

# EXHIBIT B

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

BRIAN ECHARD et al.,

Plaintiffs,

v.

WELLS FARGO BANK, N.A.,

Defendant.

Case No. 2:21-cv-05080-MHW-EPD

In re:

WELLS FARGO FORBEARANCE LITIGATION

Case No. 2:24-cv-1026-MHW-EPD

**PLAN OF ALLOCATION**

The following Plan of Allocation describes how the Settlement Fund shall be allocated among members of the Settlement Class pursuant to the Settlement Agreement entered into by and between Wells Fargo Bank, N.A., Wells Fargo & Co., and Plaintiffs in the above-captioned

actions and submitted to the Court for preliminary approval on April 17, 2024.<sup>1</sup> To the extent there are inconsistencies between this Plan of Allocation and the Settlement Agreement, the Settlement Agreement shall control. Unless stated otherwise, capitalized terms in this Plan of Allocation shall have the meaning ascribed to them in the Settlement Agreement.

I. The settlement amount shall be placed in an interest-bearing escrow account within the meaning of Treasury Regulation § 1.468B-1 in an FDIC-insured bank, to be established by the Settlement Administrator no later than forty-five (45) days after the Court enters the Preliminary Approval Order. ***Authorized Distributions from the Qualified Settlement Fund***

Within thirty (30) days of the Effective Date, the Settlement Administrator shall cause to be allocated an initial distribution of \$69,000,000 (“Automatic Payment Fund”) equally to Eligible Class Members, based upon the number of At-Issue Forbearances, on a per-mortgage basis. For the purposes of this initial distribution, Co-borrowers on a Mortgage will be treated as a single Class Member.

(a) Wells Fargo will provide to the Settlement Administrator a list of all class members. That list will identify whether a borrower is identified as a Co-Borrower on each mortgage account.

(b) The Settlement Administrator shall remove all Borrowers who execute a valid request for exclusion from this Settlement or are Co-borrowers on a loan with another Co-borrower who executes a valid request for exclusion, provided that they are not Borrowers on a non-excluded At-Issue Forbearance. The remaining class members shall constitute the “Eligible Class Members.”

(c) The Settlement Administrator shall divide the Automatic Payment Fund by the number of At-Issue Forbearances, less those forbearances excluded by way of valid request for

---

<sup>1</sup> The Settlement Agreement refers to this Plan of Allocation as the Allocation Plan.

exclusion. The resulting quotient shall constitute the pro-rata Automatic Payment paid to the borrower(s) on each not excluded loan with an At-Issue Forbearance.

(d) The Settlement Administrator shall effectuate a distribution of one pro-rata Automatic Payment for each At-Issue Forbearance. The method of payment shall be mailed check.

(e) If there are Co-borrowers on the loan with an At-Issue Forbearance, the Automatic Payment shall be made payable to the Co-borrowers jointly. The Automatic Payment check shall be mailed to the mailing address for the loan, and shall include the automatic co-borrower payments for that loan described in Section III(1).

(f) The Settlement Administrator shall effectuate separate Automatic Payment for each At-Issue Forbearance.

## II. ***Administrative and Reserved Funds***

After the Automatic Payment, the Settlement Administrator shall utilize the Settlement Fund to: (i) pay all Settlement Administration Costs and Expenses already incurred; (ii) distribute any Court-approved Service Awards to the Named Plaintiffs; and (iii) pay all taxes and tax-related expenses. Additionally, the Settlement Administrator shall hold in escrow all Attorneys' Fees and Expenses awarded by the Court (Reserved Funds), until resolution of all appeals related to the Fee and Expense Award, at which time it shall be paid by the Settlement Administrator from the Settlement Fund, unless ordered otherwise by the Court or agreed to by Consolidated Plaintiffs' Counsel and *Echard* Counsel.

## III. ***Supplemental Payment Fund***

The remainder of the Settlement Fund, after the Automatic Payment and Administrative and Reserved Funds, shall constitute the Supplemental Payment Fund. The Supplemental Payment Fund shall be distributed as follows:

- (1) Automatic Co-Borrower Payments

For all At-Issue Forbearances with Co-borrowers where there has been no valid exclusion request, each Co-borrower shall receive an Automatic Co-Borrower Payment of \$83.33 by check, which payments shall be included in the Automatic Payment check distributed for that mortgage account.

(2) Individualized Harms

Any Eligible Class Member may submit a Claim Form to be developed by the Settlement Administrator for damages caused by an At-Issue Forbearance. Examples of individualized harms compensable include:

- (a) delayed refinancing;
- (b) increased refinancing costs;
- (c) denial or reduction of personal credit lines and associated financial consequences;
- (d) inability to access existing lines of credit and costs for securing alternate funding;
- (e) lost income and/or lost business opportunity; and
- (f) any other damages caused by an At-Issue Forbearance.

The Settlement Administrator shall have sole and final responsibility to determine the amounts of payments for individualized harms. Provided that an Eligible Class Member's Individualized Harms are greater than \$10.00, the Settlement Administrator shall issue a payment for the Individualized Harms, made payable to the Eligible Class Member.

The Settlement Administrator shall issue, concurrently with the Class Notice, a Claims Form for Eligible Class Members to identify individual harms and submit claims for compensation. The Claims Form shall clearly state that the Claims Deadline is 120 days after the

mailing of the Notice. The Settlement Administrator shall be responsible for securing any corroborating documents necessary to process a claim.

In the event that the Settlement Administrator determines that the amount of allowed borrower claims to be paid from the Supplemental Payment Fund would otherwise exceed the amount of the Supplemental Payment Fund after payment of the automatic co-borrower payments, the Settlement Administrator shall pay allowed borrower claims on a pro rata basis from the Supplemental Payment Fund.

**IV. *Residual Distribution***

After the Settlement Administrator effectuates payment of all valid Individualized Harms Claims, those Remaining Amounts shall constitute the Residual Fund.

The Residual Fund shall be distributed to Eligible Class Members who cashed a previous Settlement check on a pro-rata basis in the same manner and method as the Automatic Payment. The Settlement Administrator shall determine the Residual Distribution Amount by dividing the Supplemental Payment Fund by the number of At-Issue Forbearances, less exclusions and loans where the Automatic Payment has not been deposited.

If funds remain in the Residual Fund after the initial Residual Fund distribution, the Settlement Administrator, shall, with the consent of the Class Counsel, take all reasonable steps to effectuate the distribution of all funds in equal amounts to Eligible Class Members on a pro-rata per-loan basis, less exclusions and loans where the Automatic Payment has not been deposited, unless the pro-rata distribution would be less than \$10.

In no event shall any part of the Settlement Fund be used to reimburse any Defendants or otherwise offset settlement-related costs incurred by any Defendant. Defendants shall have no reversionary interest in the Settlement Fund.

**V. Final Settlement Administration**

All checks issued in accordance with the Plan of Allocation shall expire no later than one hundred twenty (120) calendar days after their issue date, which issuance date shall be on the face of the checks. All checks that are undelivered or are not cashed before their expiration date shall revert to the Settlement Fund for distribution as stated in Section IV.

The Defendants, Defense Counsel, Class Counsel, and Class Representatives will provide no tax advice to the Class Members and make no representation regarding the tax consequences of any of the settlement payments described in the Settlement Agreement. To the extent that any portion of any settlement payment is subject to income or other tax, the recipient of the payment shall be responsible for payment of such tax. Deductions will be made, and reporting will be performed by the Settlement Administrator, as required by law in respect of all payments made under the Settlement Agreement. Each Class Member who receives a payment under this Settlement Agreement shall be fully and ultimately responsible for payment of any and all federal, state, or local taxes resulting from or attributable to the payment received by such person. Each Class Member shall hold the Parties, Defense Counsel, Class Counsel, and the Settlement Administrator harmless from any tax liability, including penalties and interest, related in any way to payments under the Settlement Agreement, and shall hold the Parties, Defense Counsel, Class Counsel, and the Settlement Administrator harmless from the costs (including, for example, Attorneys' Fees and disbursements) of any proceedings (including, for example, investigation and suit), related to such tax liability.

Within twenty-eight (28) calendar days following the issuance of all Settlement payments to Class Members as provided by the Plan of Allocation approved by the Court, the Settlement Administrator shall prepare and provide to Class Counsel and Defendants' Counsel a list of each

person who received a settlement payment or contribution from the Settlement Fund and the amount of such payment or contribution.