

FEDERAL RESERVE SYSTEM

Wells Fargo & Company
San Francisco, California

Order Approving the Acquisition of a Bank Holding Company

Wells Fargo & Company (“Wells Fargo”), a financial holding company within the meaning of the Bank Holding Company Act (“BHC Act”), has requested the Board’s approval under section 3 of the BHC Act to acquire Wachovia Corporation (“Wachovia”),¹ Charlotte, North Carolina, and thereby indirectly acquire Wachovia’s subsidiary banks, Wachovia Bank, National Association (“Wachovia Bank”), Charlotte, and Wachovia Bank of Delaware, National Association, Wilmington, Delaware.² In addition, Wells Fargo has requested the Board’s approval under section 4 of the BHC Act³ to acquire the nonbanking subsidiaries of Wachovia, including Wachovia’s two subsidiary savings associations.⁴ Wells Fargo also proposes to acquire the agreement corporation and Edge Act subsidiaries and the foreign operations of Wachovia pursuant to sections 25 and 25A of the Federal Reserve Act and the Board’s Regulation K.⁵

¹ 12 U.S.C. § 1842.

² Wells Fargo initially would acquire shares of newly issued voting preferred securities of Wachovia, representing approximately 39.9 percent of aggregate voting securities. After shareholder approval, a wholly owned subsidiary of Wells Fargo would merge with and into Wachovia, with Wachovia surviving the merger and becoming a wholly owned subsidiary of Wells Fargo. Wells Fargo also seeks the Board’s approval pursuant to section 3 of the BHC Act to acquire Wachovia’s indirect ownership of 5.7 percent of the voting shares of United Bancshares, Inc. (“United”) and thereby indirectly acquire voting shares of United’s subsidiary bank, United Bank of Philadelphia, both of Philadelphia, Pennsylvania.

³ 12 U.S.C. § 1843.

⁴ Wachovia’s two savings associations are Wachovia Mortgage, F.S.B., North Las Vegas, Nevada, and Wachovia Bank, F.S.B., Houston, Texas. Wells Fargo also proposes to acquire all of Wachovia’s other nonbanking subsidiaries pursuant to section 4 of the BHC Act, including (but not limited to) Wachovia Bank’s insured credit card subsidiary, Wachovia Card Services, National Association, Atlanta, Georgia, and its nondepository trust company, Delaware Trust Company, National Association, Wilmington, Delaware. See 12 U.S.C. § 1843. Both of these Wachovia Bank subsidiaries engage only in limited operations and, therefore, are not banks for purposes of the BHC Act. See 12 U.S.C. § 1841(c)(2)(D) and (F).

⁵ 12 U.S.C. §§ 601 et seq. and 611 et seq.; 12 CFR Part 211.

Section 3(b)(1) of the BHC Act requires that the Board provide notice of an application under section 3 to the appropriate federal or state supervisory authority for the banks to be acquired and provide the supervisor a period of time (normally 30 days) within which to submit views and recommendations on the proposal.⁶ Section 4(i)(4) of the BHC Act imposes a similar requirement with respect to a notice to acquire a savings association.⁷ In light of the unusual and exigent circumstances affecting the financial markets, the weakened financial condition of Wachovia, and all other facts and circumstances, the Board has shortened to 10 days the notice period to the primary regulators of the banks and savings associations involved in, and waived public notice of, this proposal, in accordance with the provisions of the BHC Act and the Board's regulations.⁸ The Board has contacted the primary federal supervisors of the insured depository institutions and the Department of Justice; those agencies have indicated that they have no objection to the approval of the proposal.

The Board has carefully considered the statutory factors in light of all the facts of record, including confidential examination and other supervisory information, publicly reported and additional financial information, the supervisory experiences of the Board and the other federal supervisors of the organizations and institutions involved in the proposal, information provided by Wells Fargo and Wachovia, and comments received on the proposal. Based on all the facts of record, the Board has concluded that all the factors the Board must consider in acting on the application and notices are consistent with approval. The application and notices are hereby approved by the Board for the reasons set forth in the Board's Statement, which will be released at a later date.

The Board's approval is specifically conditioned on compliance by Wells Fargo with all the commitments made in connection with the proposal, including the commitments and conditions discussed in the forthcoming Statement. This approval also is subject to all the conditions set forth in Regulation Y and to the Board's authority to require such modification or termination of the nonbanking activities of a bank holding company or any of its subsidiaries as the Board finds necessary to ensure compliance with, and to prevent evasion of, the provisions of

⁶ 12 U.S.C. § 1842(b)(1); 12 CFR 225.25(b).

⁷ 12 U.S.C. § 1843(i)(4).

⁸ 12 U.S.C. §§1842(b)(1) and 1843(i)(4); 12 CFR 225.16(b)(3), 225.16(g)(2), 225.25(d), and 262.3(l).

the BHC Act and the Board's regulations and orders issued thereunder. These commitments and conditions are deemed to be conditions imposed in writing by the Board in connection with its findings and decision and, as such, may be enforced in proceedings under applicable law.

The proposed bank-related acquisitions may not be consummated before the fifth calendar day⁹ after the effective date of this order, and the proposal may not be consummated later than three months after the effective date of this order, unless such period is extended for good cause by the Board or by the Federal Reserve Bank of San Francisco, acting pursuant to delegated authority.

By order of the Board,¹⁰ effective October 12, 2008.

(signed) Robert deV. Frierson

Robert deV. Frierson
Deputy Secretary of the Board

⁹ 12 U.S.C. § 1849(b)(1); 12 CFR 225.16(h)(2).

¹⁰ Voting for this action: Chairman Bernanke, Vice Chairman Kohn, and Governors Warsh, Kroszner, and Duke.