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9 [Additional Counsel Appear On Signature Page]

10 UNITED STATES DISTRICT COURT  
11 NORTHERN DISTRICT OF CALIFORNIA

SI

12  
13 GENERAL RETIREMENT SYSTEM OF THE )  
14 CITY OF DETROIT, Individually And On )  
Behalf Of All Others Similarly Situated, )

15 Plaintiff, )

16 vs. )

17 THE WELLS FARGO MORTGAGE BACKED )  
18 SECURITIES 2006-AR18 TRUST, THE WELLS )  
19 FARGO MORTGAGE BACKED SECURITIES )  
20 2006-17 TRUST, THE WELLS FARGO )  
21 MORTGAGE BACKED SECURITIES 2006-15 )  
22 TRUST, THE WELLS FARGO MORTGAGE )  
23 BACKED SECURITIES 2006-16 TRUST, THE )  
24 WELLS FARGO MORTGAGE BACKED )  
25 SECURITIES 2006-AR19 TRUST, THE WELLS )  
26 FARGO MORTGAGE BACKED SECURITIES )  
27 2006-18 TRUST, THE WELLS FARGO )  
28 MORTGAGE BACKED SECURITIES 2006-20 )  
TRUST, THE WELLS FARGO MORTGAGE )  
BACKED SECURITIES 2006-19 TRUST, THE )  
WELLS FARGO MORTGAGE BACKED )  
SECURITIES 2007-1 TRUST, THE WELLS )  
FARGO ALTERNATIVE LOAN 2007-PA1 )  
TRUST, THE WELLS FARGO MORTGAGE )  
BACKED SECURITIES 2007-2 TRUST, THE )  
WELLS FARGO MORTGAGE BACKED )  
SECURITIES 2007-AR3 TRUST, THE WELLS )

CY 09  
CASE NO. 1376

CLASS ACTION COMPLAINT  
FOR VIOLATION OF THE  
FEDERAL SECURITIES LAWS

DEMAND FOR JURY TRIAL

[Caption Continued On Next Page]

CLASS ACTION COMPLAINT FOR VIOLATION OF THE FEDERAL SECURITIES LAWS

ORIGINAL  
FILED  
MAR 27 2009  
RICHARD W. WIEKING  
CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

1 FARGO MORTGAGE BACKED SECURITIES )  
2007-4 TRUST, THE WELLS FARGO )  
2 MORTGAGE BACKED SECURITIES 2007-3 )  
TRUST, THE WELLS FARGO MORTGAGE )  
3 BACKED SECURITIES 2007-5 TRUST, THE )  
WELLS FARGO MORTGAGE BACKED )  
4 SECURITIES 2007-6 TRUST, THE WELLS )  
FARGO MORTGAGE BACKED SECURITIES )  
5 2007-7 TRUST, THE WELLS FARGO )  
MORTGAGE BACKED SECURITIES 2007-8 )  
6 TRUST, THE WELLS FARGO MORTGAGE )  
BACKED SECURITIES 2007-9 TRUST, THE )  
7 WELLS FARGO MORTGAGE BACKED )  
SECURITIES 2007-10 TRUST, THE WELLS )  
8 FARGO MORTGAGE BACKED SECURITIES )  
2007-11 TRUST, THE WELLS FARGO )  
9 MORTGAGE BACKED SECURITIES 2007-12 )  
TRUST, WELLS FARGO ASSET SECURITIES )  
10 CORPORATION, WELLS FARGO BANK, )  
N.A., DAVID MOSKOWITZ, FRANKLIN )  
11 CODEL, THOMAS NEARY, DOUGLAS K. )  
JOHNSON, GOLDMAN, SACHS & CO., )  
12 JPMORGAN CHASE, INC., *as successor-in-* )  
*interest to* BEAR, STEARNS & CO., INC., )  
13 HSBC SECURITIES (USA), INC., DEUTSCHE )  
BANK SECURITIES, INC., )  
14 UBS SECURITIES, LLC, CITIGROUP )  
15 GLOBAL MARKETS, INC., GREENWICH )  
CAPITAL MARKETS, INC., BARCLAYS )  
16 CAPITAL, INC., BANC OF AMERICA )  
SECURITIES, LLC, BANK OF AMERICA )  
17 CORPORATION *as successor-in-interest to* )  
MERRILL LYNCH, PIERCE, FENNER & )  
18 SMITH, INC., MOODY'S INVESTOR )  
SERVICES, INC., THE MCGRAW-HILL )  
19 COMPANIES AND FITCH RATINGS, INC., )  
20 )  
Defendants. )  
21 )

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1 Plaintiff, General Retirement System of the City of Detroit, alleges the following based  
 2 upon the investigation of counsel, which included a review of United States Securities and  
 3 Exchange Commission ("SEC") filings by Wells Fargo Asset Securities Corporation ("WFASC")  
 4 and the following Wells Fargo Mortgage Backed Securities Trusts: 2006-AR18, 2006-17,  
 5 2006-15, 2006-16, 2006-AR19, 2006-18, 2006-20, 2006-19, 2007-1, 2007-2, 2007-AR3, 2007-4,  
 6 2007-3, 2007-5, 2007-6, 2007-7, 2007-8, 2007-9, 2007-10, 2007-11, 2007-12 and Wells Fargo  
 7 Alternative Loan 2007-PA1 (collectively, the "Defendant Issuers" or the "WFMBS Trusts"), as  
 8 well as regulatory filings and reports and advisories about WFASC and the WFMBS Trusts, press  
 9 releases and other public statements issued by ratings agencies about WFASC and the WFMBS  
 10 Trusts, and their own internal investigation. Plaintiff believes that substantial additional  
 11 evidentiary support will exist for the allegations set forth herein after reasonable opportunity for  
 12 discovery. The claims asserted herein do not sound in or arise from allegations of fraud.

#### 13 NATURE OF THE ACTION

14 1. This is a class action brought by General Retirement System of the City of Detroit  
 15 alleging violations of Sections 11, 12 and 15 of the Securities Act of 1933, 15 U.S.C. § 77a *et seq.*  
 16 ("Securities Act"), on behalf of purchasers of the WFMBS Pass-Through Certificates, Series  
 17 2006-AR18, 2006-17, 2006-15, 2006-16, 2006-AR19, 2006-18, 2006-20, 2006-19, 2007-1,  
 18 2007-PA1, 2007-2, 2007-AR3, 2007-4, 2007-3, 2007-5, 2007-6, 2007-7, 2007-8, 2007-9, 2007-10,  
 19 2007-11, 2007-12 (the "Certificates" or the "WFMBS Certificates") who purchased the  
 20 Certificates, backed by pools of mortgage loans, pursuant to or traceable to the following offerings  
 21 (collectively, the "Offerings"):

22 Deal	Deal Date	Underwriters	Amount	Additional Information
23 The Wells Fargo Mortgage 24 Backed Securities 2006- AR18 Trust	10/23/2006	UBS Securities LLC	\$1,195,150,100	supplement to prospectus of 10/23/2006
25 The Wells Fargo Mortgage 26 Backed Securities 2006-17 Trust	10/24/2006	UBS Securities LLC	\$325,008,681	supplement to prospectus of 10/23/06
27 The Wells Fargo Mortgage 28 Backed Securities 2006-15 Trust	10/26/2006	Citigroup Global Markets Inc.	\$3,233,940,146	supplement to prospectus of 10/23/06

CLASS ACTION COMPLAINT FOR VIOLATION OF THE FEDERAL SECURITIES LAWS

1	The Wells Fargo Mortgage Backed Securities 2006-16 Trust	10/26/2006	UBS Securities LLC/Barclays Capital Inc.	\$1,500,335,664	supplement to prospectus of 10/23/06
2					
3	The Wells Fargo Mortgage Backed Securities 2006-AR19 Trust	11/16/2006	Deutsche Bank Securities, Inc.	\$796,542,900	supplement to prospectus of 10/23/06
4					
5	The Wells Fargo Mortgage Backed Securities 2006-18 Trust	11/21/2006	Citigroup Global Markets, Inc./UBS Securities LLC	\$2,487,782,970	supplement to prospectus of 10/23/06
6					
7					
8	The Wells Fargo Mortgage Backed Securities 2006-20 Trust	11/27/2006	Merrill Lynch, Pierce, Fenner & Smith, Inc./Banc of America Securities LLC	\$199,659,047	supplement to prospectus of 10/23/06
9					
10					
11	The Wells Fargo Mortgage Backed Securities 2006-19 Trust	11/22/2006	Bear, Stearns & Co. Inc./Banc of America Securities LLC	\$274,342,646	supplement to prospectus of 10/23/06
12					
13					
14	The Wells Fargo Mortgage Backed Securities 2007-1 Trust	1/25/2007	Greenwich Capital Markets, Inc./Citigroup Global Markets, Inc.	\$597,986,428	supplement to prospectus of 10/23/06
15					
16	The Wells Fargo Alternative Loan 2007-PA1 Trust	2/26/2007	Merrill Lynch, Pierce, Fenner & Smith, Inc.	\$715,199,739	supplement to prospectus of 2/26/2007
17					
18					
19	The Wells Fargo Mortgage Backed Securities 2007-2 Trust	2/26/2007	Bear, Stearns & Co. Inc./Citigroup Global Markets Inc./Lehman Brothers Inc.	\$1,504,581,600	supplement to prospectus of 2/26/2007. Subsequently amended on 3/12/2007.
20					
21	The Wells Fargo Mortgage Backed Securities 2007-AR3 Trust	3/19/2007	UBS Securities LLC	\$485,863,100	supplement to prospectus of 2/26/07
22					
23					
24	The Wells Fargo Mortgage Backed Securities 2007-4 Trust	3/26/2007	Greenwich Capital Markets, Inc./Citigroup Global Markets, Inc.	\$1,791,060,422	supplement to prospectus of 2/26/07
25					
26					
27	The Wells Fargo Mortgage Backed Securities 2007-3 Trust	3/27/2007	Lehman Brothers Inc./Banc of America Securities LLC/UBS Securities LLC	\$1,348,185,173	supplement to prospectus of 2/26/07
28					

CLASS ACTION COMPLAINT FOR VIOLATION OF THE FEDERAL SECURITIES LAWS

1	The Wells Fargo Mortgage Backed Securities 2007-5 Trust	4/25/2007	Citigroup Global Markets Inc./Banc of America Securities LLC	\$459,897,307	supplement to prospectus of 4/25/07
2	The Wells Fargo Mortgage Backed Securities 2007-6 Trust	4/25/2007	Bear, Stearns & Co. Inc.	\$696,811,198	supplement to prospectus of 4/25/07
3	The Wells Fargo Mortgage Backed Securities 2007-7 Trust	5/25/2007	Bear, Stearns & Co. Inc.	\$5,074,621,629	supplement to prospectus of 5/25/07
4	The Wells Fargo Mortgage Backed Securities 2007-8 Trust	6/27/2007	HSBC Securities (USA) Inc.	\$2,736,274,839	supplement to prospectus of 6/25/07. Subsequently amended on 6/28/2007.
5	The Wells Fargo Mortgage Backed Securities 2007-9 Trust	6/25/2007	Countrywide Securities Corporation/UBS Securities LLC	\$749,586,914	supplement to prospectus of 6/25/07
6	The Wells Fargo Mortgage Backed Securities 2007-10 Trust	6/28/2007	UBS Securities LLC	\$1,692,241,638	supplement to prospectus of 6/25/07
7	The Wells Fargo Mortgage Backed Securities 2007-11 Trust	7/26/2007	Goldman, Sachs & Co./Lehman Brothers Inc.	\$3,935,034,689	supplement to prospectus of 7/26/2007
8	The Wells Fargo Mortgage Backed Securities 2007-12 Trust	8/27/2007	Barclays Capital Inc.	\$365,570,818	supplement to prospectus of 8/27/2007

2. The Certificates were issued pursuant to a Form S-3 registration statement filed with the SEC on or about September 27, 2006 (SEC File No. 333-137620). The initial registration statement was thereafter amended by the filing of a supplemental Form S-3/A on October 11, 2006 (collectively, the "Registration Statement"), and a prospectus supplement was issued in connection with each of the Offerings ("Prospectuses"), pursuant to which the WFMBS Certificates were issued. The Offerings occurred in this venue. The Certificates herein are mortgage-backed pass-through certificates ("MPTC") collateralized by mortgages originated in substantial part by Wells Fargo Bank ("WFB" or the "Originator"), which, at all relevant times, was a commercial and residential lender. The mortgages and liens on the mortgaged properties

1 constituting the Certificates' collateral were, as set forth in the Registration Statement and  
2 Prospectuses (collectively, the "Offering Documents"), to be the principal source by which  
3 Certificate purchasers were to obtain repayment of their investment plus interest. As also set forth  
4 in the Offering Documents, the Certificate collateral was purportedly originated by WFB pursuant  
5 to specific underwriting procedures and guidelines.

6 3. The underwriters of the Offerings were:

- 7 a. Defendant Goldman, Sachs & Co. ("GSC") for the 2007-11 Offering;
- 8 b. Defendant JPMorgan Chase, Inc. ("JPM"), as *successor-in-interest* to  
9 Defendant Bear, Stearns & Co., Inc., ("BSC") for the 2006-19, 2007-2,  
10 2007-6 and 2007-7 Offerings;
- 11 c. Defendant HSBC Securities (USA), Inc. ("HSBCS") for the 2007-8  
12 Offering;
- 13 d. Defendant Deutsche Bank Securities, Inc. ("DBS") for the 2006-AR19  
14 Offering;
- 15 e. Defendant UBS Securities, LLC ("UBS") for the 2006-AR18, 2006-17,  
16 2006-16, 2006-18, 2007-AR3, 2007-3, 2007-9 and 2007-10 Offerings;
- 17 f. Defendants Citigroup Global Markets, Inc. ("CITI") for the 2006-15,  
18 2006-18, 2007-1, 2007-2, 2007-4 and 2007-5 Offerings;
- 19 g. Defendant Greenwich Capital Markets, Inc. ("RBS") for the 2007-1 and  
20 2007-4 Offerings;
- 21 h. Defendant Barclays Capital, Inc. ("BC") for the 2006-16 and 2007-12  
22 Offerings;
- 23 i. Defendant Banc of America Securities, LLC ("BAS") for the 2006-20,  
24 2006-19, 2007-3 and 2007-5 Offerings; and
- 25 j. Bank of America Corporation, as *successor-in-interest* to Merrill Lynch,  
26 Pierce, Fenner & Smith, Inc., ("BofA") for the 2006-20 and 2007-PA1  
27 Offerings.

28 4. Defendants GSC, JPM, BSC, HSBCS, DBS, UBS, CITI, RBS, BC, BAS and BofA

1 are collectively referred to herein as the "Underwriter Defendants" or the "Underwriters."

2 5. The Underwriters were obligated to conduct meaningful due diligence to ensure  
3 that the Offering Documents contained no material misstatements or omissions, including the  
4 stated manner in which the mortgages had been originated. The Underwriters received massive  
5 fees for their work in connection with the Offerings. Based on, *inter alia*, the Underwriters'  
6 purported due diligence, the representations in the Offering Documents relating to the  
7 underwriting of the Certificate collateral, and their own investigation, rating agencies such as  
8 Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's ("S&P") and Fitch Ratings, Inc.  
9 ("Fitch") (collectively, the "Underwriter Ratings Agencies" and are included in the term  
10 "Underwriter Defendants") assigned the Certificates among the highest ratings applicable to such  
11 debt issues. The ratings purportedly reflected the likelihood of receipt by holders of the  
12 Certificates of timely payment of interest and principal.

13 6. Following the issuance of the Certificates, information began to emerge revealing  
14 that WFB routinely disregarded the underwriting guidelines set forth in the WFB mortgage loan  
15 origination documents. The veracity of this information was subsequently confirmed by the  
16 disclosure of substantially higher rates of delinquencies and foreclosures on collateral for such  
17 highly-rated debt issues. These disclosures, and the poor performance of the collateral, forced the  
18 Underwriter Rating Agencies to review and revise downward the ratings assigned to the  
19 Certificates due to the fact that the true nature of the collateral had not been properly assessed at  
20 the time of the Offerings and the ratings assigned by the Underwriter Rating Agencies did not  
21 accurately reflect expected delinquencies. The Underwriter Rating Agencies downgraded the  
22 Certificates in August 2008, causing a substantial decline in the value of the Certificates.

### 23 JURISDICTION AND VENUE

24 7. The claims asserted herein arise under and pursuant to Sections 11, 12(a)(2), and 15  
25 of the Securities Act, 15 U.S.C. §§ 77k, 77l(a)(2) and 77o.

26 8. This Court has jurisdiction over the subject matter of this action pursuant to Section  
27 22 of the Securities Act, 15 U.S.C. § 77v.

28 9. Venue is proper in this District pursuant to Section 22 of the Securities Act.

1 Defendant Wells Fargo Bank, N.A. ("WFBNA") is headquartered in this District.

2 **PARTIES**

3 10. Plaintiff acquired the Certificates pursuant to the Offering Documents, which  
4 contained material misstatements and omissions of facts necessary to make the facts stated therein  
5 not misleading. Those members of the Class who acquired the Certificates after the issuance of  
6 any annual report relied upon the untrue statements in the Offering Documents or relied on the  
7 Offering Documents and did not know of such omissions and have been damaged thereby.

8 11. Defendants WFMBS Trusts were the issuing entities for the corresponding  
9 WFMBS Certificates. Per their filings with the SEC, the WFMBS Trusts listed 7430 New  
10 Technology Way, Frederick, MD 21703 as their principal office location. Defendant WFMBS  
11 Trusts are common-law trusts formed under the laws of the State of New York.

12 12. Defendant WFASC is the Depositor for the Offerings, and the parent company of  
13 the issuers. WFASC is a direct and wholly owned subsidiary of Wells Fargo Bank, N.A.  
14 ("WFBNA"). According to its SEC filings, WFASC maintains its principal offices at 7430 New  
15 Technology Way, Frederick, Maryland 21703.

16 13. Defendant WFBNA is the parent and at all times the controlling entity of the  
17 Depositor, Defendant WFASC. Defendant WFBNA is also the originator of the loans which serve  
18 as the underlying assets to the Certificates described herein. According to its SEC filings,  
19 WFBNA maintains its principal offices at 420 Montgomery Street, San Francisco, California  
20 94163.

21 14. Defendant David Moskowitz ("Moskowitz") was, during the relevant period, a  
22 Director, the President, Chief Executive Officer (Principal Executive Officer), and Secretary of  
23 WFASC. Moskowitz signed the September 27, 2006 WFASC Registration Statement Form S-3  
24 and the October 11, 2006 WFASC Registration Statement Form S-3/A pursuant to which the  
25 various Certificates were offered either on behalf of himself or by the authorized Attorney-In-Fact.

26 15. Defendant Franklin Codel ("Codel") was, during the relevant period, the Executive  
27 Vice President, Chief Financial Officer (Principal Financial Officer) and Chief Accounting Officer  
28 of WFASC. Codel signed the September 27, 2006 WFASC Registration Statement Form S-3 and

1 the October 11, 2006 WFASC Registration Statement Form S-3/A pursuant to which the various  
2 Certificates were offered either on behalf of himself or by the authorized Attorney-In-Fact.

3 16. Defendant Douglas K. Johnson ("Johnson") was, during the relevant period, a  
4 Director of WFASC. Johnson signed the September 27, 2006 WFASC Registration Statement  
5 Form S-3 and the October 11, 2006 WFASC Registration Statement Form S-3/A pursuant to  
6 which the various Certificates were offered either on behalf of himself or by the authorized  
7 Attorney-In-Fact.

8 17. Defendant Thomas Neary ("Neary") was, at all times during the relevant period, a  
9 Director and an Executive Vice President of WFASC. Neary signed the September 27, 2006  
10 WFASC Registration Statement Form S-3 and the October 11, 2006 WFASC Registration  
11 Statement Form S-3/A pursuant to which the various Certificates were offered on behalf of  
12 himself and as the authorized Attorney-In-Fact.

13 18. Defendants Moskowitz, Codel, Johnson and Neary are collectively referred to  
14 herein as the "Individual Defendants." The Individual Defendants, because of their positions with  
15 WFASC, possessed the power and authority to control the contents of WFASC's filings with the  
16 SEC and market and drafted and edited the Offering Documents. The Individual Defendants all  
17 conducted business and had business residency at 7430 New Technology Way, Frederick,  
18 Maryland 21703.

19 19. The Individual Defendants were officers and/or directors of WFASC at the times  
20 the Offering Documents for the Offerings became effective, and with their consent, were  
21 identified as such in the Registration Statement. In addition, they each signed one or more of the  
22 relevant Registration Statements or authorized them to be signed on their behalf.

23 20. The Individual Defendants, as officers and/or directors each had a duty to promptly  
24 disseminate accurate and truthful information with respect to WFASC and the WFMBS Trusts,  
25 and to correct any previously issued statements issued by, or on behalf of WFASC and/or the  
26 WFMBS Trusts that had become materially misleading. The Individual Defendants'  
27 misrepresentations and omissions in the Prospectuses violated these specific requirements and  
28

1 obligations. The Individual Defendants were signatories to the Registration Statement filed with  
2 the SEC and incorporated by reference in the Prospectuses.

3 21. Defendant GSC is an investment banking firm principally located at 85 Broad  
4 Street, New York, New York 10004.

5 22. Defendant BSC is an investment banking firm formerly located at 383 Madison  
6 Avenue, New York, New York 10179. BSC was a wholly owned subsidiary of The Bear Stearns  
7 Companies, Inc. ("BSCI"). Pursuant to a Merger Agreement effective May 30, 2008, BSCI  
8 merged with BSC Merger Corporation, a wholly owned subsidiary of Defendant JPM, upon which  
9 BSCI became a wholly owned subsidiary of JPM.

10 23. Defendant JPM is an investment banking holding company principally located at  
11 270 Park Avenue, New York, New York 10017. Pursuant to the merger between BSCI and the  
12 wholly owned subsidiary of JPM, Defendant BSC became a wholly owned non-bank operating  
13 subsidiary of JPM, BSC's successor-in-interest.

14 24. Defendant HSBCS is an investment banking firm principally located at 452 Fifth  
15 Avenue, New York, New York 10018.

16 25. Defendant DBS is an investment banking firm principally located at 60 Wall Street,  
17 New York, New York 10005.

18 26. Defendant UBS is an investment banking firm principally located at 1285 Avenue  
19 of the Americas, 19th Floor, New York, New York 10019.

20 27. Defendant CITI maintains its principal executive offices in New York, New York.  
21 CITI is a global diversified financial services holding company whose businesses provide a broad  
22 range of financial services to consumers and corporate customers.

23 28. Defendant RBS is an investment banking firm principally located at 600 Steamboat  
24 Road, Greenwich Connecticut 06830.

25 29. Defendant BC is an investment banking firm with its headquarters located at 200  
26 Park Avenue, New York, New York 10166.

27 30. Defendant BAS is an investment banking firm with its headquarters located at 100  
28 North Tryon Street, 25th Floor, Charlotte, North Carolina 28255.

1 31. Defendant BofA is a Delaware corporation, a bank holding company and a  
2 financial holding company under the Gramm-Leach-Bliley Act. Its principal executive offices are  
3 located in the Bank of America Corporate Center, Charlotte, North Carolina 28255.

4 32. Each of the Underwriters was intimately involved in the aforementioned Offerings  
5 and failed to perform the requisite level of due diligence in connection with these Offerings. The  
6 Prospectuses disseminated in connection with these Offerings contained material misstatements  
7 and omissions of material fact relating to the underwriting practices employed in originating the  
8 underlying subprime mortgage loans. Each of the aforementioned defendants is one of the leading  
9 underwriters of mortgage- and asset-backed securities in the United States.

10 33. Defendant Moody's Investors Services ("Moody's") is a credit rating agency with  
11 its principal offices located at 7 World Trade Center at 250 Greenwich Street, New York, New  
12 York 10007. Moody's performs financial research and analysis for commercial and governmental  
13 entities and holds a 40 percent share of the world's credit ratings market. As a condition to the  
14 issuance of the Certificates, Moody's purportedly analyzed each Offering to address the likelihood  
15 of the receipt of all distributions on the Certificates and assigned credit ratings for each tranche of  
16 the Offerings, which was integral in establishing pricing, interest rates and a market for the  
17 Certificates. Moody's was an "Underwriter" of the Certificates within the meaning of the  
18 Securities Act.

19 34. Defendant The McGraw-Hill Companies, Inc., through its business division  
20 Standard & Poor's Ratings Services ("S&P" shall refer to The McGraw-Hill Companies and its  
21 business division Standard & Poor's Ratings Services), is a credit rating agency with its  
22 headquarters located at 55 Water Street, New York, New York 10041. S&P performs financial  
23 research and analysis for commercial and governmental entities and holds a 40 percent share of  
24 the world's credit ratings market. As a condition to the issuance of the Certificates, S&P  
25 purportedly analyzed each Offering to address the likelihood of the receipt of all distributions on  
26 the Certificates and assigned credit ratings for each tranche of the Offerings, which was integral in  
27 establishing pricing, interest rates and a market for the Certificates. S&P was an "Underwriter" of  
28 the Certificates within the meaning of the Securities Act.

1 35. Defendant Fitch Ratings, Inc. ("Fitch") is a credit rating agency with its principal  
2 offices located at One State Street Plaza, New York, New York 10004. Fitch performs financial  
3 research and analysis for commercial and governmental entities and holds a 10 percent share of  
4 the world's credit ratings market. As a condition to the issuance of the Certificates, Fitch  
5 purportedly analyzed each Offering to address the likelihood of the receipt of all distributions on  
6 the Certificates and assigned appropriate credit ratings for each tranche of the Offerings, which  
7 was integral in establishing pricing, interest rates and a market for the Certificates. Fitch was an  
8 "Underwriter" of the Certificates within the meaning of the Securities Act.

9 36. As set forth above, Moody's, S&P and Fitch are collectively referred to herein as  
10 the "Underwriter Rating Agencies" and are included in the term "Underwriter Defendants."

11 37. The Defendants are all liable, jointly and severally, as participants in the issuance  
12 of the WFMBBS Certificates, including issuing, causing, or making materially misleading  
13 statements in the Prospectus and omitting material facts necessary to make the statements  
14 contained therein not misleading.

15 **CLASS ACTION ALLEGATIONS**

16 38. Plaintiff brings this action as a class action alleging violations of Sections 11, 12  
17 and 15 of the Securities Act, on behalf of a class consisting of all persons who purchased or  
18 acquired the Certificates (the "Class") pursuant and/or traceable to the Offering Documents in  
19 connection with the Offerings from the effective date through the date of the filing of this action.  
20 Excluded from the Class are Defendants, their respective officers and directors at all relevant  
21 times, members of their immediate families and their legal representatives, heirs, successors or  
22 assigns and any entity in which Defendants have or had a controlling interest.

23 39. The members of the Class are so numerous that joinder of all members is  
24 impracticable. While the exact number of Class members is presently unknown to Plaintiff and  
25 can only be ascertained through appropriate discovery, Plaintiff reasonably believes that there are  
26 thousands of members in the proposed Class. Record owners and other members of the Class may  
27 be identified from records maintained by Defendants and/or the trustee for the Certificates and  
28

1 may be notified of the pendency of this action by mail, the internet or publication using the form  
2 of notice similar to that customarily used in securities class actions.

3 40. Plaintiff's claims are typical of the claims of the members of the Class as all  
4 members of the Class are similarly affected by Defendants' wrongful conduct in violation of the  
5 Securities Act as complained of herein.

6 41. Plaintiff will fairly and adequately protect the interests of the members of the Class  
7 and has retained Kohn, Swift & Graf, P.C. and Wolf Haldenstein Adler Freeman & Herz LLP,  
8 counsel competent and experienced in class and securities litigation.

9 42. Common questions of law and fact exist as to all members of the Class and  
10 predominate over any questions solely affecting individual members of the Class. Among the  
11 questions of law and fact common to the Class are:

- 12 a. whether the Offering Documents contained materially untrue statements or  
13 omitted statements of material fact;
- 14 b. whether the provisions of the Securities Act of 1933 were violated by the  
15 Defendants as alleged herein; and
- 16 c. to what extent the members of the Class have sustained damages pursuant  
17 to the statutory measure of damages.

18 43. A class action is superior to all other available methods for the fair and efficient  
19 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the  
20 damages suffered by individual Class members may be relatively small, the expense and burden of  
21 individual litigation make it impossible for members of the Class to individually redress the  
22 wrongs done to them. There will be no difficulty in the management of this action as  
23 a class action.

#### 24 **SUBSTANTIVE ALLEGATIONS**

25 44. The United States is experiencing a financial crisis due to trillions of dollars of debt  
26 securities "collateralized" or securitized by underlying mortgages which were recklessly  
27 underwritten and originated. The Plaintiff and Class, as purchasers of the Certificates, are the  
28 victims of such practices, having purchased the Certificates pursuant to the Offering Documents

1 that contained misstatements and omissions concerning the mortgage collateral securitizing the  
2 Certificates. The WFMBS Trusts and other entities related to the Offering, *i.e.*, the Depositor and  
3 Underwriter Defendants, had enormous financial incentive to consummate the Offerings of the  
4 Certificates as quickly as possible since they were paid, upon completion, a percentage of the total  
5 dollar amount of the Offerings sold to investors. Since the risk of the underlying collateral failing  
6 was not assumed by WFASC, the WFMBS Trusts or the Underwriters, there was also enormous  
7 incentive not to conduct full, complete and meaningful due diligence of the statements in the  
8 Offering Documents, including those relating to the underlying mortgage collateral.

9 **Background**

10 45. Prior to the current financial malaise, consumers wishing to finance the purchase of  
11 a home obtained a fixed rate mortgage loan or a conventional adjustable rate mortgage loan  
12 through a mortgage lender that would profit by servicing the loans and collecting interest  
13 payments over the life of the mortgages. Consequently, the lender (or loan originator) maintained  
14 an interest in making sure that borrowers were able to repay their loans and that loans were  
15 adequately collateralized in the case of default.

16 46. To increase available funds for borrowers, the U.S. government chartered  
17 Government Sponsored Enterprises ("GSEs"), such as the Federal National Mortgage Association  
18 ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac"). The GSEs  
19 were empowered to buy mortgage loans (*i.e.*, the rights to repayment of the loans) from loan  
20 originators, thus developing a secondary market for mortgage loans. Once purchased, the loans  
21 were pooled together, securitized and sold to investors as "mortgage backed securities," or  
22 "MBS." The money that a lender earned from the loan sales was then used to finance new  
23 mortgages, thereby increasing the lender's revenues.

24 47. Investors who purchased MBS would (typically) receive monthly payments over  
25 the lifetime of the underlying loans, in accordance with the borrowers' payments of principal and  
26 interest. To protect MBS investors, the GSEs only purchased loans that met approved  
27 underwriting standards. In addition, the prices of the MBS were discounted to account for an  
28 assumed rate of default or non-payment of a certain percentage of loans.

1           48.     Between 1995 and 2005, the U.S. experienced a dramatic rise in home ownership.  
2     Banks and other financial entities became active in and profited from the lucrative secondary  
3     market for mortgage loans. Unlike GSEs, investment banks were not constrained by the same  
4     strict conditions and restrictions when purchasing loans from loan originators. As the secondary  
5     market for loans originated with less stringent underwriting standards expanded, loan originators  
6     were increasingly able to lend to borrowers with higher credit-risk profiles without absorbing the  
7     increased risk. In exchange for the increased risk of default and/or delinquencies, the loan  
8     originators provided the loans at higher interest rates – *i.e.*, subprime loans. This also presented an  
9     opportunity for investors in the secondary market (such as Defendants) to achieve higher rates of  
10    return due to the higher interest percentage charged to the borrowers.

11           49.     In recent years, as loan originators increased the amount of loans sold rather than  
12    held and serviced, they became less vigilant in guarding against the risk of defaults and  
13    delinquencies because they were able to quickly transfer the risk to purchasers in the secondary  
14    market. Loan fees and sales revenue became the lender's primary profit mechanism, making the  
15    sheer quantity of loans issued more important than the quality of any particular loan. To facilitate  
16    more loans, lenders began to offer more aggressive loan products such as subprime mortgages,  
17    hybrid loans and negative amortization "option ARM" loans, with little or no documentation. In  
18    addition, it is now known that loan originators abandoned their stated underwriting and appraisal  
19    standards, and other methods of risk assessment, in order to increase loan origination quantities.  
20    The end result was a shift where loan originators allowed consumers to borrow more money than  
21    they could afford to repay.

#### 22    **The Offerings**

23           50.     The structure of each Offering was generally identical: WFASC filed a Registration  
24    Statement with the SEC on September 27, 2006, followed by a supplemental Form S-3/A  
25    Registration Statement filed on October 11, 2006, in connection with the issuance of various series  
26    and classes of debt securities which would be governed by the Registration Statement.

27           51.     At some time at or subsequent to each Offering, an "Issuing Entity" Trust was then  
28    formed under the laws of the State of New York, *i.e.*, WFMBS 2007-11 Trust. A Prospectus was

1 subsequently filed on behalf of such Trust, as the entity responsible for issuing the Certificates.

2 52. The mortgage loans are almost universally originated by the Sponsor, in this case  
3 WFBNA, who then disposes of its loans primarily by selling them to third parties. The Sponsor  
4 works with the Underwriters and the rating agencies to select the pool of mortgage loans and  
5 structure the securitization transaction. The Sponsor or subsidiary thereof also services the  
6 mortgage loans. On the closing date of any given Offering, the Sponsor conveys the initial  
7 mortgage loans and the related mortgage insurance policies to the Depositor, who in turn conveys  
8 the initial mortgage loans and the related mortgage insurance policies to the Trust, by way of the  
9 trustee. The Certificates are backed by the Issuer, and consist of, *inter alia*, the mortgage loans;  
10 collections of principal and interest on the mortgage loans; and the amounts on deposit in the  
11 collection account, including the payment account in which amounts are deposited prior to  
12 payment to the certificate holders. On the payment date, the certificate holders receive payments  
13 from the trustee based on the particular tranche purchased. Typically, available funds for each  
14 distribution date will equal the amount received by the trustee and available in the payment  
15 account on that distribution date, including interest which differs depending upon the tranche held.

16 53. In connection with the Offerings, WFASC, the Trusts and the various Underwriter  
17 Defendants prepared and disseminated the Offering Documents that contained material  
18 misstatements of fact and omitted facts necessary to make the facts stated therein not misleading.  
19 Those members of the Class who acquired the Certificates after the issuance of any annual report  
20 relied upon the untrue statements in the Offering Documents or relied on the Offering Documents  
21 and did not know of such omissions and have been damaged thereby.

22 **The Offering Documents Contained**  
23 **Material Misstatements and Omissions of Fact**

24 54. The Offering Documents represented that all of the loans which made up the pool  
25 of mortgages used to support the Certificates were subject to certain underwriting guidelines  
26 which assessed the borrower's creditworthiness, including multi-level reviews of loan applications  
27 and appraisals with only "case by case" exceptions to guidelines.

28

1 55. The Registration Statement disclosed that the underlying loans were originated  
2 and/or acquired by WFB. The Registration Statement represented that all the underlying loans  
3 depended largely on factors such as creditworthiness to determine the borrower's "Mortgage  
4 Score", inputted into a computerized system in order to determine whether or not the borrower  
5 was approved for the loan as follows:

6 General Standards

7 Wells Fargo Bank's underwriting standards are applied by or on behalf of Wells  
8 Fargo Bank to evaluate the applicant's credit standing and ability to repay the loan,  
9 as well as the value and adequacy of the mortgaged property as collateral. The  
10 underwriting standards that guide the determination represent a balancing of several  
11 factors that may affect the ultimate recovery of the loan amount, including, among  
12 others, the amount of the loan, the ratio of the loan amount to the property value  
13 (i.e., the lower of the appraised value of the mortgaged property and the purchase  
14 price), the borrower's means of support and the borrower's credit history. Wells  
15 Fargo Bank's guidelines for underwriting may vary according to the nature of the  
16 borrower or the type of loan, since differing characteristics may be perceived as  
17 presenting different levels of risk. With respect to certain Mortgage Loans, the  
18 originators of such loans may have contracted with unaffiliated third parties to  
19 perform the underwriting process. Except as described below, the Mortgage Loans  
20 will be underwritten by or on behalf of Wells Fargo Bank generally in accordance  
21 with the standards and procedures described herein.

22 Wells Fargo Bank supplements the mortgage loan underwriting process with either  
23 its own proprietary scoring system or scoring systems developed by third parties  
24 such as Freddie Mac's Loan Prospector, Fannie Mae's Desktop Underwriter or  
25 scoring systems developed by private mortgage insurance companies. These  
26 scoring systems assist Wells Fargo Bank in the mortgage loan approval process by  
27 providing consistent, objective measures of borrower credit and certain loan  
28 attributes. Such objective measures are then used to evaluate loan applications and  
assign each application a "Mortgage Score."

The portion of the Mortgage Score related to borrower credit history is generally  
based on computer models developed by a third party. These models evaluate  
information available from three major credit reporting bureaus regarding historical  
patterns of consumer credit behavior in relation to default experience for similar  
types of borrower profiles. A particular borrower's credit patterns are then  
considered in order to derive a "FICO Score" which indicates a level of default  
probability over a two-year period.

WFASC Form S-3 Registration Statement, September 27, 2006, p. 33.

56. The statements in the preceding paragraph contained misstatements and material  
omissions including statements made in connection with the underwriting of the collateral  
mortgages. As set forth below, a material portion of the underlying collateral for the Certificates  
originated by WFB *were not underwritten* in accordance with the stated standards set forth above,

1 and in fact, were part of WFB's systematic practice of steering less creditworthy borrowers,  
2 *without the necessary loan documentation*, into mortgages based on inflated property values.

3 57. In addition, although the Registration Statement represented that the credit review  
4 process varied in the levels of scrutiny depending on the borrower, the Offering Documents  
5 stressed homeowner credit-worthiness and represented that even alternative valuation methods  
6 were considered "full documentation" loans:

7 The Mortgage Score is used to determine the type of underwriting process and  
8 which level of underwriter will review the loan file. For transactions which are  
9 determined to be low-risk transactions, based upon the Mortgage Score and other  
10 parameters (including the mortgage loan production source), the lowest  
11 underwriting authority is generally required. For moderate and higher risk  
12 transactions, higher level underwriters and a full review of the mortgage file are  
13 generally required. Borrowers who have a satisfactory Mortgage Score (based upon  
14 the mortgage loan production source) are generally subject to streamlined credit  
15 review (which relies on the scoring process for various elements of the  
16 underwriting assessments). Such borrowers may also be eligible for a reduced  
17 documentation program and are generally permitted a greater latitude in the  
18 application of borrower debt-to-income ratios.

19 \*\*\*

20 Loans underwritten using alternative verification methods are considered by Wells  
21 Fargo Bank to have been underwritten with "full documentation."

22 See WFASC Form S-3 Registration Statement, September 27, 2006, p. 33 - 34.

23 58. The statements in the preceding paragraph contained misstatements and material  
24 omissions. As set forth below, a material portion of the underlying collateral for the WFMBS  
25 Certificates originated by WFB were *not* in accordance with the stated standards.

26 59. Specifically, the Registration Statement disclosed WFB's expansion of the  
27 *Underwriter Discretion* policy in mid-2005. The result of WFB's expansion of this policy was a  
28 massive increase in the number of sub-prime and alt-A loans underwritten by WFB and its  
affiliates, furthering WFB's systematic practice of steering less creditworthy borrowers, without  
the necessary loan documentation, into mortgage loans based on inflated property values.

#### Underwriter Discretion

During the second calendar quarter of 2005, Wells Fargo Bank initiated a program  
designed to encourage its mortgage loan underwriting staff to prudently, but more  
aggressively, utilize the underwriting discretion already granted to them under  
Wells Fargo Bank's underwriting guidelines and policies. This initiative was  
viewed by management as necessary and desirable to make prudent loans available  
to customers where such loans may have been denied in the past because of

1 underwriter hesitancy to maximize the use of their ability to consider compensating  
2 factors as permitted by the underwriting guidelines.

3 WFASC Form S-3 Registration Statement, September 27, 2006, p. 36-37.

4 60. The statements in the preceding paragraph contained misstatements and material  
5 omissions, including that both credit risk and quality control were materially disregarded, whether  
6 manually or via modifying the criteria of the automated system, in favor of generating sufficient  
7 loan volume to complete the massive Certificate securitizations, as alleged herein and as set forth  
8 below. In fact, the Originator was not making prudent loans, and completely disregarded Wells  
9 Fargo Bank's underwriting guidelines and policies.

10 61. The statements in the preceding paragraphs were incorporated into each of the  
11 supplemental Offering Documents.

12 **The Prospectus Stated That The Price of The Bonds Were Tied To Credit Ratings**

13 62. The Certificates were rated by the Underwriter Rating Agencies, which purported  
14 to take into account, *inter alia*, the underwriting standards used in originating the underlying  
15 mortgages to address the likelihood of the receipt of all distributions on the mortgage loans by the  
16 Certificateholders:

17 It is a condition to the issuance of the Offered Certificates that each such class will  
18 have received at least the rating set forth in the table on page S-5 from Fitch  
19 Ratings ("Fitch") and Moody's Investors Service Inc. ("Moody's," and together  
20 with Fitch, the "Rating Agencies"). A security rating is not a recommendation to  
21 buy, sell or hold securities and may be subject to revision or withdrawal at any time  
22 by the assigning rating agency. Each security rating should be evaluated  
23 independently of any other security rating.

24 The ratings of Fitch on mortgage pass-through certificates address the likelihood of  
25 the receipt by certificateholders of all distributions to which such certificateholders  
26 are entitled. Fitch's rating opinions address the structural and legal aspects  
27 associated with the certificates, including the nature of the underlying mortgage  
28 loans. Fitch's ratings on mortgage pass-through certificates do not represent any  
assessment of the likelihood or rate of principal prepayments and consequently any  
adverse effect the timing of such prepayments could have on an investor's  
anticipated yield.

The ratings of Moody's on mortgage pass-through certificates address the  
likelihood of the receipt by certificateholders of all distributions of principal and  
interest to which such certificateholders are entitled. Moody's rating opinions  
address the structural, legal and issuer aspects associated with the certificates,  
including the nature of the underlying mortgage loans and the credit quality of the  
credit support provider, if any. Moody's ratings on mortgage pass-through  
certificates do not represent any assessment of the likelihood that principal  
prepayments may differ from those originally anticipated and consequently any

1 adverse effect the timing of such prepayments could have on an investor's  
2 anticipated yield.

3 The ratings of Fitch and Moody's on a Class of Principal Only Certificates only  
4 address the return of the Principal Balance of such Class.

5 The Depositor has not requested a rating on the Offered Certificates of any Class  
6 by any rating agency other than Fitch and Moody's, although data with respect to  
7 the Mortgage Loans may have been provided to other rating agencies solely for  
8 their informational purposes. There can be no assurance that any rating assigned by  
9 any other rating agency to the Offered Certificates will be as high as those assigned  
10 by Fitch and Moody's. In addition, the Rating Agencies will monitor the initial  
11 ratings of the Offered Certificates for so long as they remain outstanding.

12 WFMBS 2006-19 Trust Prospectus Supplement, Nov. 22, 2006, p. S-51. *See also* WFMBS  
13 2007-5 Trust Prospectus Supplement, April 25, 2007, pps. S-64-65 (concerning S&P).

14 63. Each Trust Prospectus set forth the initial ratings of the Certificates. *E.g.*, 2006-19  
15 Trust Prospectus Supplement, Nov. 22, 2006, p. S-5.

16 64. The statements contained the preceding paragraphs, and the initial ratings  
17 themselves, constituted material misstatements of fact and omitted facts necessary to make the  
18 statements not misleading since the Rating Agencies issued the ratings based on an outdated credit  
19 rating methodology designed in or about 2002 and because the Rating Agencies presumed that the  
20 loans were of high credit quality issued in compliance with the stated underwriting guidelines  
21 when, in fact, WFB had systematically disregarded its stated Underwriting Guidelines, as set forth  
22 herein.

### 23 **Disclosures Relating To WFB's Lending Practices**

24 65. WFB is a wholly owned subsidiary of Wells Fargo & Company ("WFC"). WFB is  
25 one of the top U.S. lenders and it offers home loans throughout the country through itself and its  
26 affiliate underwriters. WFB operated as one of the nation's largest and most successful mortgage  
27 finance companies until its massive exposure to subprime and alt-A mortgage loans placed the  
28 company in the midst of the growing crisis in United States mortgage lending in 2007 and 2008.

66. As the domestic real estate market softened and interest rates increased, rather than  
join the frenzy of subprime and alt-A loan underwriting in the early part of this decade, WFB did  
not expose itself in that risky lending market, and instead chose to undertake a more financially  
stable less risky mortgage portfolio. But, WFB saw its profits shrinking and its market-share

1 slipping away to competitors, WFB abandoned its strategy of less-risky underwriting and sought  
2 to make up the ground it had lost. Beginning in 2005, WFB expanded its program of  
3 “discretionary underwriting” providing incentives to employees for more aggressive underwriting,  
4 resulting in the underwriting of significantly more risky mortgage loans in spite of Wells Fargo  
5 Bank’s stated underwriting guidelines. Throughout 2005-2007, WFB continued pushing ever-  
6 increasing subprime mortgage loan volume through its system by loosening the Company’s  
7 underwriting practices and introducing a growing percentage of higher risk mortgage products,  
8 including adjustable-rate, interest-only loans and “stated income” loans, where even W-2 wage  
9 earners did not have to bother verifying their stated income levels. The Offering Documents failed  
10 to disclose the true nature of these practices and failed to disclose that loan originators did not  
11 adhere to Wells Fargo Bank’s stated underwriting guidelines.

12 67. Since the Offerings were consummated, the truth about WFB’s deficient lending  
13 practices has come to light.

#### 14 **Disclosures of True Nature of Certificate Collateral Lead To Downgrades**

15 68. As set forth above, by the end of 2008 WFB’s true underwriting practices became  
16 known to the public. During this time, the Company was forced to take significant write-downs  
17 due to its massive exposure to the subprime market. In mid-2008, Moody’s began its review of  
18 Jumbo Mortgage Loans – WFC was one of the largest holders of Jumbo Mortgage Loans. In  
19 October 2008, WFC received a \$25 billion subsidy from the Federal Government as part of the  
20 Federal Emergency Economic Stabilization Act.

21 69. Over these concerns, Moody’s, S&P and/or Fitch, have revised their ratings on a  
22 significant portion of WFMBS Certificate classes due to the massive write-downs and exposure to  
23 subprime mortgage markets, and the now exposed true nature of the underwriting of WFB’s  
24 mortgage loans used as collateral for the Certificates.

25 70. As a result of these disclosures and the Rating Agencies’ reassessment of the  
26 appropriate ratings to be assigned to the Certificates, the value of the Certificates has collapsed.

27  
28

**COUNT I**

**Violations of §11 of the Securities Act of 1933  
Against All Defendants**

1  
2  
3 71. Plaintiff repeats and realleges each and every allegation contained above.

4 72. This claim is brought by Plaintiff pursuant to Section 11 of the Securities Act and  
5 asserted on behalf of all other members of the Class who purchased or acquired WFMBBS  
6 Certificates on or traceable to the Offerings.

7 73. Defendant WFASC is the registrant for the Offerings and filed the Offering  
8 Documents as the issuer of the WFMBBS Certificates, as defined in Section 11(a)(1) of the  
9 Securities Act.

10 74. The Individual Defendants were officers and/or directors of WFASC at the time the  
11 Registration Statement filed in connection with the Offerings became effective, and at the time of  
12 the issuance of the Prospectuses, and with their consent were identified as such therein. The  
13 Individual Defendants are liable for the misstatements and omissions in the Registration Statement  
14 alleged herein under Section 11(a)(1) of the Securities Act.

15 75. Defendants GSC, JPM, BSC, HSBCS, DBS, UBS, CITI, RBS, BC, BAS, BofA,  
16 Moody's, S&P and Fitch served as the Underwriters for the Offerings and each qualifies as such  
17 according to the definition in Section 2(a)(11) of the Securities Act, 15 U.S.C. § 77b(a)(11). As  
18 such, the Underwriter Defendants participated in the solicitation, offering, and sale of the WFMBBS  
19 Certificates to the investing public pursuant to the Offering Documents.

20 76. The Offering Documents, at the time they became effective, contained material  
21 misstatements of fact and omitted facts necessary to make the facts stated therein not misleading,  
22 as set forth above. The facts misstated and omitted would have been material to a reasonable  
23 person reviewing the Offering Documents.

24 77. The Defendants did not make a reasonable investigation or perform due diligence  
25 and did not possess reasonable grounds for believing that the statements contained in the Offering  
26 Documents were true, did not omit any material fact, and were not materially misleading.

27 78. Plaintiff and the other Class members did not know, and in the exercise of  
28 reasonable diligence, could not have known of the misstatements and omissions contained in the

CLASS ACTION COMPLAINT FOR VIOLATION OF THE FEDERAL SECURITIES LAWS

1 Offering Documents.

2 79. Plaintiff and other Class members sustained damages as a result of misstatements  
3 and omissions in the Offering Documents, for which they are entitled to compensation.

4 80. Those members of the Class who acquired the Certificates after the issuance of any  
5 annual report relied upon the untrue statements in the Offering Documents or relied on the  
6 Offering Documents and did not know of such omissions and have been damaged thereby.

7 81. Plaintiff brought this action within one year after the discovery of the untrue  
8 statements and omissions, and within three years after the Offerings.

9 **COUNT II**  
10 **Violation of § 12(a)(2) of the Securities Act**  
**(Against All Defendants)**

11 82. Plaintiff repeats and realleges each and every allegation contained above.

12 83. This Count is brought pursuant to Section 12(a)(2) of the Securities Act on behalf  
13 of the Class, against all Defendants.

14 84. By means of the Offering Documents, and by using means and instruments of  
15 transportation and communication in interstate commerce and of the mails, the Defendants  
16 through the Offerings sold WFMBS Certificates to Plaintiff and other members of the Class.

17 85. Defendants WFASC, the WFMBS Trusts, the Individual Defendants and the  
18 Underwriter Defendants each successfully solicited these purchases, motivated at least in part by  
19 their own financial interest. The Defendants each reviewed and participated in drafting the  
20 Prospectuses. Through ensuring the successful completion of the Offerings, the Underwriter  
21 Defendants obtained substantial underwriting fees.

22 86. The Offering Documents, at the time they became effective, contained material  
23 misstatements of fact and omitted facts necessary to make the facts stated therein not misleading,  
24 as set forth above. The facts misstated and omitted would have been material to a reasonable  
25 person reviewing the Registration Statement and the Prospectuses.

26 87. Defendants as "sellers" owed to the purchasers of the WFMBS Certificates,  
27 including Plaintiff and other Class members, the duty to perform due diligence and make a  
28 reasonable and diligent investigation of the statements contained in the Offering Documents, to

1 ensure that such statements were true and that there was no omission of any material fact required  
2 to be stated in order to make the statements contained therein not misleading. Defendants knew  
3 of, or in the exercise of reasonable care should have known of, the misstatements and omissions  
4 contained in the materials as set forth above.

5 88. Plaintiff and other members of the Class purchased or otherwise acquired WFMBS  
6 Certificates pursuant to the Offering Documents.

7 89. Plaintiff did not know, or in the exercise of reasonable diligence could not have  
8 known, of the untruths and omissions contained in the Offering Documents.

9 90. Plaintiff, individually and representatively, hereby offers to tender to Defendants  
10 those securities which Plaintiff and other Class members continue to own, on behalf of all  
11 members of the Class who continue to own such securities, in return for the consideration paid for  
12 those securities together with interest thereon. Class members who have sold their WFMBS  
13 Certificates are entitled to rescissory damages.

14 91. By reason of the conduct alleged herein, these Defendants violated, and/or  
15 controlled a person who violated Section 12(a)(2) of the Securities Act. Accordingly, Plaintiff and  
16 members of the Class who hold WFMBS Certificates purchased pursuant and/or traceable to the  
17 Offerings have the right to rescind and recover the consideration paid for their WFMBS  
18 Certificates and hereby elect to rescind and tender their WFMBS Certificates to the Defendants  
19 sued herein.

20 92. Plaintiff and Class members who have sold their WFMBS Certificates are entitled  
21 to rescissory damages.

22 **COUNT III**  
23 **Violation of § 15 of The Securities Act**  
24 **(Against Defendants WFBNA, WFASC, the WFMBS Trusts**  
25 **and the Individual Defendants)**

26 93. Plaintiff repeats and realleges each and every allegation contained above.

27 94. This claim is brought by Plaintiff pursuant to Section 15 of the Securities Act and  
28 asserted on behalf of all Class members who purchased or acquired WFMBS Certificates in the  
Offerings.

1 95. The Individual Defendants at all relevant times participated in the operation and  
2 management of WFASC and the WFMB Trusts, and conducted and participated, directly and  
3 indirectly, in the conduct of WFASC and the WFMB Trusts' business affairs.

4 96. As officers and/or directors of WFASC, the Individual Defendants had a duty to  
5 disseminate accurate and truthful information in the Offering Documents.

6 97. Defendant WFASC is the Parent Corporation and sole owner of the WFMB  
7 Trusts, and at all relevant times participated in the operation and management of the WFMB  
8 Trusts, and conducted and participated, directly and indirectly, in the conduct of the Trusts'  
9 business affairs.

10 98. Defendant WFBNA is the Parent Corporation and sole owner of the WFASC, and  
11 at all relevant times participated in the operation and management of the WFASC, and conducted  
12 and participated, directly and indirectly, in the conduct of the WFASC's and the WFMB Trusts'  
13 business affairs.

14 99. As set forth above, it is alleged that the Offering Documents issued in connection  
15 with the WFMB Offerings contained material misstatements of fact, and omitted facts necessary  
16 to make the facts contained therein not misleading, in violation of Sections 11 and 12 of the  
17 Securities Act.

18 100. Because of their positions of control and authority as senior officers and directors  
19 of WFASC, the Individual Defendants were able to, and did, control the contents of the Offering  
20 Documents which contained material misstatements of fact and omitted facts necessary to make  
21 the facts stated therein not misleading. The Individual Defendants were therefore "controlling  
22 persons" of WFASC within the meaning of Section 15 of the Securities Act.

23 101. Because of its positions of control and authority as the parent company and 100%  
24 owner of WFASC, the WFBNA was able to, and did, control the contents of the Offering  
25 Documents which contained material misstatements of fact and omitted facts necessary to make  
26 the facts stated therein not misleading. WFBNA was therefore a "controlling person" of WFASC  
27 within the meaning of Section 15 of the Securities Act.

28 102. In addition, because of its sole ownership of the WFMB Trusts and its control and

1 authority as Parent Corporation, Defendant WFASC was able to, and did, control the contents of  
2 the Registration Statement and the Prospectuses which contained material misstatements of fact  
3 and omitted facts necessary to make the facts stated therein not misleading. Defendant WFASC  
4 was therefore a "controlling person" of the WFASC Trusts within the meaning of Section 15 of  
5 the Securities Act.

6 103. Plaintiff and other Class members purchased WFMBS Certificates issued pursuant  
7 to the Offerings. The Offerings were conducted pursuant to the Offering Documents.

8 104. The Offering Documents, at the time they became effective, contained material  
9 misstatements of fact and omitted facts necessary to make the facts stated therein not misleading.  
10 The facts misstated and omitted would have been material to a reasonable person reviewing the  
11 Offering Documents.

12 105. Plaintiff and the Class did not know, and in the exercise of reasonable diligence,  
13 could not have known of the misstatements and omissions in the Offering Documents.

14 106. Plaintiff and the Class have sustained damages as a result of the misstatements and  
15 omissions of the Registration Statement and the Prospectuses, for which they are entitled to  
16 compensation.

17 107. Plaintiff brought this action within one year after the discovery of the untrue  
18 statements and omissions, and within three years after the Offerings.

19 **WHEREFORE**, Plaintiff prays for relief and judgment, as follows:

20 A. Determining that this action is a proper class action under Rule 23 of the Federal  
21 Rules of Civil Procedure;

22 B. Awarding compensatory damages in favor of Plaintiff and the other Class members  
23 against all Defendants, jointly and severally, for all damages sustained as a result of Defendants'  
24 wrongdoing, in an amount to be proven at trial, including interest thereon;

25 C. Awarding Plaintiff and the Class their reasonable costs and expenses incurred in  
26 this action, including counsel fees and expert fees; and

27 D. Such other and further relief as the Court may deem just and proper.  
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**JURY DEMAND**

Plaintiff hereby demands a trial by jury.

DATED: March 27, 2009

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WELLS FARGO:16708.CPT

CLASS ACTION COMPLAINT FOR VIOLATION OF THE FEDERAL SECURITIES LAWS

**CERTIFICATION OF THE GENERAL RETIREMENT SYSTEM OF THE CITY OF  
DETROIT**

I, Walter Stampor, Executive Secretary of the General Retirement System of the City of Detroit, hereby declare that:

1. I am authorized to make certification on behalf of the General Retirement System of the City of Detroit.
2. I have reviewed the complaint prepared by counsel and have authorized its filing.
3. The General Retirement System of the City of Detroit did not purchase the securities that are the subject of this action at the direction of the plaintiffs' counsel or in order to participate in any private action arising under the federal securities laws.
4. The General Retirement System of the City of Detroit is willing to serve as representative party on behalf of a class, including providing testimony at deposition and trial if necessary. The General Retirement System of the City of Detroit fully understands the duties and responsibilities of the Lead Plaintiff under the Private Securities Litigation Reform Act regarding its options as to selection and retention of counsel and overseeing the prosecution of the action for the class.
5. During the proposed class period The General Retirement System of the City of Detroit executed the following transactions in the Wells Fargo pass-through securities that are the subject of this action:

## Transactions in Wells Fargo Mortgage Backed Securities 2007-11 Trust

<u>CUSIP No.</u>	<u>Transaction</u>	<u>Date</u>	<u>Face Amount</u>	<u>Price</u>
94985WBM2	Purchase	8/21/07	\$1,160,000	.9724
94985WBM2	Purchase	8/22/07	\$ 775,000	.9716
94985WDR9	Purchase	3/07/08	\$1,000,000	.9059

6. The General Retirement System of the City of Detroit is currently serving as Lead or Co-Lead Plaintiff in the following actions filed during the three years preceding the date of this Certification:

In re Medtronic, Inc. Securities Litigation, Case No.: 07-cv-4564 (D. Minn.)

International Rectifier Securities Litigation, Case No.: 07-cv-2544 (C.D. Cal.)

Merck and Co., Inc. Vytarin/Zetia Securities Litigation, Case No.: 08-cv-2177 (D.N.J.)

7. During the past three years, The General Retirement System of the City of Detroit has unsuccessfully sought to serve as Lead Plaintiff in the following actions:

In re Amgen, Inc. Securities Litigation, Case No. 07-cv-2536 (C.D. Cal.)

In re Aetna Inc. Securities Litigation, Case No. 07-cv-4451 (E.D. Pa.)

In re UBS AG Securities Litigation, Case No. 07-cv-11225 (S.D.N.Y.)

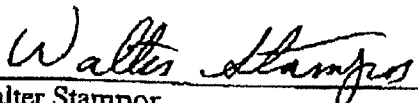
Rubin v. MF Global, Ltd. et al., Case No. 08-cv-2233 (S.D.N.Y.)

In re American International Group, Inc. Securities Litigation, Case No. 08-cv-4772 (S.D.N.Y.)

In each of these cases an investor with a greater financial interest was chosen over The General Retirement System of the City of Detroit to serve as Lead Plaintiff.

8. The General Retirement System of the City of Detroit will not accept any payment for serving as a representative party on behalf of a class beyond its pro-rata share of any recovery, except as ordered or approved by the court, including any reward to a representative plaintiff of reasonable costs and expenses, (including lost wages), directly related to representation of the class.

9. I declare under penalty of perjury that the foregoing is true and correct. Executed this 26 day of March, 2009

  
Walter Stampor  
Executive Secretary  
General Retirement System  
of the City of Detroit

JS 44 (Rev. 12-07) (and rev 1-16-08)

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON PAGE TWO OF THE FORM.)

<b>I. (a) PLAINTIFFS</b> General Retirement System of the City of Detroit, Individually and on behalf of all others similarly situated	<b>DEFENDANTS</b> The Wells Fargo Mortgage Backed Securities 2006-AR18 Trust, et al. (see attached)
<b>(b) County of Residence of First Listed Plaintiff</b> Wayne County (EXCEPT IN U.S. PLAINTIFF CASES)	<b>County of Residence of First Listed Defendant</b> (IN U.S. PLAINTIFF CASES ONLY) NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.
<b>(c) Attorney's (Firm Name, Address, and Telephone Number)</b>  WOLF HALDENSTEIN ADLER FREEMAN & HERZ LLP FRANCIS M. GREGOREK, 750 B Street, Suite 2770, San Diego, CA 92101, 619-239-4599	<b>Attorneys (If Known)</b>

<b>II. BASIS OF JURISDICTION</b> (Place an "X" in One Box Only)	<b>III. CITIZENSHIP OF PRINCIPAL PARTIES</b> (Place an "X" in One Box for Plaintiff and One Box for Defendant)																																
<input type="checkbox"/> 1 U.S. Government Plaintiff <input type="checkbox"/> 2 U.S. Government Defendant <input checked="" type="checkbox"/> 3 Federal Question (U.S. Government Not a Party) <input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)	<table border="1"> <tr> <th colspan="2">PTF</th> <th colspan="2">DEF</th> <th colspan="2">PTF</th> <th colspan="2">DEF</th> </tr> <tr> <td>Citizen of This State</td> <td><input type="checkbox"/> 1</td> <td>Incorporated or Principal Place of Business In This State</td> <td><input type="checkbox"/> 1</td> <td></td> <td><input type="checkbox"/> 4</td> <td></td> <td><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business In Another State</td> <td><input type="checkbox"/> 2</td> <td></td> <td><input type="checkbox"/> 5</td> <td></td> <td><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td><input type="checkbox"/> 3</td> <td></td> <td><input type="checkbox"/> 6</td> <td></td> <td><input type="checkbox"/> 6</td> </tr> </table>	PTF		DEF		PTF		DEF		Citizen of This State	<input type="checkbox"/> 1	Incorporated or Principal Place of Business In This State	<input type="checkbox"/> 1		<input type="checkbox"/> 4		<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 2		<input type="checkbox"/> 5		<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 3		<input type="checkbox"/> 6		<input type="checkbox"/> 6
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Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 3		<input type="checkbox"/> 6		<input type="checkbox"/> 6																										

IV. NATURE OF SUIT (Place an "X" in One Box Only)					
<b>CONTRACT</b>		<b>TORTS</b>		<b>FORFEITURE/PENALTY</b>	<b>BANKRUPTCY</b>
<input type="checkbox"/> 110 Insurance Marine Act	<input type="checkbox"/> 310 Airplane	<input type="checkbox"/> 362 Personal Injury—Med. Malpractice	<input type="checkbox"/> 610 Agriculture	<input type="checkbox"/> 422 Appeal 28 USC 158	<input type="checkbox"/> 400 State Reapportionment
<input type="checkbox"/> 115 Negotiable Instrument	<input type="checkbox"/> 315 Airplane Product Liability	<input type="checkbox"/> 365 Personal Injury—Product Liability	<input type="checkbox"/> 620 Other Food & Drug	<input type="checkbox"/> 423 Withdrawal 28 USC 157	<input type="checkbox"/> 410 Antitrust
<input type="checkbox"/> 120 Recovery of Overpayment	<input type="checkbox"/> 320 Assault, Libel & Slander	<input type="checkbox"/> 368 Asbestos Personal Injury Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881	<b>PROPERTY RIGHTS</b>	
<input type="checkbox"/> 125 Enforcement of Judgment	<input type="checkbox"/> 330 Federal Employers' Liability	<b>PERSONAL PROPERTY</b>	<input type="checkbox"/> 630 Liquor Laws	<input type="checkbox"/> 820 Copyrights	<input type="checkbox"/> 430 Banks and Banking
<input type="checkbox"/> 130 Medical Act	<input type="checkbox"/> 340 Marine	<input type="checkbox"/> 370 Other Fraud	<input type="checkbox"/> 640 R.R. & Truck	<input type="checkbox"/> 830 Patent	<input type="checkbox"/> 450 Commerce
<input type="checkbox"/> 135 Recovery of Defaulted Student Loans (Excl. Veterans)	<input type="checkbox"/> 345 Marine Product Liability	<input type="checkbox"/> 371 Truth in Lending	<input type="checkbox"/> 650 Airline Regs.	<input type="checkbox"/> 840 Trademark	<input type="checkbox"/> 460 Deportation
<input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits	<input type="checkbox"/> 350 Motor Vehicle	<input type="checkbox"/> 380 Other Personal Property Damage	<input type="checkbox"/> 660 Occupational Safety/Health	<b>SOCIAL SECURITY</b>	
<input type="checkbox"/> 160 Stockholders' Suits	<input type="checkbox"/> 355 Motor Vehicle Product Liability	<input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 690 Other	<input type="checkbox"/> 861 HIA (1395f)	<input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations
<input type="checkbox"/> 190 Other Contract	<input type="checkbox"/> 360 Other Personal Injury	<b>PRISONER PETITIONS</b>	<b>LABOR</b>		<input type="checkbox"/> 480 Consumer Credit
<input type="checkbox"/> 195 Contract Product Liability		<input type="checkbox"/> 510 Motions to Vacate Sentence	<input type="checkbox"/> 710 Fair Labor Standards Act	<input type="checkbox"/> 862 Black Lung (923)	<input type="checkbox"/> 490 Cable/Sat TV
<input type="checkbox"/> 196 Franchise		<b>Habeas Corpus:</b>	<input type="checkbox"/> 720 Labor/Mgmt. Relations & Disclosure Act	<input type="checkbox"/> 863 DIWC/DIWW (405(g))	<input type="checkbox"/> 810 Selective Service
		<input type="checkbox"/> 530 General	<input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act	<input type="checkbox"/> 864 SSID Title XVI	<input type="checkbox"/> 850 Securities/Commodities/Exchange
		<input type="checkbox"/> 535 Death Penalty	<input type="checkbox"/> 740 Railway Labor Act	<input type="checkbox"/> 865 RSI (405(g))	<input type="checkbox"/> 875 Customer Challenge 12 USC 3410
		<input type="checkbox"/> 540 Mandamus & Other	<input type="checkbox"/> 790 Other Labor Litigation	<b>FEDERAL TAX SUITS</b>	
		<input type="checkbox"/> 550 Civil Rights	<input type="checkbox"/> 791 Empl. Ret. Inc. Security Act	<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)	<input type="checkbox"/> 890 Other Statutory Actions
		<input type="checkbox"/> 555 Prison Condition	<b>IMMIGRATION</b>		<input type="checkbox"/> 891 Agricultural Acts
			<input type="checkbox"/> 462 Naturalization Application	<input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 892 Economic Stabilization Act
			<input type="checkbox"/> 463 Habeas Corpus - Alien Detainee		<input type="checkbox"/> 893 Environmental Matters
			<input type="checkbox"/> 465 Other Immigration Actions		<input type="checkbox"/> 894 Energy Allocation Act
					<input type="checkbox"/> 895 Freedom of Information Act
					<input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice
					<input type="checkbox"/> 950 Constitutionality of State Statutes

**V. ORIGIN** (Place an "X" in One Box Only)

<input checked="" type="checkbox"/> 1 Original Proceeding	<input type="checkbox"/> 2 Removed from State Court	<input type="checkbox"/> 3 Remanded from Appellate Court	<input type="checkbox"/> 4 Reinstated or Reopened	<input type="checkbox"/> 5 Transferred from another district (specify)	<input type="checkbox"/> 6 Multidistrict Litigation	<input type="checkbox"/> 7 Appeal to District Judge from Magistrate Judgment
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**VI. CAUSE OF ACTION**

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):  
 Sections 11, 12 and 15 of the Securities Act of 1933, 15 U.S.C. § 77a et seq.; Private Securities Litigation Reform Act

Describe cause:  
 Violation of sections 11, 12(a)(2) and 15 of the Securities Act of 1933; Private Securities Litigation Reform Act

**VII. REQUESTED IN COMPLAINT:**

CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$ \_\_\_\_\_

CHECK YES only if demanded in complaint:  
 JURY DEMAND:  Yes  No

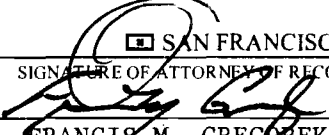
**VIII. RELATED CASE(S) IF ANY**

PLEASE REFER TO CIVIL L.R. 3-12 CONCERNING REQUIREMENT TO FILE "NOTICE OF RELATED CASE".

**IX. DIVISIONAL ASSIGNMENT (CIVIL L.R. 3-2) (PLACE AND "X" IN ONE BOX ONLY)**

SAN FRANCISCO/OAKLAND  SAN JOSE

DATE: March 27, 2009

SIGNATURE OF ATTORNEY OF RECORD: 

FRANCIS M. GREGOREK

GENERAL RETIREMENT SYSTEM OF THE CITY OF DETROIT,  
Individually And On Behalf Of All Others Similarly Situated,

Plaintiff,

vs.

THE WELLS FARGO MORTGAGE BACKED SECURITIES 2006-AR18 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2006-17 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2006-15 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2006-16 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2006-AR19 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2006-18 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2006-20 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2006-19 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2007-1 TRUST, THE WELLS FARGO ALTERNATIVE LOAN 2007-PA1 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2007-2 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2007-AR3 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2007-4 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2007-3 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2007-5 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2007-6 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2007-7 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2007-8 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2007-9 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2007-10 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2007-11 TRUST, THE WELLS FARGO MORTGAGE BACKED SECURITIES 2007-12 TRUST, WELLS FARGO ASSET SECURITIES CORPORATION, WELLS FARGO BANK, N.A., DAVID MOSKOWITZ, FRANKLIN CODEL, THOMAS NEARY, DOUGLAS K. JOHNSON, GOLDMAN, SACHS & CO., JPMORGAN CHASE, INC., *as successor-in-interest to* BEAR, STEARNS & CO., INC., HSBC SECURITIES (USA), INC., DEUTSCHE BANK SECURITIES, INC., UBS SECURITIES, LLC, CITIGROUP GLOBAL MARKETS, INC., GREENWICH CAPITAL MARKETS, INC., BARCLAYS CAPITAL, INC., BANC OF AMERICA SECURITIES, LLC, BANK OF AMERICA CORPORATION *as successor-in-interest to* MERRILL LYNCH, PIERCE, FENNER & SMITH, INC., MOODY'S INVESTOR SERVICES, INC., THE MCGRAW-HILL COMPANIES AND FITCH RATINGS, INC.,

Defendants.