

1 UNITED STATES DISTRICT COURT  
 2 NORTHERN DISTRICT OF CALIFORNIA  
 3 SAN FRANCISCO DIVISION  
 4

5 RONALD SIEMERS, Individually And On  
 6 Behalf Of All Others Similarly Situated,

7 Plaintiff,

8 v.

9 WELLS FARGO & COMPANY, H.D. VEST  
 10 INVESTMENT SERVICES, LLC, WELLS  
 11 FARGO INVESTMENTS, LLC, WELLS  
 12 FARGO FUNDS MANAGEMENT, LLC,  
 13 WELLS CAPITAL MANAGEMENT, INC.,  
 14 STEPHENS, INC., WELLS FARGO FUNDS  
 15 DISTRIBUTOR, LLC, AND WELLS FARGO  
 16 FUNDS TRUST,

17 Defendants.

No. 05-04518 WHA

~~PROPOSED~~ PLAN OF ALLOCATION

18 This plan sets forth the method of apportioning and distributing the Settlement Account  
 19 created pursuant to the Stipulation of Settlement. All capitalized terms have the meanings assigned  
 20 to them in the Stipulation of Settlement.

21 **1. Claims Administrator**

22 Lead Counsel shall be empowered to retain a third party to fulfill the duties of the Claims  
 23 Administrator under this Plan of Allocation, but the selection of the third party shall be subject to  
 24 the approval of Defendants. The Claims Administrator shall not be an agent, vendor or in any way  
 25 affiliated with any of Defendants.

26 **2. Apportionment of Settlement Account**

27 (a) During the existence of the Settlement Account, the Escrow Agent shall pay any taxes  
 28 due out of the assets of the Settlement Account.

(b) Within sixty (60) days of the Effective Date, the Claims Administrator shall apportion the  
 balance of the Settlement Account in the following order:

(i) Taxes. The Claims Administrator shall pay any remaining taxes due.

1 (ii) Administrative Costs. The Claims Administrator shall receive from the  
2 Settlement Account its Administrative Costs.

3 (iii) Payment to Lead Plaintiff. The Claims Administrator shall pay the Lead Plaintiff  
4 one thousand five hundred dollars (\$1,500.00).

5 (iv) Attorneys' Fees and Expenses to Lead Plaintiff and Lead Counsel. The Claims  
6 Administrator shall pay Lead Counsel attorneys' fees in the amount of two hundred eighty-  
7 seven thousand five hundred dollars (\$287,500.00) and expenses in the amount of fifty-four  
8 thousand seventy-eight dollars and ninety cents (\$54,078.90), and it shall pay Lead Plaintiff  
9 one thousand dollars (\$1,000.00). The Claims Administrator shall add to such payments  
10 interest accrued thereon from the date of this Order through the Effective Date.

11 (v) Payment to Small Cap Growth Fund. The Claims Administrator shall pay the  
12 Wells Fargo Advantage Small Cap Growth Fund thirty-two thousand eight hundred seventy-  
13 one dollars and one cent (\$32,871.01), which represents fifty thousand dollars (\$50,000.00),  
14 less five percent of the total amount ordered by the Court to be paid to Lead Counsel and Lead  
15 Plaintiff for attorneys' fees and expenses. The Claims Administrator shall add to such  
16 payment interest accrued thereon from the date the Settlement Account was funded through  
17 the Effective Date.

18 (vi) Apportionment of Remainder to Certified Wells Fargo Mutual Funds. The  
19 remaining balance of the Settlement Account shall be apportioned to pay claims with respect  
20 to each Certified Wells Fargo Mutual Fund (hereinafter "Certified Fund") as follows: Small  
21 Cap Growth Fund 23.1%, Diversified Equity Fund 69.4%, Montgomery Emerging Markets  
22 Focus Fund 7.5%. For example, if the remaining balance of the Settlement Account  
23 (including accrued interest) is \$650,000.00, the portion used to pay claims with respect to the  
24 Small Cap Growth Fund will be \$150,150.00. This dollar amount for each Certified Wells  
25 Fargo Mutual Fund will be known as the Apportionment Amount.

26 **3. Claims Process**

27 (a) Lead Counsel shall create a claim form, which shall be available on request from the  
28 Claims Administrator and on the internet at a website whose location is stated in the Notice and the

1 Summary Notice. The claim form may be filled out online, and Settlement Class Members shall  
2 also have the option of submitting a paper copy of the claim form by mail, and such option shall be  
3 made clear on the website. Class members may obtain a paper copy of the claim form by  
4 (1) downloading it from the website or (2) requesting that the Claims Administrator mail it to them  
5 by calling the Claims Administrator's toll-free number and providing their mailing address. The  
6 claim form shall be substantially in the form attached hereto as Exhibit A, but with modifications  
7 requested by the Court and/or the Claims Administrator and approved by the parties.

8 (b) The website referred to in Paragraph 3(a), and any other website used for notice or  
9 claims administration or otherwise in connection with the Settlement, shall be subject the provisions  
10 set forth in Paragraph 4(a)(vii) of the Stipulation.

11 (c) Settlement Class Members shall be entitled to a distribution from the Settlement Account  
12 only if they file a claim form no later than sixty (60) days after entry of the Order and Final  
13 Judgment. All Settlement Class Members who fail to timely submit a claim form shall be forever  
14 barred from receiving any payments pursuant to the Stipulation.

15 (d) On the claim form, the Settlement Class Member shall state, under penalty of perjury, for  
16 each Certified Fund as to which the Settlement Class Member wishes to make a claim, the  
17 following:

18 (i) the dates of any purchases and sales of shares (excluding automatic reinvestments)  
19 during the following Claims Periods:

20 (a) Small Cap Growth Fund: November 4, 2000 to June 8, 2005,

21 (b) Diversified Equity Fund: November 4, 2000 to June 8, 2005,

22 (c) Emerging Markets Focus Fund: June 9, 2003 to June 8, 2005;

23 (ii) the number and price of shares purchased or sold on each such occasion and the  
24 total transaction amount;

25 (iii) the fund name and share class (or ticker symbol) so purchased or sold;

26 (iv) The Settlement Class Member's full name, address, telephone number, email  
27 address, tax identification number, and W-9 certification; and

28 (v) acknowledgement that claims are subject to audit and that false claims can give

1 rise to prosecution for perjury and/or wire or mail fraud.

2 (e) The Settlement Class Members who timely make valid claims (including any such  
3 persons on whose behalf claims are submitted by nominee owners or omnibus account owners) shall  
4 be known as Claimants.

5 **4. Computation of Amounts Due to Settlement Class Members**

6 (a) The amount of the Settlement Account apportioned to each Claimant shall be based on  
7 the ratio between (1) the Claimant's average holdings of the Certified Funds during the Class Period  
8 and (2) the total holdings of those Certified Funds by all Claimants. This ratio shall be computed as  
9 provided in the following sub-paragraphs of this Paragraph 4.

10 (b) From the information supplied on the claim form as to number of shares purchased or  
11 sold, as well as publicly available information as to the closing share price on each day, the Claims  
12 Administrator shall determine each Claimant's daily account balance in each Certified Fund with  
13 respect to purchases made during the Claims Period. The Claims Administrator shall then determine  
14 for each Certified Fund the sum of each Claimant's daily account balances related to purchases  
15 during the Claims Period, divided by the number of days between the Beginning Date for that  
16 Certified Fund and the end of the Class Period. (For the Small Cap Growth Fund and Diversified  
17 Equity Fund, the divisor is 1678 days; and for Montgomery Emerging Markets, the divisor is 730  
18 days). The result, for each Certified Fund and Claimant, shall be known as the Claimant Average  
19 Fund Balance.

20 (c) The Claims Administrator shall determine, for each Claimant, the sum of the Claimant  
21 Average Fund Balances. This sum shall be known as the Claimant Average Total Balance. The  
22 Claims Administrator also shall compute ten percent (10%) of the Claimant Average Total Balance,  
23 which shall be known as the Claimant Ten Percent Ceiling.

24 (d) The Claims Administrator shall determine for each Certified Fund, the sum of the  
25 Claimant Average Fund Balances held by all Claimants. This sum, for each Certified Fund, shall be  
26 known as the Class Average Fund Balance.

27 (e) The Claims Administrator shall determine, for Claimant and each Certified Fund, the  
28 ratio between the Claimant Average Fund Balance and the Class Average Fund Balance. This ratio

1 shall be known as the Claimant Fund Ratio.

2 (f) For each Certified Fund and each Claimant, the Claims Administrator shall multiply the  
3 Claimant Fund Ratio times the Apportionment Amount in Paragraph 2(b)(v)) above. The product  
4 shall be called the Claimant Fund Apportionment Amount.

5 (g) For each Claimant, the Claims Administrator shall sum the Claimant Fund  
6 Apportionment Amounts for all three Certified Funds. This sum shall be known as the Claimant  
7 Distribution Amount.

8 (h) The entire Claimant Distribution Amount shall be distributed to the Claimant unless the  
9 Claimant Distribution Amount (1) is greater than the Claimant Ten Percent Ceiling or (2) is less  
10 than \$20.00. If the Claimant Distribution Amount is greater than the Claimant Ten Percent Ceiling,  
11 the Claimant Distribution Amount shall be reduced to equal the Claimant Ten Percent Ceiling.

12 (i) For any Claimant whose Claimant Distribution Amount is less than \$20.00, a second  
13 calculation will be performed as follows.

14 (i) The Claims Administrator shall determine the sum of all Claimant Distribution  
15 Amounts that were less than \$20.00, plus the sum of the Claimant Distribution Amounts in  
16 excess of the Claimant Ten Percent Ceilings. This combined sum shall be known as the Total  
17 Reallocation Pool.

18 (ii) The Claims Administrator shall divide the Total Reallocation Pool into three  
19 pools, one for each Certified Fund, according to the same percentages set forth in Paragraph  
20 2(b)(vi) above. Each result shall be known as a Fund Reallocation Pool.

21 (iii) Beginning with Claimant who had an initial calculated Claimant Distribution  
22 Amount of \$19.99 and proceeding sequentially to Claimants with lower Claimant Distribution  
23 Amounts, \$20.00 shall be distributed to each Claimant until the Fund Reallocation Pool is  
24 exhausted. If any Claimant after the above process still is not entitled to at least \$20.00, that  
25 Claimant will receive no distribution.

26 (j) If after the above process is complete, there remain additional funds in the Settlement  
27 Account, the Court shall determine how to allocate such funds, except that no portion of the amount  
28 shall be returned to any of the Released Parties.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

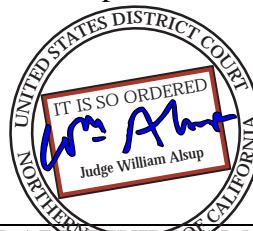
**5. Notice Of Rejected Claims**

If no distribution is being made to the Claimant, the Claims Administrator shall inform the Claimant by email as to the reasons for non-distribution.

**6. Distribution To Settlement Class Members**

The Claims Administrator shall pay the Claimant Distribution Amount to the Claimant in one of the following methods, at its discretion: (a) mail a check to the address provided on the claim form or (b) if reasonably feasible, have the funds electronically transferred to the Claimant, if the Claimant has a Wells Fargo Account that is open at the time of distribution. Defendants shall bear the costs of any such electronic transfers and shall cooperate with the Claims Administrator to facilitate payments to holders of the Wells Fargo Accounts that are open at the time of distribution.

DATED: February 5 \_\_\_\_\_, 2008.



---

HONORABLE WILLIAM H. ALSUP  
UNITED STATES DISTRICT JUDGE