

**NOTICE OF SETTLEMENT OF CLASS ACTION,  
SETTLEMENT HEARING AND CLAIMS PROCEDURE**

Nguyen v. Wells Fargo Home Mortgage, a division of Wells Fargo Bank, N.A.  
Orange County Superior Court No. 05CC00116

**TO:** All California borrowers of Wells Fargo who were charged by Wells Fargo for Lender Placed Hazard Insurance between January 1, 2003 and December 31, 2007, except those persons to whom the total charge was credited or refunded, and also excluding those persons who have properly elected or may properly elect to exclude themselves (“opt out”) from the Settlement Class.

\* \* \* \*

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOU MAY BE ENTITLED TO A MONETARY RECOVERY. YOUR RIGHTS MAY BE AFFECTED BY THE LEGAL PROCEEDINGS IN THIS ACTION. DO NOT CONTACT WELLS FARGO.**

**YOU MUST COMPLETE AND RETURN  
THE CLAIM FORM TO BE PAID**

**SUMMARY OF NOTICE**

THIS NOTICE IS TO ADVISE YOU OF A PROPOSED SETTLEMENT IN A CLASS ACTION LAWSUIT BROUGHT ON BEHALF OF ALL CALIFORNIA BORROWERS OF WELLS FARGO WHO WERE CHARGED FOR LENDER PLACED HAZARD INSURANCE BY WELLS FARGO BETWEEN JANUARY 1, 2003 AND DECEMBER 31, 2007 (“CLASS PERIOD”).

**YOU MUST SUBMIT THE CLAIM FORM TO RECEIVE A MONETARY RECOVERY UNDER THE SETTLEMENT.**

IF YOU WISH TO EXCLUDE YOURSELF (OPT OUT), YOU MUST ACT TO DO SO BY OCTOBER 31, 2008. AS PART OF THE SETTLEMENT, ALL MEMBERS OF THE CLASS WHO HAVE NOT TIMELY EXCLUDED THEMSELVES SHALL BE DEEMED TO HAVE FOREVER RELEASED WELLS FARGO FROM ALL RELEASED CLAIMS INVOLVING THE ALLEGED OVERCHARGING FOR FORCED PLACED INSURANCE.

ONLY NON-EXCLUDED MEMBERS OF THE CLASS (“SETTLEMENT CLASS MEMBERS”) WHO SUBMIT VALID CLAIMS WILL BE ENTITLED TO A MONETARY RECOVERY IN THE FORM OF A CASH PAYMENT OR CREDIT EQUAL TO FIVE PERCENT (5%) OF THE AMOUNT PAID BY THE MEMBER TO WELLS FARGO FOR LENDER PLACED INSURANCE.

THIS NOTICE ADVISES YOU OF YOUR RIGHTS WITH RESPECT TO THE PROPOSED SETTLEMENT AND THE SCHEDULING OF A HEARING BY THE COURT TO DETERMINE WHETHER TO APPROVE THE SETTLEMENT. YOU ARE NOT BEING SUED

IN THIS MATTER. THIS NOTICE IS NOT AN EXPRESSION OF ANY OPINION BY THE COURT AS TO THE MERITS OF ANY CLAIMS OR DEFENSES ASSERTED BY THE PARTIES IN THE ACTION. THE COURT HAS NOT FORMED ANY OPINIONS CONCERNING THE MERITS OF THE ACTION.

I. THE LITIGATION

A. Now pending in the Superior Court of the State of California for the County of Orange is a lawsuit entitled Paul Nguyen v. Wells Fargo Home Mortgage, Case No. 05CC00116 (the "Action"). The Action alleges that on those occasions when Wells Fargo placed hazard insurance on the mortgage accounts of Wells Fargo customers, it unfairly, deceptively and/or unlawfully charged its customers for such insurance in violation of Business & Professions Code § 17200.

B. Wells Fargo denies the allegations of the Action and contends that the costs it imposed on customers for Lender Placed hazard insurance were lawful and proper. It contends that it did not act unfairly, deceptively or unlawfully and that the lender placed hazard insurance premiums charged to borrowers (including the components for commission and tracking expenses) represent the true cost of the hazard insurance.

C. Lender placed hazard insurance is purchased by Wells Fargo when the homeowner does not maintain hazard insurance on the property on which Wells Fargo has a loan.

II. THE SETTLEMENT

A. On August 18, 2008, the settlement was preliminarily approved by the Court. For the purposes of settlement only, a Settlement Class will be certified consisting of all California borrowers of Wells Fargo who were charged by Wells Fargo for lender placed hazard insurance between January 1, 2003 and December 31, 2007, except those persons to whom the total charge was credited or refunded, and also excluding those persons who have properly elected or may properly elect to opt out of the Settlement Class.

B. As a result of the Settlement and Judgment to be entered, all Settlement Class Members and anyone claiming through them, who have not properly excluded themselves shall conclusively be deemed to have fully, finally and forever released, relinquished and discharged Wells Fargo from all Released Claims as that term is defined in the Stipulation and Settlement Agreement. Under the terms of the Stipulation and Settlement Agreement, there are two categories of Settlement Class Members. A "Fully Paid Settlement Class Member" is a Settlement Class Member who paid his or her loan in full as of the end of the Class Period, including all principal, interest and any other amounts due, including Lender Placed Insurance charges. An "Unpaid Settlement Class Member" is a Settlement Class Member whose loan, including Lender Placed Insurance charges, was not paid in full as of the end of the Class Period.

III. CLAIM PROCEDURE FOR MONETARY RECOVERY

A. Any Settlement Class Member who wishes to receive a payment or credit under this settlement must complete, sign and return in a proper and timely fashion the Claim Form to Nguyen

Class Settlement, P.O. Box 11486, Birmingham, AL 35202-1486 via first class U.S. mail, postage paid, postmarked on or before the later of November 15, 2008 or sixty (60) days after this Notice is first mailed to the Class. Any Claim Form that is not submitted by first class mail, is postmarked after the applicable date, is not addressed to the proper address, or is not signed by the appropriate Settlement Class Member(s), will not constitute a valid claim and may be denied payment or credit unless otherwise ordered by the Court. YOU MUST SUBMIT A VALID CLAIM FORM TO BE PAID. If you fail to submit a valid Claim Form, you will still be bound by the Judgment and the release of the Released Claims, but you will not receive any payment or credit.

B. The Claims Administrator shall review all such Claim Forms received and shall verify the claim to reasonably ensure its validity and accuracy as may be reasonably necessary.

C. Each Fully Paid Settlement Class Member who submits a valid claim form shall be paid by check issued by Wells Fargo and/or the Claims Administrator equal to 5% of the premium paid by that Settlement Class Member during the Class Period. Only one check will be issued per loan. In those cases where more than one borrower is obligated on the loan, a single check shall be issued in the names of all borrowers on the loan. Only one credit will be applied per loan. The checks shall remain valid and negotiable for one-hundred eighty days (180) from issuance and may thereafter automatically be canceled if not cashed.

D. Each Unpaid Settlement Class Member who submits a valid Claim Form shall receive a credit equal to 5% of the premium paid by that Settlement Class Member during the Class Period. All credits shall be applied first to any arrearages on the loan, then to any escrow account, then to the principal balance owing on the loan. However, Wells Fargo may elect to pay any Unpaid Settlement Class Member by cash refund instead of providing a credit against his or her loan account. If an Unpaid Settlement Class Member pays off his or her loan in full (including all principal, interest and any other amounts due, including Lender Placed Insurance charges) after the end of the Class Period and before the issuance of credits under this Paragraph, then that Unpaid Settlement Class Member will receive a cash refund as set forth in Paragraph C above. To the extent that the loan of any Unpaid Settlement Class Member is not in default but is currently being serviced by another servicer, then the Unpaid Class Member shall receive a cash refund instead of a credit.

E. If your property was foreclosed, meaning that the title to your property was transferred as the result of a judicial or non-judicial foreclosure or a deed in lieu of foreclosure, then you are unlikely to be entitled any benefits under the Settlement. Settlement Class Members whose properties were foreclosed will be entitled a refund only if they paid off their loan and all related charges, including Lender Placed Insurance charges, in full. You must provide documentary proof that you fully paid your loan and related charges. This proof must be provided with your Claim Form, as Wells Fargo may not maintain records on every Settlement Class Member whose property was foreclosed. Class Members whose properties were foreclosed will not receive credits.

#### IV. THE FINAL SETTLEMENT APPROVAL HEARING

A. A final hearing (the "Hearing") will be held on December 9, 2008, at 10:00 a.m., in the Superior Court for the County of Orange, State of California, Dept. CX105, located at 751 West Santa Ana Blvd. Santa Ana, CA 92701 to determine whether the proposed settlement is fair,

reasonable and adequate and should be finally approved by the Court and whether the Judgment, as provided in the Settlement, should be entered. The Court will also determine the amount of the award of attorneys' fees and costs to be awarded Class Counsel. The Court may adjourn or continue the Hearing without further notice to the Class.

B. To the extent permitted by law, pending final determination as to whether the settlement should be approved, Settlement Class Members shall not institute or prosecute any Released Claims against Wells Fargo.

C. Any Settlement Class Member may appear at the Hearing and show cause, if they have any, why the proposed settlement should or should not be approved as fair, reasonable and adequate, why the Judgment should or should not be entered, and why the requested award of attorneys' fees and costs should not be made; provided, however, that no Settlement Class Member or any other person shall be heard or entitled to contest the approval of the terms and conditions of the proposed settlement, or, if approved, the Judgment approving the same, unless on or before October 31, 2008, that person has served by hand or by first class mail written objections and copies of any papers and briefs in support of their position and verification of their membership in the Settlement Class upon: Blumenthal & Nordrehaug, Attn.: Norman B. Blumenthal, 2255 Calle Clara, La Jolla, California 92037 and Severson & Werson, Attn.: Michael Steiner, One Embarcadero Center, Suite 2600, San Francisco, CA 94111 and filed said objections, papers and briefs with the Clerk of the Court. In order to be valid, said papers must be filed in with the court in Orange County and received by the above counsel by the date set forth above.

D. Any Settlement Class Member who does not make their objection in the manner provided for in this Notice shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to or appeal of the fairness, reasonableness or adequacy of the settlement embodied in the Stipulation and Judgment.

V. APPLICATION OF CLASS COUNSEL FOR PLAINTIFF'S AWARD,  
ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES

A. Class Counsel may submit one or more applications for payment to them of an award of attorneys' fees as determined by the Court, and for reimbursement for all expenses and costs incurred by Class Counsel in the Action, including the fees of experts and consultants incurred or paid in connection with prosecuting the Action and a Plaintiff's award to be paid by Wells Fargo.

B. Wells Fargo has agreed not to oppose an application by Class Counsel for attorneys' fees and costs so long as the application for attorneys' fees and costs does not exceed \$425,000, including Plaintiff's award not to exceed \$6,500. Class Counsel will argue that the amount of attorneys' fees to be sought will be based on a consideration of factors, including but not limited to the time expended, the risks undertaken, the difficulty of the litigation, the uniqueness of the claim at the time brought and the results achieved. Plaintiff will not under any circumstances seek an award of fees and costs in excess of \$425,000.

VI. REQUESTS FOR EXCLUSION

A. You may choose to be excluded (opt out) of the Settlement Class by requesting to be excluded in writing. Any such person who chooses to be excluded from the Class will not be

entitled to any recovery from the settlement and will not be bound by the settlement or judgment or have any right to object, appeal or comment thereon. Any such person who chooses to opt out may do so by submitting a written request to the Claims Administrator, postmarked no later than October 31, 2008. The written request to opt out should set forth the name(s), property address, loan number(s) (if available), request for exclusion and be signed by the member(s) of the Class opting out.

VII. FINAL JUDGMENT AND RELEASES TO BE ENTERED

A. If the proposed settlement is approved by this Court, the Judgment will be entered by this Court which will dismiss with prejudice the Action as against Wells Fargo. The Judgment will resolve the Released Claims to the extent provided in the Stipulation and permanently bar all Settlement Class Members from prosecuting any and all Released Claims against Wells Fargo.

VIII. EXAMINATION OF PAPERS AND INQUIRIES

A. The above description is a summary of the settlement. For more detailed information you may inspect the Court files for the Action at the Office of the Clerk of the Superior Court for the County of Orange, State of California, located at 751 West Santa Ana Blvd. Santa Ana, CA 92701 during the business hours of each business day. Inquiries regarding the Action shall be directed to Norman Blumenthal at 2255 Calle Clara, La Jolla, California 92037 or e-mail: norm@bamlawlj.com.

**PLEASE DO NOT TELEPHONE THE COURT OR WELLS FARGO REGARDING THIS NOTICE**

**THIS NOTICE DOES NOT AFFECT YOUR OBLIGATION TO MAKE PAYMENTS ON ANY LOAN YOU MAY HAVE WITH WELLS FARGO**

Dated: August 18, 2008

JUDGE OF THE SUPERIOR COURT  
FOR THE COUNTY OF ORANGE  
STATE OF CALIFORNIA

**CLAIM FORM - COMPLETE FOR MONETARY RECOVERY OR CREDIT  
AGAINST YOUR LOAN ACCOUNT**

**YOU MUST COMPLETE AND MAIL THIS CLAIM FORM BY FIRST CLASS  
U.S. MAIL, POSTAGE PAID, POSTMARKED ON OR BEFORE NOVEMBER 15, 2008  
ADDRESSED AS FOLLOWS IN ORDER TO RECEIVE A MONETARY RECOVERY:**

**MAIL TO:  
Nguyen Class Settlement  
PO Box 11486  
Birmingham, AL 3522-1486**

**INSTRUCTIONS**

Please complete and sign the Claim Form for payment or credit against your loan balance.  
All joint borrowers must sign the Claim Form.

- 1) If you move, please send us your new address.

Unless your property was transferred through a foreclosure, please do not send any other supporting documentation at this time. If such documentation is deemed necessary, a separate request will be sent to you directly.

- 2) Executors, administrators, guardians, conservators and trustees must complete the Claim Form on behalf of persons represented by them, their titles or capacities must be stated, and proper proof of such capacity must be submitted with the Claim Form.
- 3) If found eligible, you should not expect to receive any payment until approximately April 2009.

**CLAIM FORM**  
**COMPLETE FOR MONETARY RECOVERY OR CREDIT AGAINST**  
**YOUR LOAN ACCOUNT AND MAIL TO:**

**Nguyen Class Settlement**  
**PO Box 11486**  
**Birmingham, AL 35202-1486**

ORANGE COUNTY SUPERIOR COURT  
STATE OF CALIFORNIA  
Nguyen v. Wells Fargo Home Mortgage, Case No. 05CC00116  
Must be Postmarked No Later Than: November 15, 2008

Please Type or Print

\_\_\_\_\_  
(Name(s) (First, Middle, Last))

\_\_\_\_\_  
Current Street Address(es)

\_\_\_\_\_  
City                      State                      Zip Code

\_\_\_\_\_  
Street Address of Property Securing the Loan  
(if different from the current address)

\_\_\_\_\_  
City                      State                      Zip Code

\_\_\_\_\_  
Social Security Number or  
Taxpayer Identification

\_\_\_\_\_  
Area Code Telephone Number (Work)

\_\_\_\_\_  
Area Code Telephone Number (Home)

\_\_\_\_\_  
Wells Loan Number(s) (if available)

Has your loan with Wells been fully paid?  
\_\_\_\_\_ Yes      \_\_\_\_\_ No

If you checked "Yes" above, what was the  
approximate date of the payoff? \_\_\_\_\_

**Was there a foreclosure\* on your property?**

**Yes**     **No** (Check Either Yes or No).

If you answered **NO**, then you need only complete, sign and return this Claim Form to receive a payment or credit. If you answered **YES**, you must provide documents with your Claim Form proving that you fully paid your loan and all related charges, including Force Placed Insurance charges.

\*Foreclosure means the title to your property was transferred as a result of a judicial or non-judicial foreclosure or deed in lieu of foreclosure

Is your loan currently being serviced by Wells?  
\_\_\_\_\_ Yes      \_\_\_\_\_ No

If you checked "No" above, please provide the  
name and address of the current servicer of your  
loan. \_\_\_\_\_

I certify that I was charged by Wells Fargo between January 1, 2003 and December 31, 2007 and paid Wells one or more times for Force Placed Insurance and I am NOT subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code.\*

\_\_\_\_\_  
(Sign your name here)

\_\_\_\_\_  
\*\*Joint Borrower - Sign Here

\_\_\_\_\_  
(Type or print name here)

\_\_\_\_\_  
\*\*Joint Borrower - Print name

\_\_\_\_\_  
(Capacity of persons signing, e.g., Owner of  
Claim, Executor for Owner of Claim, etc.)

\_\_\_\_\_  
\*\*All Joint Borrowers Must Sign this Form

\*NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike out the word "not" in the certification above.

Nguyen Class Settlement  
PO Box 11486  
Birmingham, AL 35202-1486