DECLARATION OF SCOTT KILKER

I, Scott Kilker, declare and state as follows:

1. I have personal knowledge of the facts set forth in this declaration, and would and could competently testify thereto if called upon to do so.

2. I am currently employed by Wells Fargo Bank, N.A. ("Wells Fargo") as a Finance Manager (AVP) in its Bonus/Commission Accounting Department. As a Finance Manager, I am responsible for managing the reporting and analytics team within the Bonus/Commission Accounting Department. As part of my job duties, I have access to the electronic commission records for employees of Wells Fargo, including Home Mortgage Consultants ("HMC") and other similar home mortgage employees.

3. I am informed and believe that, as part of the class action lawsuit, entitled *Dyer v. Wells Fargo Bank, N.A.*, Case No. Case No. 13-CV-02858 JST, Plaintiffs have alleged that Wells Fargo breached the terms of the applicable Incentive Compensation Plans by paying Wells Fargo home mortgage employees a flat commission rate of 43 basis points ("bps") instead of the standard commission rates for certain Wells Fargo to Wells Fargo specialty refinance loans they originated, including loans under Home Affordable Refinance Program (HARP), Freddie Mac to Freddie Mac Relief, and Fannie Mae to Fannie Mae Refi Plus programs between April 1, 2011 and December 31, 2012, excluding all employee and partner referral loans. In connection with those allegations, various individuals in the Bonus/Commission Accounting Department, including myself, reviewed commission data to determine the actual impact on each individual's commission rates resulting from Wells Fargo paying 43 bps on the specialty refinance loans they originated as compared to standard commission rates.

4. Specifically, under my direction, the Bonus/Commission Accounting Department first queried Wells Fargo's loan databases to identify all of the Wells

Fargo to Wells Fargo specifically refinance loans that were funded between April 1, 2011 and December 31, 2012. Once we identified this set of loans, we queried it against the three different commission systems utilized by Wells Fargo during this time period (the VCS, LIS, and PMB commission systems) to determine the amount of commission paid to each home mortgage employee on each specialty refinance loan.

5. Once we obtained this information, we identified all of the specialty refinance loans that were partner referral (loans referred by another Wells Fargo employee) and employee loans (loans provided to a Wells Fargo employee). If loans were either partner referral or employee loans, they were properly paid at rates below the normal commission schedule rates pursuant to certain rules in the governing compensation plans. Those rules override the normal commission schedule rules. Accordingly, partner referral and employee loans were excluded from the analysis.

6. In addition, all loans, even specialty refinance loans, generated a certain minimum commission ($700 in most states, and $1,200 in California on loans locked on or after 8/18/2011). Based on that rule, certain Wells Fargo to Wells Fargo specialty loans generated a higher commission rate than 43 bps despite the general rule that Wells Fargo to Wells Fargo specialty refinances normally generate 43 bps. For example, on a loan of $100,000, the commission would be the $700 minimum commission, which translates into 70 bps. Loans where the minimum commission generated a higher effective commission rate that the standard commission schedule for that loan were also excluded from the analysis.

7. From the remaining data, we calculated the standard commission rates for these specialty refinance loans that would have been paid per the standard commission schedule (ranging from 43 to 63 bps) based on the higher rate of the employee's total loans funded for the month versus dollar value of loans funded for

the month. For each loan that generated more than 43 bps under the commission schedule, we determined the dollar value difference between the commission paid at 43 bps and the commission that would have been paid under the standard schedule (e.g., on a $300,000 loan where the commission should have been 63 bps, the difference would be .2% of 300,000, or $600).

8. Next, we attempted to update the specialty refinance loans originated by California-based HMCs who utilized a Home Mortgage Associate ("HMA") . This is a complicated calculation since California HMCs who elect to have a HMA agree to one of multiple modified commission schedules that pay a lower commission rate than the standard schedule at certain levels of production, but the same commission rate as the standard schedule at the highest levels of production. We first performed the analysis to account for this adjusted commission rate with respect to the VCS commission system. This resulted in a modest reduction to the overall commission deficit number, but required a great deal of effort in relation to the reduction attained. Accordingly, we decided not to conduct the process with respect to the LIS and PMB commission systems. If we had finished this process, the "total difference" number would have been marginally lower (*i.e.*, in Wells Fargo's favor).

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9. Through the process outlined above, we determined that the actual impact on each individual's commission rates totaled $45,085,937 and affected 7,800 individuals who had loans closed under their employee IDs. We then validated the total numbers by reviewing hundreds of individual loans to confirm they were being calculated correctly if Wells Fargo had paid the home mortgage employees per the standard commission schedule for originating the specialty refinance loans. Based on this validation process, we confirmed that the generated numbers were accurate.

I declare under the penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on February 25, 2014, at Des Moines, Iowa.

Scott Kilker

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