

Regulatory and Enforcement Alert

The Office of the Comptroller of the Currency Seeks Additional Penalties From Former Wells Fargo Executives

April 23, 2021

In court filings in advance of trial against the three former Wells Fargo executives who are contesting its sales practices-related enforcement actions, the Office of the Comptroller of the Currency said it would be seeking significantly increased monetary penalties against each of the three. (Five other former executives previously resolved the OCC's charges.) The OCC argued that the three former executives going to trial failed to perform their duties and that their conduct justified the increases (in one case, by more than 300%) in the sanctions the agency had originally sought.

While this move is somewhat unusual in its timing, it is a reminder that the discovery process in an enforcement proceeding brings with it the risk that the government's position can harden further once the investigative phase of an enforcement proceeding has concluded and the litigation phase begins. Of course, the enforcement actions against Wells Fargo's former executives represent one of the most comprehensive efforts ever undertaken by the OCC to hold individuals accountable for a bank's allegedly unsafe and unsound practices, and the agency's decision to seek increased penalties may serve as an indicator as to how the regulator will approach these matters moving forward.

For further information about this Alert, please contact one of the following members of the Firm.

NEW YORK CITY

Brooke E. Cucinella

+1-212-455-3070

brooke.cucinella@stblaw.com

Stephen M. Cutler

+1-212-455-2773

stephen.cutler@stblaw.com

WASHINGTON, D.C.

Keith A. Noreika

+1-202-636-5864

keith.noreika@stblaw.com

Adam J. Cohen

+1-202-636-5578

adam.j.cohen@stblaw.com

SÃO PAULO

Rafael M. Loureiro

+55-11-3546-1026

rafael.loureiro@stblaw.com

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