

Senators Release Wells Fargo Answers on Executive Compensation

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A copy of the Wells Fargo response is available [here](#) (PDF)

WASHINGTON, DC - Today, United States Senators Elizabeth Warren (D-Mass.), Sherrod Brown (D-Ohio), Jack Reed (D-R.I.), Bob Menendez (D-N.J.), and Jeff Merkley (D-Ore.) released Wells Fargo Senior Executive Vice President Hope Hamilton's response to [questions from the Senators](#) about the compensation of Senior Executive Carrie Tolstedt. Ms. Tolstedt is the former Senior Executive Vice President of Community Banking who led the division responsible for the misconduct. She announced her retirement in July 2016, two months prior to Wells Fargo's settlement with CFPB, and will walk away from the company with tens millions of dollars in compensation.

The Wells Fargo response includes several new pieces of information, confirming that:

- Wells Fargo's Board and Senior Executives were aware of the misconduct in her division at the time of Ms. Tolstedt's retirement announcement. According to the Wells Fargo response, "Senior management and the board were aware of the pending litigation, investigations, and discussions with our regulators relating to sales practices when Ms. Tolstedt indicated her decision to retire."
- Despite the misconduct under her watch, Ms. Tolstedt has received tens of millions of dollars in compensation from Wells Fargo. According to the Wells Fargo response, "Ms. Tolstedt owns ... shares of Wells Fargo stock that are currently worth approximately \$43.6 million ... vested, but unexercised stock options ...worth approximately \$34.1 million ... (and) unvested and unpaid equity awards ... with a ... value of approximately \$18.9 million."
- Ms. Tolstedt remains eligible for millions of dollars in additional incentive bonuses for 2016. Despite her July 2016 retirement, Ms. Tolstedt was allowed to remain at Wells Fargo through

the end of 2016, and according to the Wells Fargo response, "Ms. Tolstedt is eligible to be considered for a 2016 annual incentive award."

- Wells Fargo can clawback all or part of Ms. Tolstedt's compensation - but has not committed to doing so. According to the letter, "the Board has the discretion to determine whether to cancel all or any of portion of Ms. Tolstedt's unpaid restricted share rights or performance share awards...it will assess the relevant facts and circumstances ... to determine whether to cancel or clawback any incentive compensation."

"The Wells Fargo response raises as many questions as it answers. It remains unclear how and why Ms. Tolstedt will be allowed to walk away with millions of dollars in salary and bonuses from Wells Fargo despite the rampant misconduct that occurred under her watch. We will have additional questions about this issue for Mr. Stumpf," said the senators.

A PDF copy of the response from Wells Fargo is available [here](#).

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