



December 13, 2016

Timothy Sloan
Chief Executive Officer and President
Wells Fargo & Company
420 Montgomery Street
San Francisco, CA 94104

Wells Fargo Suspension from Bank On San Francisco

Mr. Sloan,

As you may be aware, in my role as Treasurer of the City and County of San Francisco and leader of the San Francisco Office of Financial Empowerment, I recently decided to suspend Wells Fargo from our Bank On San Francisco program. I made this decision following mounting evidence that Wells Fargo had opened millions of accounts and other financial products without customer consent, using personal information, and in some cases transferring funds into these unauthorized accounts. Further evidence revealed that roughly 85,000 of these accounts incurred more than \$2 million in unauthorized fees. I am writing to formally notify you of Wells Fargo's suspension. I'm also calling on you to provide crucial information about how San Francisco consumers and frontline employees were affected, and how Wells Fargo will work with us to resolve this situation.

Suspending Wells Fargo is not a decision I take lightly. However, the evidence of illegal practices regarding account openings, unauthorized fees, sales practices and compensation incentives has been nothing short of shocking. When I first took office, I was motivated to assist low-income people in San Francisco, many of whom relied on predatory check-cashers and payday lenders, rather than mainstream financial institutions, to safeguard and manage their money. Working with responsible banks and credit unions, I launched Bank On San Francisco – a pioneering program that for ten years has facilitated low-income people's access to safe, affordable accounts. Wells Fargo was among the first financial institutions to participate in Bank On.

Central to the success of the Bank On program, in San Francisco and around the country, is the fundamental principle that people can trust the financial institutions where they choose to place their hard-earned money, and that banks are not exploiting that relationship in ways that hurt consumers.

When I met with Greg Morgan following the initial revelation of these practices, I asked him to answer some basic, yet crucial questions to help me and my staff provide trustworthy advice to San Francisco consumers:

- How many San Franciscans were affected?
- Have they been notified?
- What restitution will they receive?

San Franciscans deserve the answers to these questions, yet Mr. Morgan was unable to provide them at our meeting; several months later, they remain unanswered.



In addition to these questions, I would like to understand how decisions were made to fire Wells Fargo employees; many of these employees likely live or work in San Francisco. They were largely low-level employees, and evidence indicates that they were under great pressure to do whatever it took to meet aggressive sales goals that ran counter to customers' best interest – or face repercussions. We care about the welfare of these individuals and need to understand how their termination was decided, what support has been made available to them, and how the harm done to their careers will be repaired.

I further seek to understand how consumers – and the Office of Financial Empowerment – can trust Wells Fargo in the future. When and how will we know that these exploitive practices no longer represent business as usual? In order to evaluate these questions, I request copies of the quarterly Compliance Committee reports, including comments added by Wells Fargo's Board, as described in the Consent Order issued by the Office of the Comptroller of the Currency (OCC). These regular reports detail Wells Fargo's actions to comply with each article of the Consent Order, including sales practices, customer complaints procedures and plan to reimburse customers.

I am outraged at Wells Fargo's actions because of the impact on millions of bank customers, but also because it sends a message to those residents in San Francisco still unbanked that stashing money under a mattress or relying on fringe financial services, instead of using a mainstream financial institution, are the safest and most affordable options they have. I am further dismayed to learn that Wells Fargo has been seeking to utilize forced arbitration, even for unauthorized accounts, in order to circumvent class action lawsuits. I'm concerned that Wells Fargo's actions undermine the fundamental trust that makes our financial system possible

Wells Fargo is a longtime partner of the City and the Office of Financial Empowerment, and an important corporate citizen of San Francisco. I hope and trust that you share my strong desire to resolve these issues. I look forward to your response, and to clear answers regarding the actions to be taken in order to remedy the harm to customers and frontline employees.

Sincerely,

A handwritten signature in blue ink, appearing to read "José Cisneros".

José Cisneros
Treasurer, City and County of San Francisco

CC: Mayor Edwin M. Lee
San Francisco Board of Supervisors
Ben Rosenfield, Controller
Greg Morgan, Regional President, San Francisco Market
Mike Rizer, Head of Community Relations
Bank On Cities representatives