

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF SAN DIEGO**

BRUCE H. CONLEY, KATHLEEN D. CONLEY, individually,
and KENNETH R. YOUNGER and DORINE E. YOUNGER,
on behalf of themselves, all others similarly situated and the
general public,

Plaintiffs,

v.

NORWEST MORTGAGE, INC., a California
Corporation, aka WELLS FARGO HOME MORTGAGE, and
DOES 1 to 100

Defendants.

CASE NO. N73741

NOTICE OF PENDENCY OF CLASS ACTION

TO:

ALL CALIFORNIA BORROWERS OF WELLS FARGO HOME MORTGAGE, FORMERLY KNOWN AS NORWEST MORTGAGE ("WFHM"), WHO WERE CHARGED FOR FORCE PLACED HAZARD INSURANCE BY WFHM BETWEEN JANUARY 22, 1993 AND DECEMBER 31, 2001. THIS NOTICE CONTAINS IMPORTANT INFORMATION WHICH MAY AFFECT YOU. PLEASE READ IT CAREFULLY.

THE LAWSUIT

1. Now pending in the Superior Court of the State of California for the County of San Diego is a lawsuit entitled Bruce Conley, et al. v. Norwest, Case No. N73741 (the "Lawsuit"). The Lawsuit alleges that on those occasions when WFHM force placed hazard insurance on the mortgage accounts of WFHM customers, it unfairly, deceptively and/or unlawfully charged its customers for such insurance in violation of Business & Professions Code §17200.

2. WFHM denies the allegations of the Lawsuit and contends that the costs it imposed on customers for force placed hazard insurance were lawful and proper. It contends that it did not act unfairly, deceptively or unlawfully and that the force placed hazard insurance premiums charged to borrowers (including the components for commission and tracking expenses) represent the true cost of the hazard insurance.

3. Forced placed hazard insurance is purchased by WFHM when the homeowner does not maintain hazard insurance on the property on which WFHM has a loan.

4. The Court has not formed any opinions concerning the merits of the Lawsuit, nor has it ruled for or against the Plaintiffs as to any of their claims. The sole purpose of this notice is to inform you of the Lawsuit so that you can make an informed decision as to whether you wish to remain in or opt out of this class action.

5. At the direction of the Court, Plaintiffs filed an administrative rate review petition with the California Department of Insurance ("DOI") against American Security Insurance Company ("ASIC") which provided the force placed hazard insurance in this case. Plaintiffs as directed by the Court asked the DOI to decide two questions. The first question was: "Should an insurance rate include as part of the true cost of insurance certain charges which relate to the general insurance services rendered by the insurer to a mortgage lender?" And "whether the rates approved by the DOI include charges which are improperly passed on by lenders to FPI purchasing borrowers." In answer to the first question, the DOI held that ASIC's "decision to include tracking services and commissions as components of ASIC's insurance rate structure do not make the rates 'excessive'". As to the second question, the DOI declined to address the question because "insofar as Petitioners asked the DOI to decide whether premium charges are improperly passed on to Petitioners, [Plaintiffs] the Commissioner cannot and does not express an opinion". WFHM contends that this ruling by the DOI means that the hazard insurance charges of WFHM borrowers were necessarily proper. Plaintiffs contend that their Lawsuit against WFHM must proceed in that the DOI declined to rule on Plaintiffs' claims against WFHM. The Court has not yet ruled on this issue.

6. Plaintiffs have elected to bring a single claim or cause of action against WFHM. In that claim brought under section 17200 *et seq.* of California's Business & Professions Code, Plaintiffs allege that WFHM's conduct was unfair, deceptive and/or unlawful. Plaintiffs seek an injunction and restitution of any money WFHM wrongfully acquired from borrowers as a result of the practices at issue. Plaintiffs do not seek damages or any monetary relief from WFHM other than disgorgement and restitution on a classwide basis.

DEFINITION OF THE CLASS

7. On November 22, 1999, the Court ordered that the Lawsuit may proceed as a Class Action. The Class will consist of all California borrowers of WFHM who, during the period January 22, 1993 through December 31, 2001 ("Class Period"), were charge for Forced placed hazard insurance premiums by WFHM, except those borrowers whose insurance charges were completely reversed.

CONSEQUENCES OF CLASS MEMBERSHIP

8. If you were charged any amount for forced placed hazard insurance placed by WFHM under the circumstances set forth above under "Definition of the Class," you will be automatically considered a member of the class. YOU NEED NOT DO ANYTHING IF YOU WISH TO BE INCLUDED. THERE IS NO NEED FOR YOU TO CALL, WRITE OR SEND ANYTHING AT THIS TIME IN ORDER FOR YOU TO REMAIN A MEMBER OF THE CLASS. Class counsel identified below will prosecute the claims in the Lawsuit on behalf of the class at no out of pocket expense to you. You may be entitled to share in the benefits obtained in litigation and will be bound by any judgment, whether favorable or unfavorable, entered in the Lawsuit.

9. If you choose to remain in the Class, you will be bound by any judgment rendered in the Lawsuit, whether it is favorable or unfavorable. Your interests will be represented by Kenneth R. And Dorine E. Younger, whom the Court has appointed as class representatives.

CLASS COUNSEL

10. The names and addresses of the attorneys who represent Plaintiffs and the class are:

BLUMENTHAL & MARKHAM
Norman B. Blumenthal (State Bar #068687)
David Markham (State Bar #071814)
Kyle R. Nordrehaug (State Bar #205975)
2255 Calle Clara
La Jolla, California 92037
www.bamlawca.com
norm@bamlawlj.com

CHAVEZ & GERTLER LLP
Mark A. Chavez (State Bar #090858)
42 Miller Avenue
Mill Valley, CA 94941

CLASS MEMBERS' RIGHTS

11. Although class counsel will represent the class in the Lawsuit, you may have your own attorney appear in the Lawsuit at your own expense. If you wish to pursue your own lawsuit against WFHM based upon the circumstances alleged in this lawsuit, or otherwise do not wish to be a part of the class in this class action lawsuit, you may exclude yourself.

12. Your participation in any recovery that may be obtained from WFHM though the trial or settlement of this lawsuit will depend on the results of the lawsuit. If no recovery is obtained for the class, you will be bound by that result.

13. You do not need to take any action if you wish to be included in the Class, and you should not send any documents or other materials to the Court or Class Counsel at this time. However, you should maintain copies of any records you have concerning your forced placed hazard insurance, including records of the amounts you paid for this insurance, as you may be asked to provide such records to Class Counsel in the future.

HOW TO BE EXCLUDED FROM THE LAWSUIT

14. The Court will exclude you from the class if you send a written request for exclusion by mail to the Class Administrator: Norwest Insurance Litigation, c/o Gilardi & Co. LLC, P.O. Box 8060, San Rafael, CA 94912, postmarked on or before October 3, 2002. The request should state: "I do not want to be a part of the Plaintiff Class in Conley v. Norwest, No. N73741." The Request should be signed with your name, address and loan number, if available, printed below your signature. If you do not make a timely request for exclusion in the manner specified, any claims you may have against WFHM with respect to Force Ordered insurance will be finally resolved by the judgment in the case.

EXAMINATION OF PAPERS

15. This notice does not fully describe the Lawsuit. You may inspect the court files at the Office of the County Clerk, 325 S. Melrose Drive, Vista, CA 92083, during the hours of 8:30 a.m. to 4:30 p.m., Monday through Friday. PLEASE DO NOT CALL OR WRITE TO THE COURT OR THE CLERK OF THE COURT.

NAME AND ADDRESS FOR CORRECTIONS

16. Corrections of your name and address should be sent to: "Norwest Insurance Litigation, c/o Gilardi & Co. LLC, P.O. Box 8060, San Rafael, CA 94912"

ADDITIONAL INFORMATION

17. Any questions regarding this notice should be directed to Class Counsel at the above addresses. **PLEASE DO NOT CONTACT THE COURT OR THE COURT CLERK REGARDING THIS LAWSUIT**

Dated: August 6, 2002

By: _____

Hon. Dana M. Sabraw
Judge of the Superior Court, Dept. 24