

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

DILLARD’S, INC. and DILLARD INVESTMENT
CO., INC.,

Plaintiffs,

-against-

WELLS FARGO BANK, N.A.,

Defendant.

Case No. _____

COMPLAINT

Plaintiffs Dillard’s, Inc. and Dillard Investment Co., Inc. (together, “Dillard’s” or the “Company”), by and through undersigned counsel, bring this Complaint against Defendant Wells Fargo Bank, N.A. (“Wells Fargo” or the “Bank”) by alleging as follows:

INTRODUCTION

1. Over the last decade, government investigations exposed that Wells Fargo engaged in years of fraud and bad faith across its operations, causing significant financial harm to its many victims. This lawsuit targets one of the tentacles emanating from Wells Fargo’s misconduct and seeks to redress the profound harm Wells Fargo inflicted on its former business partner, Dillard’s.

2. Dillard’s is one of the nation’s largest retailers, with more than 270 stores in 30 states and approximately \$6 billion in sales in 2024. Because Dillard’s provides superior service and retail experiences, it is known throughout the retail industry for having a loyal, repeat customer base and long-term customer relationships.

3. Like many retailers, Dillard’s offers its customers co-branded and private label credit cards (collectively, the “Dillard’s Card” or “Company Credit Card”) that provide loyalty

rewards for shopping at Dillard's and are also accepted by most merchants. For Dillard's, having a well-run branded credit card program is important because it encourages repeat business, creates brand recognition and loyalty, provides valuable insights into customer preferences and spending habits, and increases marketing capabilities.

4. Dillard's has had an established credit card program for decades. Like many retailers, Dillard's partners with a financial institution to issue the Dillard's Card, which is co-branded by that financial institution. This co-branding relationship is valuable to the partner financial institution because of Dillard's large and loyal customer base, to which the co-brand partner gains access, and from which the financial institution derives substantial revenue in exchange for providing credit card services.

5. Dillard's first co-branded the Dillard's Card with GE Capital Retail Bank in 2004. Ten years later, Dillard's elected to seek a new co-brand partner.

6. Wells Fargo pitched itself to Dillard's as the ideal partner for the Dillard's Card.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Relying on these material representations, Dillard's agreed to partner with Wells Fargo.

7. In 2014, Dillard’s and Wells Fargo entered into a contract (the “Agreement”) to jointly administer the Dillard’s Card through a co-branded credit card program (the “Program”).

8. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

9. As would later be revealed, [REDACTED] Wells Fargo’s misconduct is now a matter of extensive public record, and the full scope of the Bank’s deceptive practices is still being uncovered.¹ Dillard’s [REDACTED] [REDACTED] only later learned, from the news media, of Wells Fargo’s now well-documented

¹ See Pete Schroeder, *US bank regulator fines three former Wells Fargo executives over fake accounts scandal*, REUTERS (Jan. 15, 2025), <https://www.reuters.com/business/finance/us-bank-regulator-fines-three-former-wells-fargo-executives-over-fake-accounts-2025-01-14/>; Laurence Darmiento, *Wells Fargo, Chase, Bank of America sued over alleged unchecked fraud on Zelle app*, L.A. TIMES (Dec. 23, 2024), <https://www.latimes.com/business/story/2024-12-23/wells-fargo-chase-bank-of-america-sued-over-alleged-unchecked-fraud-on-zelle-app>; Niket Nishant, Nupur Anand, and Chris Prentice, *US regulator orders Wells Fargo to overhaul its efforts to combat illicit funds*, REUTERS (Sept. 12, 2024), <https://www.reuters.com/business/finance/occ-issues-enforcement-action-against-wells-fargo-2024-09-12/>; Lananh Nguyen, *Wells Fargo faces government probe on anti-money laundering, sanctions*, REUTERS (Aug. 1, 2024), <https://www.reuters.com/business/finance/wells-fargo-faces-government-probe-anti-money-laundering-sanctions-2024-08-01/>.

financial misconduct. In September 2016, Dillard’s learned that Wells Fargo had for years been subject to related investigations by the Consumer Financial Protection Bureau (“CFPB”), the Office of the Comptroller of the Currency, and the Office of the Los Angeles City Attorney that resulted in the Bank’s agreeing to a consent order with the CFPB (the “2016 Consent Order”). According to the 2016 Consent Order, the CFPB determined that, among other fraudulent practices, Wells Fargo—from at least January 1, 2011, through 2016—“submitted applications for credit cards in consumers’ names using consumers’ information without their knowledge or consent.”

10. [REDACTED]

11. [REDACTED]

12. Wells Fargo’s problems compounded in February 2018, when the Board of Governors of the Federal Reserve issued a cease-and-desist order to force Wells Fargo’s compliance with the 2016 Consent Order. The Federal Reserve’s order (the “2018 Consent Order” and, together with the 2016 Consent Order, the “Consent Orders”) placed an asset cap on Wells Fargo, restricting the Bank from exceeding its total reported assets as of December 31, 2017.

13. [REDACTED]

[REDACTED]

14. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

15. [REDACTED]

[REDACTED]

[REDACTED]

16. In June 2024, however, *The Wall Street Journal* published an explosive article about Wells Fargo's struggles in the co-branded credit card business. Dillard's was shocked to learn from the article that Wells Fargo had effectively given up on its co-branded credit card business and had decided to abandon the co-branded credit card market entirely. In short, as has become apparent, Wells Fargo had responded to the Consent Orders by abandoning the Program and exiting the market without informing its premier partner, Dillard's. And as part of its retreat,

[REDACTED]

[REDACTED]

17. In addition to learning of Wells Fargo's decision to abandon the Program, Dillard's discovered the Bank had materially breached the Agreement in several ways that caused enormous harm to the Program (and thus to Dillard's). And the Bank's performance, more generally, fell far short of anything resembling market standards. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

18. Despite [REDACTED] the Consent Orders resulted in Wells Fargo being an unwilling and incapable partner. Wells Fargo thus materially breached [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Wells Fargo not only concealed these breaches for years but [REDACTED]

[REDACTED]

[REDACTED]

19. In view of Wells Fargo's abandonment of the Program and repeated breaches of the Agreement, Dillard's welcomed the end of the Agreement's term in September 2024. But even during the termination process, Wells Fargo continued its bad-faith conduct. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

20. Wells Fargo's breaches collectively have caused Dillard's to suffer tens of millions of dollars in damages, at a minimum. Dillard's thus brings this action to recover monetary damages for Wells Fargo's breaches of its contractual duties during the term of the Program.

THE PARTIES

21. Plaintiff Dillard's, Inc. is a corporation organized under the laws of Delaware, with its principal place of business in Little Rock, Arkansas, and is thus a citizen of both Delaware and Arkansas.

22. Plaintiff Dillard Investment Co., Inc. is a corporation organized under the laws of Delaware, with its principal place of business in Las Vegas, Nevada, and is thus a citizen of both Delaware and Nevada.

23. Defendant Wells Fargo is a National Bank with its designated main office in Sioux Falls, South Dakota, and is thus a citizen of South Dakota pursuant to 28 U.S.C. § 1348.

JURISDICTION AND VENUE

24. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1332(a) because (i) there is complete diversity of citizenship between the parties, and (ii) more than \$75,000, exclusive of interest and costs, is at stake.

25. This Court has personal jurisdiction over Wells Fargo because it has transacted business in this State, has contracted to supply goods and services in this State, derives substantial revenue from goods consumed and services rendered in this State, and has engaged in conduct that it reasonably should have expected would have consequences in this State.

26. This Court additionally has personal jurisdiction over Wells Fargo because it

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

27. Venue is proper in this Court under 28 U.S.C. § 1391(b)(1) because Wells Fargo resides in this judicial district pursuant to 28 U.S.C. § 1391(c)(2), as it is subject to the Court's personal jurisdiction with respect to this action. [REDACTED]

[REDACTED]

[REDACTED]

FACTUAL ALLEGATIONS

A. The Agreement and Wells Fargo's Representations and Warranties

28. Founded in 1938, Dillard's is one of the largest department store chains in the country, with more than two hundred and seventy stores in thirty states.

29. Until 2004, Dillard's operated a subsidiary—Dillard's National Bank—that issued and serviced Dillard's-brand credit cards. In 2004, Dillard's sold its then-existing credit card portfolio to GE Capital Retail Bank,² which assumed the role of issuing and servicing a new co-branded Dillard's credit card. After a ten-year partnership with GE Capital Retail Bank, during which the credit card portfolio experienced consistent growth and financial success, Dillard's

² At that time, GE Capital Retail Bank was a subsidiary of General Electric Capital Corp., which was the financial services division of General Electric Co.

sought to further boost the value of the Dillard's Card by partnering with a prominent commercial bank.

30. Wells Fargo quickly emerged as a leading candidate. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]³ [REDACTED]

[REDACTED]

31. On March 31, 2014, Dillard's and Wells Fargo entered into the Agreement, under which the Bank agreed to issue and service the Dillard's Card through the jointly administered Program.

32. [REDACTED]

[REDACTED]

[REDACTED]

33. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

³ See *Wells Fargo extends credit card push in deal with Dillard's*, REUTERS (Apr. 1, 2014), <https://www.reuters.com/article/markets/wells-fargo-extends-credit-card-push-in-deal-with-dillard-idUSL1N0MT27J/>.

34.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

35.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

36. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

37. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

38. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

39. [REDACTED]

[REDACTED]

[REDACTED]

B. The Investigations and Consent Orders

40. Unbeknownst to Dillard's, [REDACTED]

[REDACTED] the Bank was the subject of pending or threatened investigations for improper business practices. The most notorious of this now widely known misconduct was Wells Fargo's "widespread illegal practice of secretly opening unauthorized deposit and credit card accounts,"⁴ which would lead multiple federal, state, and local regulators to launch investigations, including a Department of Justice ("DOJ") criminal investigation for false bank records and identity theft. This DOJ investigation ended in 2020 with a \$3 billion dollar Deferred Prosecution Agreement ("DPA"), after DOJ found Wells Fargo had engaged in "a practice between 2002 and 2016 of pressuring employees to meet unrealistic sales goals that led thousands of employees to provide millions of accounts or products to customers under false pretenses or without consent, often by creating false records or misusing customers' identities."⁵

41. In the DPA, Wells Fargo admitted that the scope of its misconduct had been known at the highest levels of the Bank's management for at least a decade before the Agreement was signed:

Though there had been evidence of employees struggling to ethically meet sales goals as early as 2002, the problem became significantly more acute beginning in 2010 as the sales plans diverged further from market opportunity and managers responded by increasing pressure on employees to sell products that customers did not want or need and would not use.

DPA, Ex. A ¶ 14.

Beginning as early as 2002, when a group of employees was fired from a branch in Fort Collins, Colorado, for sales gaming, [Wells

⁴ <https://www.consumerfinance.gov/enforcement/actions/wells-fargo-bank-2016/>.

⁵ Press Release, U.S. Dep't of Justice (Feb. 21, 2020), *available at* <https://www.justice.gov/opa/pr/wells-fargo-agrees-pay-3-billion-resolve-criminal-and-civil-investigations-sales-practices>; *see also* DPA, *available at* <https://www.justice.gov/usao-cdca/press-release/file/1251336/dl>.

Fargo] Community Bank senior leadership became aware that employees were engaged in unlawful and unethical sales practices, that gaming conduct was increasing over time, and that these practices were the result of onerous sales goals and management pressure to meet those sales goals.

That information was reported to Community Bank senior leadership, including Executive A, by multiple channels. Those channels included Wells Fargo's internal investigations unit, the Community Bank's own internal sales quality oversight unit, and managers leading the Community Bank's geographic regions, as well as regular complaints by lower-level employees and Wells Fargo customers reporting serious sales practices violations. For example, in a 2004 email, an internal investigations manager described his efforts to convey his concerns about increasing sales practices problems to Community Bank senior leadership: "I just want [Executive A] to be constantly aware of this growing plague." In 2005, a corporate investigations manager described the problem as "spiraling out of control." This reporting continued through 2016, and generally emphasized increases in various forms of sales practices misconduct.

DPA, Ex. A ¶¶ 19-20.

Between 2011 and 2016, tens of thousands of employees were the subject of allegations of unethical sales practices. During this period, the Company referred more than 23,000 employees for sales practices investigation and terminated over 5,300 employees for customer-facing sales ethics violations, including, in many cases, for falsifying bank records. Thousands of additional employees received disciplinary action short of termination or resigned prior to the conclusion of the Company's investigations into their sales practices.

DPA, Ex. A ¶ 30.

42. By the time the parties entered into the Agreement, Wells Fargo's executives had known about these improper practices for over a decade prior [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Wells Fargo's internal

investigators had been aware of the Bank's unethical practices since 2002; by 2005, the problem

was “spiraling out of control.”⁶ [REDACTED]

[REDACTED]

[REDACTED]

43. [REDACTED]

[REDACTED]

[REDACTED]

44. Indeed, Wells Fargo withheld from the public its unlawful conduct and the existence of investigations into such conduct. “From 2012 to 2016, Wells Fargo failed to disclose to investors that the Community Bank’s sales model had caused widespread unlawful and unethical sales practices misconduct” and that the Bank’s required disclosures “included significant numbers of unused or unauthorized accounts.”⁷

45. Those investigations were publicly revealed in September 2016, when Wells Fargo entered into the 2016 Consent Order, in which Wells Fargo admitted to submitting tens of thousands of credit card applications without the applicants’ knowledge or consent over a five-year period.

46. Although the 2016 Consent Order, on its face, did not refer to or necessarily bear on the Program, Dillard’s was concerned. It tried to determine whether (and to what extent) it would affect the Program and Wells Fargo’s ability to perform.

47. For instance, in July 2017, the Financial Times reported that, due to the 2016 Consent Order, Wells Fargo was “preparing to jettison more businesses” and was “being forced to rethink its business model.”⁸ [REDACTED]

[REDACTED]

⁶ DPA, Ex. A ¶ 20.

⁷ DPA, Ex. A ¶ 35.

⁸ Alistair Gray, *Wells Fargo prepares to shed more businesses*, THE FINANCIAL TIMES (July 16, 2017), <https://www.ft.com/content/25c4f832-68c6-11e7-9a66-93fb352ba1fe>.

[REDACTED]

[REDACTED]

[REDACTED]

48.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

49. Two years later, the 2018 Consent Order was imposed, which stated that Wells Fargo “shall not ... take any action that would cause the average of [Wells Fargo’s] total consolidated assets ... to exceed the consolidated assets reported as of December 31, 2017.” As with the 2016 Consent Order, the 2018 Consent Order on its face did not refer to or necessarily bear on the Program.

50. Wells Fargo continued to conceal any impact the Consent Orders might have on the Program. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

C. Wells Fargo Breaches Several Contractual Provisions and Fails to Meet Market Standards

51. Wells Fargo dramatically underperformed on its obligations to the Program and outright breached the Agreement in material ways.

52. As detailed above, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

53. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

54. Wells Fargo breached these provisions by [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

55. [REDACTED]

56. [REDACTED]

[REDACTED] As would later become apparent, Wells Fargo's refusal to extend credit in this regard was not based on cardholders' creditworthiness but, on information and belief, was instead driven by (i) the significant regulatory and practical constraints that the Consent Orders imposed on it; (ii) the devastating effect the Consent Orders had on Wells Fargo's reputation and attractiveness as a co-branded credit card partner to potential retail partners; and (iii) Wells Fargo's resulting (undisclosed) decision to deprioritize the Program, including because it objected to the economic terms that it had negotiated and agreed to in the Agreement.

57. [REDACTED]

[REDACTED]

[REDACTED]

58.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

59.

[REDACTED]

[REDACTED]

[REDACTED]

60. Wells Fargo's failure to [REDACTED] further constituted a breach of [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

61. In April 2020, Wells Fargo appointed Ray Fisher to lead its co-branded credit card business. Astoundingly, despite the Bank's material breaches and their harmful effect on the Program's financial condition, [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

62. In June 2024, *The Wall Street Journal* revealed that Wells Fargo was retreating from the co-branded credit card market entirely. As *The Wall Street Journal* reported: “The San Francisco bank has stopped bidding on new co-branded credit-card programs. Executives Wells recruited for such programs have left, and the bank is launching more credit cards that don’t involve partners.”⁹

63. Dillard’s was shocked to learn that, despite the Bank’s assurances, Wells Fargo had responded to the Consent Orders by abandoning the Program and the co-branded credit space more broadly. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

64. [REDACTED]

[REDACTED]

[REDACTED]

⁹ AnnaMaria Androitidis, *Wells Fargo Bet on a Flashy Rent Credit Card. It is Costing the Bank Dearly.*, THE WALL STREET JOURNAL (June 16, 2024), <https://www.wsj.com/finance/banking/wells-fargo-credit-card-rent-rewards-8e380852>.

[REDACTED]

[REDACTED]

[REDACTED]

65. Wells Fargo's breaches of [REDACTED] caused profound harm to Dillard's.

[REDACTED]

[REDACTED]

[REDACTED]

D. Wells Fargo Breaches Its Duties to [REDACTED]

66. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

67. Adding insult to injury, Wells Fargo's bad faith did not end with the expiration of the Program and continued throughout the termination process.

68. *First,* [REDACTED]

[REDACTED]¹⁰ [REDACTED]

[REDACTED]

[REDACTED]

¹⁰ [REDACTED]

[REDACTED]

69. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

70. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

71. Wells Fargo refused to [REDACTED], and in doing so breached

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

72. That breached the plain language of [REDACTED]

[REDACTED]

[REDACTED] Wells Fargo had thus failed to [REDACTED]

[REDACTED]

[REDACTED]

73. Had Wells Fargo complied with [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

74. While Dillard's has clearly and repeatedly explained to Wells Fargo why its

[REDACTED] Wells Fargo has nonetheless refused to

[REDACTED] unjustly enriching itself at Dillard's

expense in violation of the Agreement.

75. *Second,* [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

76. [REDACTED]

[REDACTED]

77. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

78. Despite these clear requirements, upon termination, Wells Fargo refused to [REDACTED]

[REDACTED]

[REDACTED] Prior to the Agreement's termination process, the parties [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] However, once the termination process began, Wells Fargo reversed course and breached its obligation to [REDACTED] leaving Dillard's to bear the burden [REDACTED]

FIRST CAUSE OF ACTION

Breach of Contract – [REDACTED]

79. Dillard's repeats and realleges the allegations above, as if fully restated herein.

80. Dillard's and Wells Fargo are parties to a valid and enforceable contract.

81. Dillard's performed all material obligations set forth in the Agreement.

82. Wells Fargo breached [REDACTED]

[REDACTED]

[REDACTED]

83. As a direct and proximate result of Wells Fargo's breaches of contract, Dillard's has suffered monetary damages in an amount to be proven at trial.

SECOND CAUSE OF ACTION

Breach of Contract – [REDACTED]

- 84. Dillard's repeats and realleges the allegations above, as if fully restated herein.
 - 85. Dillard's and Wells Fargo are parties to a valid and enforceable contract.
 - 86. Dillard's performed all material obligations set forth in the Agreement.
 - 87. Wells Fargo breached [REDACTED]
- [REDACTED]
- [REDACTED]

88. As a direct and proximate result of Wells Fargo's breaches of contract, Dillard's has suffered monetary damages in an amount to be proven at trial.

THIRD CAUSE OF ACTION

Breach of Contract – [REDACTED]

- 89. Dillard's repeats and realleges the allegations above, as if fully restated herein.
 - 90. Dillard's and Wells Fargo are parties to a valid and enforceable contract.
 - 91. Dillard's performed all material obligations set forth in the Agreement.
 - 92. Wells Fargo breached [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

93. As a direct and proximate result of Wells Fargo's breaches of contract, Dillard's has suffered monetary damages in an amount to be proven at trial.

FOURTH CAUSE OF ACTION

Breach of Contract – [REDACTED]

- 94. Dillard's repeats and realleges the allegations above, as if fully restated herein.

95. Dillard's and Wells Fargo are parties to a valid and enforceable contract.

96. Dillard's has performed all material obligations set forth in the Agreement.

97. Wells Fargo breached [REDACTED]

[REDACTED]

[REDACTED]

98. As a direct and proximate result of Wells Fargo's breaches of contract, Dillard's has suffered monetary damages in an amount to be proven at trial.

FIFTH CAUSE OF ACTION

Breach of Contract – [REDACTED]

99. Dillard's repeats and realleges the allegations above, as if fully restated herein.

100. Dillard's and Wells Fargo are parties to a valid and enforceable contract.

101. Dillard's performed all material obligations set forth in the Agreement.

102. Wells Fargo breached [REDACTED]

[REDACTED]

103. As a direct and proximate result of Wells Fargo's breaches of contract, Dillard's has suffered monetary damages in an amount to be proven at trial.

SIXTH CAUSE OF ACTION

Breach of Contract – [REDACTED]

104. Dillard's repeats and realleges the allegations above, as if fully restated herein.

105. Dillard's and Wells Fargo are parties to a valid and enforceable contract.

106. Dillard's performed all material obligations set forth in the Agreement.

107. Wells Fargo breached [REDACTED]

[REDACTED]

108. As a direct and proximate result of Wells Fargo's breaches of contract, Dillard's has suffered monetary damages in an amount to be proven at trial.

SEVENTH CAUSE OF ACTION

Breach of Contract – [REDACTED]

109. Dillard's repeats and realleges the allegations above, as if fully restated herein.

110. Dillard's and Wells Fargo are parties to a valid and enforceable contract.

111. Dillard's has performed all material obligations set forth in the Agreement.

112. Wells Fargo breached [REDACTED]

[REDACTED]

113. As a direct and proximate result of Wells Fargo's breaches of contract, Dillard's has suffered monetary damages in an amount to be proven at trial.

EIGHTH CAUSE OF ACTION

Breach of Contract – [REDACTED]

114. Dillard's repeats and realleges the allegations above, as if fully restated herein.

115. Dillard's and Wells Fargo are parties to a valid and enforceable contract.

116. Dillard's has performed all material obligations set forth in the Agreement.

117. Wells Fargo breached [REDACTED]

[REDACTED]

118. As a direct and proximate result of Wells Fargo's breaches of contract, Dillard's has suffered monetary damages in an amount to be proven at trial.

NINTH CAUSE OF ACTION

Breach of Implied Covenant

119. Dillard's repeats and realleges the allegations above, as if fully restated herein.

120. Dillard's and Wells Fargo are parties to a valid and enforceable contract.

121. Dillard's has performed all of the material conditions, covenants, and promises required to be performed in accordance with the terms and conditions of the Agreement.

122. Implicit in all contracts governed by New York law is a covenant of good faith and

fair dealing. The covenant of good faith and fair dealing provides that a party shall not do anything that will have the effect of destroying or injuring the right of the other party to receive the fruits of the contract.

123. [REDACTED]

124. [REDACTED]

125. [REDACTED]

126. As a direct and proximate result of Wells Fargo's breach of the implied covenant, Dillard's has suffered monetary damages in an amount to be proven at trial.

DEMAND FOR RELIEF

WHEREFORE, Dillard's respectfully requests that this Court:

- A. Award Dillard's monetary damages in an amount determined by the Court;
- B. Award Dillard's all costs and fees incurred in prosecuting this Complaint and enforcing the terms of the Agreement; and
- C. Grant any other relief as this Court deems just and proper.

Dated: May 21, 2025
New York, New York

Respectfully submitted,

BOIES SCHILLER FLEXNER LLP



Marc Ayala
Daniel Morales (*pro hac vice forthcoming*)
Luke Williams
55 Hudson Yards
New York, NY 10001
Tel.: (212) 909-7606
mayala@bsfllp.com
dmorales@bsfllp.com
lwilliams@bsfllp.com

Jesse Panuccio (*pro hac vice forthcoming*)
1401 New York Ave, NW
Washington, DC 20005
Tel.: (202) 237-2727
jpanuccio@bsfllp.com

Dan Boyle
2019 Century Park East, Suite 1520
Los Angeles, CA 90067
Tel.: (213) 995-5732
dboyle@bsfllp.com

*Counsel for Plaintiffs Dillard's, Inc. and Dillard
Investment Co., Inc.*