branch with a rate that was “always almost impossible, but always increasing.”³⁷ A Wells Fargo personal banker told *The Wall Street Journal* that his branch has daily and hourly goals set by the company, which changed based on the season.³⁸

Workers are enticed to meet their daily quota with a reward system that attaches value to each “solution” or product the worker sells to a customer, sometimes in the form of points that lead toward a set commission and sometimes as a dollar value. While the Wells Fargo “Gr-Eight” program, which set the goal of eight banking products per household, has come under the greatest public scrutiny, other banks have similar systems to compel front-line workers to push products such as “the Hustle” (or HSSL: High Speed Swim Lane) program at Countrywide (later a subsidiary of the Bank of America), which compensated employees solely on the volume of mortgage loans they originated and resulted in a \$1.27 billion settlement.³⁹

Quota “Lingo”

The culture of constant cross-selling and sales metrics comes with its own special vocabulary.⁴⁰

Solutions: Blanket term for those financial products that qualify for incentive points, including student loans, car loans, credit cards, additional accounts, automatic overdraft protection, or “express send” for overseas money transfers. While the term “solutions” implies a clearly stated problem, often customers were not aware they were receiving these products or that they were optional.

Sandbagging: Because sales goals are often pinned to a particular reporting periods or special targeted days, bank workers might hold off processing a new account application until it can count toward that date without the customer’s knowledge. (Often in connection with named sales promotions such as “Jump Into January,” during which quotas at Wells Fargo were increased dramatically with hopes for impressive numbers for first quarter shareholder reports.)

Bundling: In order to make sales goals, bank workers might imply—or even explicitly claim—that some products were only available when combined with other ones, compelling customers to take on accounts or credit cards they did not want in order to get those they did. (Also known as “Packed Accounts.”)

Pinning: A lawsuit filed by the Los Angeles City Attorney against Wells Fargo alleges that employees would at times assign a Personal Identification Number (PIN) code to new ATM cards in order to later enroll the customers in online services without their consent.

Gypsy Accounts: Accounts opened in order to make a sales quota, but with the intention of soon closing them, and often containing only a few dollars.

Tapped Out: The condition of a bank employee’s family after that worker has asked them to open new accounts or take on new credit cards in order to help him or her achieve sales quotas.

Gaming: Opening accounts fraudulently by omitting signatures, adding secondary accounts without permission, or misrepresenting costs or benefits to customers.

Sales Quotas Are Ever-Changing and Unpredictable

Workers at many levels within the banks report that they struggle to meet their sales goals often without even knowing what those goals are for a given period.

- One Bankruptcy Relationship Manager at U.S. Bank said in late 2015 that her employer was “getting ready to change the bonus structure AGAIN in January,” even though she did not know even at that late date what her current quota numbers were.
- A Maryland SunTrust worker says that “the goals are constantly shifting. If you don’t hit your goal, it goes up 5 percent. If you do hit your goal, it goes up 10-15 percent.”
- A collections worker at U.S. Bank observed, “The goals for bonuses are never announced in advance, so it’s hard to know from month to month” what expectations are, while another elaborated that because goals were routinely not released until the 10th or 15th of the month, they were largely unattainable.
- Another U.S. Bank collections worker stated, “It’s really hard to do a budget when I don’t know what the bonus is even going to be until halfway through the next month. I wish they’d be more transparent.”
- Managers, too, feel the pressure of these individual goals for tellers and personal bankers. One Wells Fargo manager said that while he was responsible “on paper” for making sure that each employee he oversaw met their expected goals, “off paper the expectation is that as a manager it all falls on your shoulders.” A long-time Santander branch manager said that if an employee leaves before a full year on the job, the manager’s own incentive pay was affected.

Quotas Pit Workers Against One Another and Create a Hostile Work Environment

According to workers, failure to meet one’s sales quotas doesn’t only come with financial repercussions in the form of lost incentive pay. Workers are also publicly mocked and threatened in front of their peers.

- The lawsuit filed against Wells Fargo in California alleges, “Managers constantly harass, berate, demean, and threaten employees to meet these unreachable quotas.” A Wells Fargo employee cited in the complaint relates that if an employee failed to meet his or her quota, they were threatened or embarrassed during morning meetings. A Bank of America customer service representative wrote an op-ed in which he referred to “Hunger Games” scheduling, in which the most convenient or desirable work shifts were allocated after workers submit “bids” based on their quota incentive points, pitting workers with child care needs against those with transportation challenges. As he noted, “Here, our time rather than a bonus or promotion opportunity, is the prize.”⁴¹
- A former teller at Wells Fargo revealed of management, “They would put everyone’s metrics up in the break room.”
- A California teller recalled, “God forbid you went home without solutions. You could be subjected to ridicule for not meeting goals.”
- A branch manager explained that he was expected to hover behind employees during each conversation with a customer, and to draw the employee away mid-transaction if necessary to remind him or her to offer another product or ask why they were not doing so. “This was so terrorizing, it was unbelievable.”
- A Los Angeles personal banker stated, “Entry-level Wells Fargo employees are being treated like hostages. We lack the job security and a healthy environment for work that is not stress, discrimination, or harassment free”

Sales Pressures Hurt Workers and Their Families

Workers laboring under these high-pressure incentive programs bring their work home with them. Many report suffering physical manifestations and ailments as a result of their stressful workplaces, and they struggle to make ends meet and care for their families on their low wages. In numerous cases, managers encourage them to pursue sales opportunities among family and friends in order to hit their goals.

- Workers open accounts that family members don't need just to make their numbers. One manager in Florida with experience at both Bank of America and Wells Fargo said that she opened an account for her daughter that she knew they would soon close, and that one of her bankers opened an account for each of his 11 grandchildren just to make quota numbers.
- Another teller in Florida admitted that she enrolled her sister for a credit card that the sister did not really understand. "She maxed it out, and she still has that maxed-out credit card 10 years later."
- Upon being asked if he made a living wage, one former Bank of America personal banker replied, "Oh gosh no. Food for my son was really hard. He's 12. I couldn't put him in any extracurricular activities."
- One Minnesota U.S. Bank collections worker said, "There was a constant battle of how you do right for the customer without sacrificing, you know, not paying a light bill or having shoes for the kids going back to school. You can't make that sacrifice."
- A Rhode Island call-center worker said, "I used to cry every day. Eventually, I learned how to compartmentalize."

To Meet Sales Expectations, Workers Must Weigh Their Interests Against Customer Interests

While many workers say they enjoy helping people and working in a customer service role, they find that these functions too often have to take a back seat to moving various banking "solutions" in order to meet their goals and earn critical incentive pay.

- A call-center worker alleges that her manager told her to keep numbers on call lists even after customers ask for their removal, and when she questioned whether that was a violation of the Fair Debt Collection Practices Act, she was written up.
- Several workers note that managers would look the other way when documentation verifying identity was lacking or when forms were turned in signed but not filled in.
- A former personal banker admitted, "I had never in my life been the sort of person to see dollar signs when people walk in. I always liked building relationships. But these inane goals really affected how I saw them. I didn't think about meeting their needs, I thought about how can I meet my goals."
- One Florida personal banker with Bank of America admitted, "I had days that even though I tried really hard, I couldn't sell, and that's very scary. It's not a financial service position, it's a sales position. And that means it's not about the customer."
- A Rhode Island Bank of America service specialist recalled, "If someone's getting married, tell them to get a credit card. Any life event that happened, you were supposed to say 'get a credit card for it.' If you heard kids in the background, the answer was a credit card."
- A former Pennsylvania Wells Fargo branch manager admitted that some tellers would "churn," or open new accounts for current customers, but manipulate the recording of the transaction to make it appear that new accounts were being opened, and that sometimes second or third accounts were being opened for customers without their approval.

Workers Have No Viable Avenue for Reporting Unethical or Illegal Policies

Workers frequently express discomfort with the tactics they must use to sell bank products, but find little redress when they go to managers with their concerns. In fact, in most cases, workers say that their managers are already aware of the practices in their branches and even encourage them.

- A Minnesota worker says he had at least two conversations with his manager about unrealistic sales goals and was told, “What do you want me to do, brother? My hands are tied and I just do what they tell me to do.”
- A Chase Bank sales and service associate noted that “the managers were the ones who told us to push the products.”
- A U.S. Bank collections worker couldn’t share concerns with management because “they created an environment to get the payment, no matter how long it takes.”

Another worker with experience at both SunTrust and Bank of America recalled, “Managers really pushed me to ignore it when consumers say no.”

Workers Can Be Part of the Solution

There is nothing inherently wrong with businesses setting goals, establishing benchmarks, and encouraging all employees to help make the business successful. But the current structure of the quota system within the country’s big banks bends those practices into a set of internal policies that benefit bank CEOs and shareholders, but are bad for nearly everyone else. This does not have to be the case. Amalgamated Bank, whose employees are unionized, recently signed a contract that ensured all its bank workers will earn a starting wage of at least \$15 per hour, which gives them some ability to plan family budgets and care for themselves and their children. These men and women do not depend on sales incentives or rewards to make ends meet; in fact, while the bank does set goals for its branches, it does so with the best interests of the customer first and foremost and does not mandate individual goals nor offer individual rewards.⁴²

There are also examples in other countries of codes of conduct that address the issue of over-aggressive sales quotas and incentives plans. The Finance Sector division of UNI, the global union organization, works with financial regulators and banking leaders in the European Union to protect worker interests, including ensuring that “the use of sales targets should be limited in order to avoid conflicts of interests and to reduce pressure on employees.”⁴³ In 2010, after workers employed by financial companies across the globe shared their stories about aggressive sales practices, UNI Finance adopted a Model Charter on Responsible Sales of Financial Products. Recognizing that customers depend on bank employees for responsible advice and aid in their financial dealings, the Charter calls for realistic, fair, and transparent incentive systems for employees and states that rewards should be given for good customer service and qualified advice, not for selling specific products.⁴⁴ Furthermore, UNI Finance Sector worked to get whistleblower protections written into compulsory financial regulations adopted by the European Commission, giving concerned banking employees a process by which to alert lawmakers if their employer asks them to engage in unethical behaviors on the job.⁴⁵

Additionally, in Brazil after a 2014 industry-wide strike, workers at numerous private and public banks won a pay raise and language addressing sales practices in that country.⁴⁶

Santander Bank—one of the banks operating in the United States using aggressive sales metrics in its branches, according to workers interviewed for this report—has an agreement with its workers there that addresses many of the abuses reported by workers in this country. Managers are prohibited from publicly posting employees' rankings and from mocking workers who are not meeting their goals. They are encouraged to tailor sales offers to the needs and financial capacity of each banking customer and to ensure customers understand all the conditions attached to products before employees close the sale.⁴⁷ In Denmark and Finland, UNI reports that sales targets are set after consultation and negotiation with worker-led bodies and that targets are linked to customer service.⁴⁸

The majority of bank and finance sector workers around the world, including those employed by U.S. banks operating in other countries, are union members who are covered by collective bargaining agreements. Finance workers who have a voice on the job and whose fundamental rights are protected through collective agreements can be instrumental in mitigating abusive labor practices that can lead to customer harm. When workers are empowered inside the workplace they have the ability to ensure, on a day-to-day basis, that customer interactions are not tied to excessive goals accompanied by the threat of loss of incentive pay, discipline, or termination. Through collective bargaining, they can implement methods that ensure that interactions with customers focus on meeting financial service needs and uphold high standards of ethical sales practices.

Less than a decade ago, poor practices and the pursuit of consumer-generated revenue by the big banks triggered the worst recession this country had seen in generations. Policymakers addressed some of those practices, but in the process, banks developed a policy of replacing some of those revenue streams with fees and penalties generated by multiple accounts and banking products. In order to generate these profits, low-wage front-line workers must engage in sales tactics that range from the uncomfortable and unethical to some that border on illegality. It is time for policymakers to support front-line workers who suffer under these systems and to continue the task of cleaning up the financial services industry and protecting consumers by crafting new regulations to cease these practices.


Endnotes

- ¹ This and other worker quotes from our interviews are published here without identifying information in order to protect the worker from retribution or reprimand for speaking about their sales metrics or the workplace culture in which they work. Copies of interview sheets are on file with NELP.
- ² Notably, the Dodd-Frank Wall Street Reform and Consumer Protection Act, Approved July 21, 2010; and amendments to Regulation E to 12 CFR Part 205, November 2009;
- ³ Richard Leong, "Profits at big U.S. banks soar since crisis: New York Fed," *Reuters*, October 7, 2015.
- ⁴ Michael Corkery, "A Tough Year for Banking Takes Shape," *New York Times*, April 14, 2016.
- ⁵ Christina Rexrode and Peter Rudegeair, "Citi's Results Add to Banks' Upbeat Views," *Wall Street Journal*, April 15, 2016.
- ⁶ "New Insights on bank overdraft fees and 4 ways to avoid them," Consumer Financial Protection Bureau, February 24, 2016.
- ⁷ Bank of America Reports, First Quarter 2016 Financial Results, available at: http://newsroom.bankofamerica.com/files/doc_library/additional/Q1_2016_Financial_Results_Press_Release.pdf; Wells Fargo, "Wells Fargo Reports \$5.5 Billion in Quarterly Net Income," News Release, April 14, 2016, available at: <https://www08.wellsfargomedia.com/assets/pdf/about/press/2016/first-quarter-earnings.pdf>; Citigroup, First Quarter 2016 Earnings Review, April 15, 2016, available at: <http://www.citigroup.com/citi/investor/data/p160415a.pdf>
- ⁸ Matthew Goldstein and Jennifer Ablan, "Insight: The Wall Street Disconnect," *Reuters*, November 18, 2011.
- ⁹ Ram Palaniappan, "Your Bank Should be More Like Your Waiter and Less Like Your Landlord," *Techcrunch*, June 19, 2015.
- ¹⁰ Stephen Gandel, "The Only Thing UP on Wall Street is CEO Pay," *Fortune*, March 22, 2016.
- ¹¹ National Employment Law Project, "A \$15 Minimum Wage for Bank Workers," August 2015.
- ¹² NELP, "A \$15 Minimum Wage for Bank Workers"; Mario Vasquez, "Behind the Business Attire, Many Bank Workers Earn Poverty Wages," *In These Times*, August 27, 2015; Timothy Noah, "The United States of Inequality," *Slate*, September 8, 2010.
- ¹³ Sylvia Allegretto, Ken Jacobs, Dave Graham-Squire, and Megan Emiko Scott, "The Public Cost of Low-Wage Jobs in the Banking Industry," UC Berkeley Center for Labor Research and Education, October 2014.
- ¹⁴ Niraj Chokshi, "Say goodbye to your neighborhood bank branch," *The Washington Post*, April 19, 2016.
- ¹⁵ Board of Governors of the Federal Reserve System, "Press Release," dated November 12, 2009. Available at: <https://www.federalreserve.gov/newsevents/press/bcreg/20091112a.htm>
- ¹⁶ Annamaria Andriotis and Peter Rudegeair, "Banks Feel Pinch from Declining Overdraft Fees," *Wall Street Journal*, June 16, 2015.
- ¹⁷ The Pew Charitable Trusts, "Checks and Balances: 2015 Update," May 2015.
- ¹⁸ Center for Responsible Lending, "High-Cost Overdraft Practices: The State of Lending in America & its Impact on U.S. Households," July 2013, page 2.
- ¹⁹ Consumer Financial Protection Bureau, "Monthly Complaint Report, Vol. 9," March 2016. Available at: http://files.consumerfinance.gov/f/201603_cfpb_monthly-complaint-report-vol-9.pdf Of the companies tracked by the CFPB, Wells Fargo received the greatest number of complaints, with Bank of America, JP Morgan Chase, and Citibank following closely behind, all of them receiving complaints about bank services, credit cards, credit reporting, mortgages, and debt collection.
- ²⁰ Wells Fargo & Company, "Annual Report, 2015," page 34. Available at: <https://www08.wellsfargomedia.com/assets/pdf/about/investor-relations/annual-reports/2015-annual-report.pdf>
- ²¹ E. Scott Reckard, "Wells Fargo's pressure-cooker sales culture comes at a cost," *Los Angeles Times*, December 21, 2013.
- ²² The People of the State of California v. Wells Fargo & Company and Wells Fargo Bank, National Association, filed in the Superior Court of the State of California, County of Los Angeles, May 4, 2015; E. Scott Reckard, "L.A. sues Wells Fargo, alleging 'unlawful and fraudulent conduct,'" *Los Angeles Times*, May 4, 2015. One month later, a class action suit was filed on behalf of Wells Fargo customers nationally against Wells Fargo alleging "illegal, fraudulent, and deceptive tactics to generate sales of their banking and financial products," Kaylee Heffelfinger, et. al., v. Wells Fargo & Company and Wells Fargo Bank, N.A., filed in the United States District Court, Northern District of California, June 24, 2015.
- ²³ Emily Glazer, "At Wells Fargo, How Far Did Bank's Sales Culture Go?" *Wall Street Journal*, November 30, 2015.
- ²⁴ "Responsible Banking Investment Monitoring Program," §20.95.1, Chapter 5.1, Los Angeles Administrative Code. See also, Ryan Holeywell, "Cities Using Deposits to Gain Leverage Over Banks," *California Bankers Association Letter*, May 2, 2012; Tommy Wright, "Monterey City Council passes responsible banking ordinance," *Monterey Herald*, October 26, 2015. While part of the reporting element of the New York City responsible banking ordinance was struck down in August 2015, the basic premise of these laws has been upheld and, in fact, the Cleveland ordinance has been in operation for twenty years. ("Court Strikes NYC's 'Responsible Banking Act,'" *Harvard Law School Forum on Corporate Governance and Financial Regulation*, April 18, 2016. Available at: <https://corpgov.law.harvard.edu/2016/04/18/13-observations-about-the-secs-enforcement-program/4/>)
- ²⁵ See Consumer Financial Protection Bureau, "CFPB Study of Overdraft Programs," June 2013, available at: http://files.consumerfinance.gov/f/201306_cfpb_whitepaper_overdraft-practices.pdf, and Consumer Financial Protection Bureau, "Data Point: Checking Account Overdraft," June 2014, available at: http://files.consumerfinance.gov/f/201407_cfpb_report_data-point_overdrafts.pdf)
- ²⁶ "The CFPB wants you to blow the whistle on lawbreakers," December 15, 2011, available on the CFPB website: <http://www.consumerfinance.gov/about-us/blog/the-cfpb-wants-you-to-blow-the-whistle-on-lawbreakers/>
- ²⁷ CFPB Monthly Complaint Report, Vol. 9, March 2016, page 26. Available at: http://files.consumerfinance.gov/f/201603_cfpb_monthly-complaint-report-vol-9.pdf
- ²⁸ Bureau of Labor Statistics, "Occupational Employment and Wages, May 2015, 43-3071 Tellers," available at: [http://www.bls.gov/oes/current/oes433071.htm#\(9\)](http://www.bls.gov/oes/current/oes433071.htm#(9))
- ²⁹ Kaylee Heffelfinger v. Wells Fargo & Company and Wells Fargo Bank, N.A., United States District Court, Northern District of California, filed June 24, 2015.
- ³⁰ "Introduction to Account Screening Consumer Reporting Agencies," National Consumer Law Center, 2014.
- ³¹ "Consumer groups cheer move to rein in banking 'blacklist,'" CBS Money Watch, January 29, 2015; "A.G. Schneiderman Announces Commitment by Santander Bank to Eliminate Barriers that Unfairly Exclude Low-Income Americans from Mainstream Financial Services," Press Release, New York State Office of the Attorney General, February 20, 2015. Available at: <http://www.ag.ny.gov/press-release/ag-schneiderman-announces-commitment-santander-bank-eliminate-barriers-unfairly>
- ³² US PIRG, "Big Banks, Bigger Fees, 2011," and Pew, "Checks and Balances." Though it is important to note that the Pew study finds that more banks are adopting best practices when it comes to disclosure, although a significant minority have yet to do so.
- ³³ Wells Fargo, "Values and Vision," page 9.
- ³⁴ Wells Fargo Annual Report 2015, page 46.
- ³⁵ Wells Fargo Annual Report 2015, pages 46-47.

36 Wells Fargo "Vision and Values" page 26, version available at:
<http://www.damcofcg.com/files/74720/Vision%20%26%20Values.pdf> The version currently available on the Wells Fargo
 website does not include a section on opportunities nor sets explicit numerical goals for increasing the cross-sell metric.
 Available at: <https://www08.wellsfargomedia.com/assets/pdf/about/corporate/vision-and-values.pdf>
 37 Worker phone interview, April 22, 2016. On file with NELP.
 38 "At Wells Fargo, how far did bank's sales culture go?" *Wall Street Journal*, November 30, 2015.
 39 Linette Lopez, "In Preet Bharara's Suit Against BofA, He Reveals A Program Called 'The Hustle'," *Business Insider*, October 24,
 2012; Christina Rexrode, "Bank of America Appeals \$1.27 Billion 'Hustle' Penalty," *Wall Street Journal*, April 22, 2015. This
 problem is not limited to United States banks (see for example, Jill Treanor and Jennifer Rankin, "Lloyds Banking Group fined
 record £28m in new mis-selling scandal," *The Guardian*, December 11, 2013), but in other nations organized labor within the
 UNI Global Union federation has been successfully advocating for codes of conduct limiting the effect of sales quotas in the
 industry. Notably, UNI officials note that European bankers point to extreme opposition to such agreements from United
 States banks. See Josh Eidelson, "Union Seeks to Shield Bank Workers from Sales Quotas," *Bloomberg Businessweek*, March
 19, 2015.
 40 These terms come largely from the lawsuit filed against Wells Fargo by the Los Angeles City Attorney on behalf of the People
 of the State of California, dated May 4, 2015, and from interviews with various individual workers on file with NELP.
 41 Tony Hempfer, "RI [Rhode Island] workers need fair scheduling on the job," *RI Future.org*, March 15, 2016. Available at:
<http://www.rifuture.org/ri-workers-fair-scheduling.html>
 42 Conversation with Keith Maestrich, CEO Amalgamated Bank, and Justin Miller, "Banking on More than \$15," *American*
Prospect, August 13, 2015; Cora Lewis, "America's Most Union-Friendly Bank Raises Minimum Wage to \$15 An Hour,"
Buzzfeed, August 6, 2015.
 43 See the UNI Finance Sector webpage on EU regulatory reform and G20 Summits, available at:
<http://www.uniglobalunion.org/sectors/finance/regulation-and-policies>
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http://uniglobalunion.org/sites/default/files/imce/sales_and_advice_charter-fin-e.pdf
 45 See "Report of PSI and UNI Global Union Strategy Meeting on Fighting Corruption and Securing Whistleblower Protection,"
 published September 29, 2015 available at: [http://www.uniglobalunion.org/news/report-psi-and-uni-global-union-](http://www.uniglobalunion.org/news/report-psi-and-uni-global-union-strategy-meeting-fighting-corruption-and-securing-whistleblower)
[strategy-meeting-fighting-corruption-and-securing-whistleblower](http://www.uniglobalunion.org/news/report-psi-and-uni-global-union-strategy-meeting-fighting-corruption-and-securing-whistleblower)
 46 See "Brasil—Most Brazilian bank workers approve agreement and put an end on their national strike," UNI Global Union,
 October 9, 2014, available at: [http://www.uniglobalunion.org/news/brasil-most-brazilian-bank-workers-approve-](http://www.uniglobalunion.org/news/brasil-most-brazilian-bank-workers-approve-agreement-and-put-end-their-national-strike)
[agreement-and-put-end-their-national-strike](http://www.uniglobalunion.org/news/brasil-most-brazilian-bank-workers-approve-agreement-and-put-end-their-national-strike)
 47 "RELAÇÕES LABORAIS E PRESTAÇÃO DE SERVIÇOS FINANCEIROS (Labor Relations and the Delivery of Financial Services),"
 Agreement between Sao Paulo Bank Workers and Santander Banks, on file with NELP.
 48 UNI Global Union, Finance Sector, "Banking: the Human Crisis," 2013, available at:
<http://www.uniglobalunion.org/sites/default/files/attachments/pdf/final%20job%20loss%20survey-e.pdf>

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 license fee (see <http://creativecommons.org/licenses>). For further inquiries, please contact NELP (nelp@nelp.org).

From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Subject: FW: RE: Wells Fargo.
Date: Friday, April 08, 2016 4:40:16 PM
Attachments: (b) (6), (b) (7)(C)



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Part 3. (More attachments.)

--- Originally sent by steven.son@lacity.org on Apr 8, 2016 1:36 PM ---

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--- Originally sent by steven.son@lacity.org on Apr 8, 2016 1:33 PM ---

Lawrence,

We thought we had a productive call today. (b) (5)




Thanks,

Steve

This message was secured by [ZixCorp](#)^(R).

From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Subject: RE: Wells Fargo.
Date: Friday, April 08, 2016 4:33:20 PM
Attachments: (b) (6), (b) (7)(C)



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Lawrence,

We thought we had a productive call today. (b) (8), (b) (5)




Thanks,

Steve

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From: steven.son@lacity.org
To: [Brown, Lawrence \(CFPB\)](#)
Subject: FW: RE: Wells Fargo.
Date: Friday, April 08, 2016 4:37:19 PM
Attachments: (b) (6), (b) (7)(C)




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Lawrence,

We thought we had a productive call today. (b) (8), (b) (5)



Thanks,

Steve

This message was secured by [ZixCorp](#)^(R).

From: [Goldblatt, Stefanie Isser \(CFPB\)](#)
To: [Snyder, David \(CFPB\)](#); [Montier, William \(Contractor\)\(CFPB\)](#)
Cc: [Brown, Lawrence \(CFPB\)](#)
Subject: Fw: Common Interest Agreement
Date: Friday, September 23, 2016 8:08:22 AM
Attachments: [Common Interest Agreement.pdf](#)
[2016-09-22 Ltr from \(b\)\(6\) to CFPB re access request \(P-02023\).pdf](#)

Hi David and Chip,

Another request from the Securities and 2xchange Commission.

Stefanie Isser Goldblatt
Senior Litigation Counsel
Office of Enforcement
Tel: 212 328 7009

From: (b)(6) (b)(7)(C) PER SEC
Sent: Thursday, September 22, 2016 04:47 PM Eastern Standard Time
To: Goldblatt, Stefanie Isser (CFPB); (b)(6) (b)(7)(C) PER SEC
Cc: (b)(6) (b)(7)(C) PER SEC
Subject: RE: Common Interest Agreement

Stefanie,

Here are both the common interest agreement and the access request letter, which I also sent separately to Lawrence Brown (cc to you). Please let me know if you need additional information.

Thanks,

(b)(6)

(b)(6) (b)(7)(C) PER SEC
Philadelphia Regional Office
U.S. Securities & Exchange Commission
1617 JFK Boulevard, Suite 520
Philadelphia, PA 19103

(b)(6) (b)(7)(C) PER SEC

From: Goldblatt, Stefanie Isser (CFPB) [mailto:Stefanie.Goldblatt@cfpb.gov]
Sent: Wednesday, September 21, 2016 4:38 PM
To: (b)(6) (b)(7)(C) PER SEC (PLRO)
Subject: Common Interest Agreement

This message was sent securely using ZixCorp.

(b)(6) and (b)(7)(C) PER SEC

See the attached Common Interest Agreement. I have highlighted the areas for you which need to

be completed.

Just sign and submit to me with your access letter.

Stefanie

Stefanie Isser Goldblatt

Senior Litigation Counsel

Office of Enforcement

Northeast Regional Office

Consumer Financial Protection Bureau

Tel: 212-328-7009

Stefanie.Goldblatt@cfpb.gov

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the email and any attachments. An inadvertent disclosure is not intended to waive any privileges.

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COMMON INTEREST AGREEMENT BETWEEN THE CONSUMER FINANCIAL
PROTECTION BUREAU AND SECURITIES AND EXCHANGE COMMISSION
REGARDING INVESTIGATION OF WELLS FARGO BANK, N.A.

The Consumer Financial Protection Bureau (the "CFPB") and the Securities and Exchange Commission ("SEC") (collectively, "the Parties") share close and common legal interests in the enforcement of federal consumer financial law as defined by the Consumer Financial Protection Act of 2010 ("CFP Act"), 12 U.S.C. § 5481(14), and any law subject to the enforcement jurisdiction of the SEC intended to protect users of Consumer Financial Products or Services, as defined in Section 1002(5) of the CFP Act, 12 U.S.C. § 5481(5) (collectively, "Consumer Protection Laws").

The Parties have shared, mutual or related jurisdiction over Wells Fargo Bank, N.A. and any relevant successors in interest to the Subject (collectively the "Subject") and wish to establish a cooperative relationship, consistent with the law, concerning their investigation of, or litigation concerning, potential violations of Consumer Protection Laws by the Subject (the "Claims"). They expect to consult one another throughout the enforcement process and agree that the sharing of information by their employees, consultants, agents and counsel will further their common enforcement goals. The Parties expect that this consultation and sharing may lead to prosecution, whether administrative or judicial, of at least some of the Claims against the Subject.

In furtherance of their common law enforcement goals and statutory responsibilities involving the Subject, the Parties have agreed to share certain confidential information, privileged materials, and their written and oral work products relating to their respective and joint investigations.

The Parties hereby enter into this Common Interest Agreement (the "Agreement").

1. The Parties do not intend through their consultations, either before or after the initiation of litigation, to waive work product protection or any privileges, such as, but not limited to, the attorney-client, law enforcement, deliberative process, and bank examination privileges, which would otherwise attach to any information, documents, or communications shared among the respective agencies. The Parties specifically intend that all such privileges shall be preserved, and that privileged information shall be protected from disclosure to the Subject or to any third party, except with respect to disclosures agreed to by both Parties and disclosures that are otherwise mandated pursuant to federal or state statutes.
2. The Parties agree and acknowledge that only the Party providing information under this Agreement is authorized to waive any privileges that may be asserted with respect to such information or document. To the extent that the Parties jointly or collaboratively create or generate information or documents under this Agreement, the authorization of both Parties is required to waive any privileges that may be asserted with respect to such information or documents.

3. Unless information is marked “non-confidential and public” by the providing Party, it will be subject to the provisions of this Agreement.
4. The SEC may seek information from the CFPB by submitting a written request to the CFPB’s General Counsel or its delegate containing the information specified in 12 C.F.R. § 1070.43(b). In some instances, the CFPB’s Office of General Counsel or its delegate may authorize standing requests for certain information with an approved 12 C.F.R. § 1070.43(b) submission. The CFPB’s Rule on Disclosure of Records and Information, 12 C.F.R. part 1070, sets forth the SEC’s obligations regarding information received from the CFPB, including the procedure for handling third party requests for CFPB information and limitations on the SEC’s disclosing the CFPB’s information.
5. All information obtained by the CFPB from the SEC shall remain the property of the SEC and, to the extent practicable, shall be maintained and identified as such and may not be disclosed, except as permitted in writing by the SEC. The CFPB shall, upon the reasonable request of the SEC or the termination of this Agreement or the law enforcement investigation or proceeding to which this Agreement pertains, to the extent permitted by law, return, destroy, delete, or otherwise dispose of any information as directed by the SEC.
6. The CFPB agrees to establish and maintain safeguards to protect the confidentiality of the information provided by the SEC pursuant to this Agreement, by:
 - (i) restricting access to the SEC’s information to its officers, employees, contractors, and agents who have a need for such information in the performance of their official duties, and informing such persons with access of their responsibilities under the Agreement, except as otherwise provided in writing by the SEC;
 - (ii) establishing appropriate administrative, technical, and physical safeguards to ensure the confidentiality of personally identifiable information and data security and integrity; and
 - (iii) complying with applicable breach notification policies and procedures.
7. If a request for the SEC’s information is made pursuant to the Freedom of Information Act or the Privacy Act, the CFPB will inform the requester that the SEC’s information may not be disclosed insofar as it is the property of the SEC, and that any request for the disclosure of such information is properly directed to the SEC. In providing the information, the SEC will also endeavor to communicate, through appropriate markings or otherwise, whether information provided by the SEC is confidential or privileged, including whether the information contains confidential or privileged commercial or financial information or trade secrets.
8. In the event the CFPB receives any legally enforceable demand or request for information of the SEC (including, but not limited to, any judicial or

administrative subpoena, court order, discovery request, request by the U.S. Government Accountability Office), or in the event the SEC's information is subject to an affirmative disclosure obligation, the CFPB shall promptly notify the SEC in writing and provide a copy of the demand or request for the information or describe the affirmative disclosure obligation, and, before complying with the request or demand or disclosure obligation, shall:

- (i) consult with the SEC and, to the extent applicable, afford the SEC a reasonable opportunity to respond to the demand or request;
 - (ii) assert all reasonable and appropriate legal exemptions or privileges that the SEC may reasonably request be asserted on its behalf; and
 - (iii) consent to an application by the SEC to intervene in any action or administrative proceeding to preserve, protect, and maintain the confidentiality of the information or any related privilege.
9. Nothing in this Agreement shall prevent the CFPB from complying with a legally valid and enforceable order of a court of competent jurisdiction, an order issued by a federal Administrative Law Judge, or, if compliance is deemed compulsory, a request or demand from a duly authorized committee of the United States Senate or House of Representatives.
10. No provision of this Agreement is intended to, and no provision of the Agreement shall be construed to, limit or otherwise affect the authority of the Parties to administer, implement, or enforce any provision of the Consumer Protection Laws subject to their respective jurisdictions.
11. Either Party may terminate this Agreement by notifying the other Party in writing of its intention to withdraw from this Agreement. Notwithstanding termination of this Agreement, the confidentiality obligations it established shall remain in full force and effect, without regard to whether the Agreement is terminated or the Claims are subject to any final judgment or settlement.
12. Any notice to the CFPB required under this Agreement shall be delivered to the Office of Enforcement at Enforcement@cfpb.gov, and the lead Enforcement attorney assigned to this matter, Lawrence Brown, at Lawrence.Brown@cfpb.gov or his successor.
13. Any notice to the SEC required under this Agreement shall be delivered to Kelly L. Gibson, gibsonkl@sec.gov and Polly Hayes, hayesp@sec.gov, or their successors.

14. This Agreement may be modified, amended, or supplemented only by a written instrument signed by the Parties. This Agreement may be executed in counterparts. Facsimile signatures are acceptable.

FOR THE CONSUMER
FINANCIAL PROTECTION BUREAU

By:

Jeffrey Paul Ehrlich
Deputy Enforcement Director
Consumer Financial Protection
Bureau

Date:

FOR THE SECURITIES AND EXCHANGE
COMMISSION

(b)(6) (b)(7)(C) PER SEC

Assistant Regional Director
Securities and Exchange Commission

Date:

9/22/16

From: (b)(6) (b)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Goldblatt, Stefanie Isser \(CFPB\)](#); (b)(6) (b) (PLRO); (b)(6) (b)(7)(C) PER
Subject: Access Request re: Wells Fargo (P-2023)
Date: Thursday, September 22, 2016 4:45:18 PM
Attachments: [2016-09-22 Ltr from \(b\)\(6\) to CFPB re access request \(P-02023\).pdf](#)

Mr. Brown,

Please see the attached access request. If you have any questions, please contact me.

Thank you,

(b)

(b)(6) (b)
Philadelphia Regional Office
U.S. Securities & Exchange Commission
1617 JFK Boulevard, Suite 520
Philadelphia, PA 19103
(b)(6) (b)(7)

From: [Zelinsky, John \(CFPB\)](#)
To: [Brown, Lawrence \(CFPB\)](#)
Cc: [Hartmann, Leanne \(CFPB\)](#); [Reiferson, Barry \(CFPB\)](#)
Subject: RE: Wells Fargo Bank (b) (5), (b) (8)
Date: Monday, March 21, 2016 6:14:33 PM
Attachments: [image001.png](#)
[image002.png](#)

On it.

Confidentiality Notice: If you received this email by mistake, you should notify the sender of the mistake and delete the e-mail and any attachments. An inadvertent disclosure is not intended to waive any privileges.

From: Brown, Lawrence (CFPB)
Sent: Monday, March 21, 2016 11:28 AM
To: Zelinsky, John (CFPB)
Cc: Hartmann, Leanne (CFPB); Reiferson, Barry (CFPB)
Subject: Wells Fargo Bank (b) (5), (b) (8)

John,

(b) (5), (b) (8)

Lawrence D. Brown
Enforcement Attorney

lawrence.brown@cfpb.gov

Phone: (202) 435-7116

Mobile: (b) (6)

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consumerfinance.gov

Lawrence Brown
1625 Eye Street, NW
Washington, DC 20006

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From: Brown, Lawrence (CFPB)
Sent: Tuesday, March 08, 2016 11:40 AM

To: Reiferson, Barry (CFPB); Hartmann, Leanne (CFPB); Brown, Lawrence (CFPB)
Subject: FW: Wells Fargo Bank (b) (5), (b) (8)

We have our first tip.

From: Hahn, Carolyn (CFPB)
Sent: Tuesday, March 08, 2016 11:08 AM
To: Brown, Lawrence (CFPB)
Subject: FW: Wells Fargo Bank (b) (5), (b) (8)

Lawrence,
OSHA referred to us a copy of a complaint (b) (5), (b) (8)

Seems to be very relevant to your investigation!

Thanks!
Carolyn

From: Gustafson, Karl (CFPB)
Sent: Friday, February 05, 2016 12:23 PM
To: Buchko, Vanessa (CFPB)
Subject: FW: Wells Fargo Bank (b) (5), (b) (8)

From: CFPB_WHISTLEBLOWER
Sent: Friday, February 05, 2016 9:25 AM
To: Lubash, Andrew(CFPB); Gustafson, Karl (CFPB)
Subject: FW: Wells Fargo Bank (b) (5), (b) (8)

Please log the tip, which was referred by Dept. of Labor's OSHA. (b) (5), (b) (8)

From: Marchione, Mark - OSHA [<mailto:Marchione.Mark@dol.gov>]
Sent: Thursday, February 04, 2016 5:19 PM
To: CFPB_WHISTLEBLOWER
Subject: Wells Fargo Bank / Bedi / 9-3290-16-150

Sir or Madam:

Enclosed for your information please find a copy of a complaint of retaliation filed under the Consumer Financial Protection Act of 2010 (CFPA), Section 1057 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, 12 U.S.C.A. §5567. An investigation of the retaliation allegation is currently being conducted by this office.

If we can be of further assistance to you, please do not hesitate to contact me at (415) 625-2569.

Mark Marchione
Regional Supervisory Investigator
U.S. Department of Labor-OSHA

Region 9 Whistleblower Protection Program

90 7th Street, #18-100

San Francisco, CA 94103

(415) 625-2569

(415) 625-2534 (fax)

marchione.mark@dol.gov

www.whistleblowers.gov

Respect the dignity and worth of all.

