

# Wells Fargo board members re-elected amid anger over unauthorized accounts

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Wells Fargo's board of directors was re-elected Tuesday, despite angry and at times shouted opposition from investors who demanded the panel's ouster in response to the bank's scandal over millions of unauthorized accounts.

All 15 of the board members nominated won new one-year terms — in four cases by relatively narrow margins — as investors vented anger and frustration over the scandal and the company's operations during the bank's annual shareholder meeting held at the Sawgrass Marriott Golf Resort & Spa in Ponte Vedra Beach, Fla.

A preliminary tally announced by [Wells Fargo \(WFC\)](#) indicated that each nominee won a majority of the shareholder votes. However, the winning percentages ranged from 53% and 99%, with the low end of the range representing a margin infrequently seen in corporate elections. The bank acknowledged the outcome reflected investor anger and frustration.

"Wells Fargo stockholders today have sent the entire Board a clear message of dissatisfaction," said Chairman Stephen Sanger, who won a new term with 56% of the vote. "Let me assure you that the Board has heard that message, and we recognize there is still a great deal of work to do to rebuild the trust of stockholders, customers, and employees."

[Wells Fargo fined \\$185M for fake accounts; 5,300 were fired](#)

The outcome came after Sanger and CEO Tim Sloan addressed the scandal that exploded in September when federal and state authorities hit Wells Fargo with \$185 million in penalties for opening more than two million deposit and credit card accounts without customer approval. An estimated 5,300 bank employees were fired during a five-year period for their involvement with the practices.

"We know that these issues are not what you expect of us," said Sanger, who apologized and outlined the bank's recent overhaul of its sales practices, employee compensation system, and other reforms prompted by the scandal.

"We are facing these problems head on, and Wells Fargo is emerging a stronger company," said Sloan, who won board re-election with 99% of the vote.

However, some investors complained that the apologies and explanations were too little and too late.

[How many whistle-blowers did the Feds ignore? In the Wells Fargo case about 700.](#)

Bruce Marks, CEO of the [Neighborhood Assistance Corporation of America](#), a nonprofit group focused on community advocacy and homeownership, demanded that each of the board nominees publicly answer questions about "what they knew" about the embarrassing episode and "when they knew it" before Tuesday's voting. Sanger ruled him out of order.

"Wells Fargo has been out of order for years," Marks shouted in response. "And the response is, well, we're sorry. That's not good enough."

The meeting was briefly adjourned, and Marks was ejected after he made what Sanger characterized as a physical approach toward one of the bank's board members. That claim that was contradicted afterward by another bank shareholder.

Other investors similarly took up the re-election issue.

"In my opinion, the Wells Fargo board has suffered from mushroom management ... kept in the dark and fed manure," said Brandon Rees, an investment official from U.S. labor giant AFL-CIO. Citing a need to "refresh" the bank's board, Rees said he would cast the group's 1.6 million shares against the nominees.

Along with reelecting the board members, Wells Fargo shareholders approved bank advisory resolution on executive compensation and ratified the reappointment of KPMG as the company's accounting firm.

Six stockholder proposals failed to receive majority support in the preliminary voting tallies, the bank said. The proposals included calls for: a new report on the root causes of the scandal; a voting change aimed at giving small shareholders proportionate representation; disclosure of the bank's lobbying policies and contributions; a report assessing Wells Fargo's performance promoting gender equality; and adoption of a policy about the rights of indigenous peoples.

[Wells Fargo revamps pay plan after fake-accounts scandal](#)

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