

FILE
San Francisco County Superior Court
File & Service



JUL 11 2019

CLERK OF THE COURT
BY: [Signature]
Deputy Clerk

SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN FRANCISCO
DEPARTMENT 613

Lead Case No. CGC-17-561118
Consolidated With CGC-17-561968

IN RE WELLS FARGO & COMPANY AUTO
INSURANCE DERIVATIVE LITIGATION

ORDER RE PLAINTIFFS' RENEWED
MOTION FOR PRELIMINARY APPROVAL
OF PROPOSED DERIVATIVE
SETTLEMENT

The above entitled matter came on regularly for hearing on Wednesday, July 3, 2019. The Court issued a tentative ruling before oral argument. At the hearing, the parties agreed to (1) submit a revised proposed order and notice; and (2) submit a supplemental brief regarding the applicability of California Rules of Court, Rule 3.769(h) to shareholder derivative actions. On July 10, 2019, the Court received a revised proposed order and notice and the supplemental brief.

First, the Court intends to enter a preliminary approval order that differs from the proposed order in some respects. To that end, the Court requests that Plaintiffs provide an electronic Microsoft Word version of the proposed order.

Second, the Court requests three further changes to the proposed long-form notice. The parties should re-submit the proposed notice with these modifications. If any of the modifications are not made, the parties should submit a supplemental brief explaining why any of the modifications were rejected.

One, the case title should appear at the top of the first page, as it does in the short-form notice.

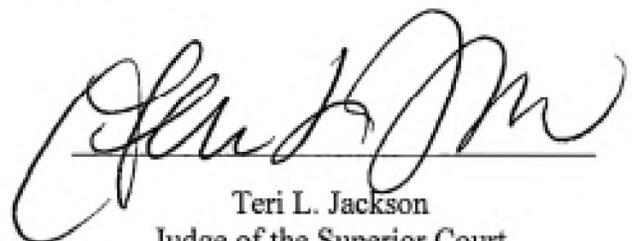
1 Two, on the first page of the notice there is text that properly cautions the reader that the
2 statements in the notice are not findings of the Court and are not an expression of any opinion by the
3 Court as to the merits of any claims or defenses in the lawsuit. Those words of caution should not be
4 repeated in Section II. The reason for this is that the inclusion of the text in Section II could lead a
5 shareholder to believe that other sections of the notice constitute the findings of the Court or an
6 expression of the Court's opinion as to the merits of any claims or defenses in the lawsuit.

7 Three, Section I, the case overview, contains a subsection identifying the named parties. It does
8 not identify National General Insurance Company ("National General") – although it is identified later in
9 the notice – or define the term "Defendants." National General should be identified in this subsection
10 and the term Defendants should be defined in this subsection. Moreover, in the first paragraph of the
11 following subsection the parties refer to Wells Fargo's "third-party insurance vendor" that played a role in
12 the CPI scheme. That "third-party" appears to be National General. (See Sept. 25, 2018 Order, 22;
13 ["Plaintiffs contend that National General was a central actor in the CPI misconduct..." [citing FAC ¶
14 53].) While National General may be a "third-party" in some senses of the word, it is a party to this
15 litigation. It should be identified by name where Plaintiffs' allegations of its wrongful conduct are
16 described in the notice.

17 The Court will be unavailable to act on any supplemental submission between July 15, 2019 and
18 July 22, 2019. To the extent the parties wish the Court to act on the supplemental submission on July 12,
19 2019, the supplemental submission must be received by the Court by noon on that date. Otherwise, the
20 supplemental submission may be submitted on or before July 22, 2019.

21 IT IS SO ORDERED.

22 Dated: July 11, 2019

23
24 
25 Teri L. Jackson
26 Judge of the Superior Court
27
28

CERTIFICATE OF ELECTRONIC SERVICE
(CCP 1010.6(6) & CRC 2.260(g))

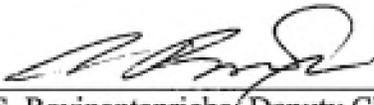
I, Sajja Ravinantapricha, a Deputy Clerk of the Superior Court of the County of San Francisco, certify that I am not a party to the within action.

On July 11, 2019, I electronically served the attached **ORDER re Plaintiffs' Renewed Motion for Preliminary Approval of Proposed Derivative Settlement**, via File & ServeXpress on the recipients designated on the Transaction Receipt located on the File & ServeXpress website.

Dated July 11, 2019

T. Michael Yuen, Clerk

By: _____


S. Ravinantapricha, Deputy Clerk