HUNT J B TRANSPORT SERVICES INC
Form DEF 14A
March 20, 2009

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

J.B. HUNT TRANSPORT SERVICES, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(1) Amount Previously Paid:

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(2) Form, Schedule or Registration Statement No.:

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(3) Filing Party:

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(4) Date Filed:

J.B. HUNT TRANSPORT SERVICES, INC.

615 J.B. Hunt Corporate Drive

Lowell, Arkansas 72745

479-820-0000

Internet Site: www.jbhunt.com

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on April 30, 2009

The Annual Meeting of Stockholders of J.B. Hunt Transport Services, Inc. (the Company) will be held on April 30, 2009, at 10 a.m. (CDT) at the Company s headquarters, located at 615 J.B. Hunt Corporate Drive, Lowell, Arkansas, for the following purposes:

(1) To elect three (3) Class II Directors for a term of one (1) year

(2) To ratify the appointment of Ernst & Young LLP as the Company s independent registered public accounting firm for the 2009 calendar year

(3) To transact such other business as may properly come before the annual meeting or any adjournments thereof

Only stockholders of record on February 20, 2009 will be entitled to vote at the meeting or any adjournments thereof. The stock transfer books will not be closed.

The 2008 Annual Report to Stockholders is included in this publication.

By Order of the Board of Directors

DAVID G. MEE

Corporate Secretary

Lowell, Arkansas

March 20, 2009

YOUR VOTE IS IMPORTANT

PLEASE EXECUTE YOUR PROXY WITHOUT DELAY

J.B. HUNT TRANSPORT SERVICES, INC.

615 J.B. Hunt Corporate Drive

Lowell, Arkansas 72745

479-820-0000

Internet Site: www.jbhunt.com

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation of proxies by J.B. Hunt Transport Services, Inc. (the Company), on behalf of its Board of Directors (the Board), for the 2009 Annual Meeting of Stockholders (the Annual Meeting). The Proxy Statement and the related proxy card are being distributed on or about March 20, 2009.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDERS MEETING TO BE HELD ON APRIL 30, 2009

This Proxy Statement and our 2008 Annual Report to Stockholders, which includes our Annual Report on Form 10-K, are available at *www.jbhunt.com.*

QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING

When And Where Is The Annual Meeting?

Date:	Thursday, April 30, 2009
Time:	10 a.m., Central Daylight Time
Location:	J.B. Hunt Transport Services, Inc. Corporate Offices First Floor Auditorium 615 J.B. Hunt Corporate Drive

Lowell, Arkansas 72745

What Matters Will Be Voted Upon At The Annual Meeting?

At the annual meeting, you will be asked to:

Consider and vote upon a proposal to elect nominees Sharilyn S. Gasaway, Coleman H. Peterson and James L. Robo as Class II directors to hold office for a term of one year, expiring at the close of the Annual Meeting of Stockholders in 2010.

Consider and vote upon a proposal to ratify the appointment of Ernst & Young LLP (E&Y) as the Company s independent registered public accounting firm for the 2009 calendar year.

Transact such other business as may properly come before the annual meeting or any adjournments thereof.

What Constitutes A Quorum?

The presence, either in person or by proxy, of the holders of at least a majority of our issued and outstanding shares of common stock entitled to vote is required to constitute a quorum for the transaction of business at the annual meeting. Abstentions and broker non-votes, which are described in more detail below, are counted as shares present at the annual meeting for purposes of determining whether a quorum exists.

Who Is Entitled To Vote?

Only stockholders of record of the Company s common stock at the close of business on Friday, February 20, 2009, which is the record date, are entitled to notice of, and to vote at, the annual meeting. Shares that may be voted include shares that are held:

(1) directly by the stockholder of record, and
(2) beneficially through a broker, bank or other nominee.

Each share of our common stock will be entitled to one vote on all matters submitted for a vote at the annual meeting.

As of the record date, there were 126,091,815 shares of our common stock issued and outstanding and entitled to be voted at the annual meeting.

What Is The Difference Between Holding Shares As A Registered Owner And A Beneficial Owner ?

Most of the Company s stockholders hold their shares through a broker, bank or other nominee rather than directly in their own name. As summarized below, there are some distinctions between registered shares and those owned beneficially:

Registered Owners If your shares are registered directly in your name with our transfer agent, Computershare Trust Company N.A., you are, with respect to those shares, the stockholder of record. As the stockholder of record, you have the right to grant your voting proxy directly to the Company or to vote in person at the annual meeting.

Beneficial Owners If your shares are held in a brokerage account, bank or by another nominee, you are, with respect to those shares, the beneficial owner of shares held in street name. As the beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote or to vote in person at the annual meeting. However, since you are not a stockholder of record, you may not vote these shares in person at the annual meeting unless you obtain a legal proxy from your broker, bank or other nominee (who is the stockholder of record) giving you the right to vote the shares.

What Stockholder Approval Is Necessary For Approval Of The Proposals?

Election of Directors

The election of directors requires the affirmative vote of a plurality of the shares of our common stock cast at the annual meeting. This means that the three Class II director nominees receiving the most votes will be elected. For purposes of this vote, a failure to vote, a vote to abstain or withholding your vote (or a direction to your broker to do so) are not counted as votes cast and, therefore, will have no effect on the outcome of the election of directors.

Ratification of the Appointment of the Company s Independent Registered Public Accounting Firm

The ratification of the Audit Committee s appointment of E&Y as the Company s independent registered public accounting firm requires the affirmative vote of a majority of the shares of our common stock cast at the annual meeting. For purposes of this vote, a failure to vote, a vote to abstain or withholding your vote (or a direction to your broker to do so) are not counted as votes cast and, therefore, will have no effect on the outcome of this vote. Stockholder ratification is not required for the appointment of the Company s independent registered public accounting firm. However, we are submitting the proposal to solicit the opinion of our stockholders.

As of the record date, directors and executive officers of the Company beneficially owned as an aggregate 6,739,309 shares of common stock representing 5.34% of our common stock issued and outstanding and, therefore, 5.34% of the voting power entitled to vote at the annual meeting. The Company believes that its directors and executive officers currently intend to vote their shares in favor of the election of the Class II director nominees and in favor of the ratification of E&Y as the Company s independent registered public accounting firm.

May I Vote My Shares In Person At The Annual Meeting?

If you are the registered owner of shares of the Company s common stock on the record date, you have the right to vote your shares in person at the annual meeting.

If you are the beneficial owner of shares of the Company s common stock on the record date, you may vote these shares in person at the annual meeting if you have requested a legal proxy from your broker, bank or other nominee (the stockholder of record) giving you the right to vote the shares at the annual meeting, complete such legal proxy and present it to the Company at the annual meeting.

Even if you plan to attend the annual meeting, we recommend that you submit your proxy card or voting instructions so that your vote will be counted if you later decide not to attend the annual meeting.

How Can I Vote My Shares Without Attending The Annual Meeting?

If you are a registered owner, you may instruct the named proxy holders on how to vote your shares by completing, signing, dating and returning the enclosed proxy card in the postage-paid envelope provided with this Proxy Statement, or by using the Internet voting site or the toll-free telephone number listed on the proxy card. Specific instructions for using the Internet and telephone voting systems are on the proxy card. The Internet and telephone voting systems will be available until 11:59 p.m. Central Daylight Time on Wednesday, April 29, 2009 (the day before the annual meeting).

If you are the beneficial owner of shares held in street name, you may instruct your broker, bank or other nominee on how to vote your shares. Your broker, bank or other nominee has enclosed with this Proxy Statement a voting instruction card for you to use in directing your nominee on how to vote your shares. The instructions from your nominee will indicate if Internet or telephone voting is available and, if so, will provide details regarding how to use those systems.

If My Shares Are Held In Street Name, Will My Broker, Bank Or Other Nominee Vote My Shares For Me?

Brokers, banks and other nominees who do not have instructions from their street name customers may not use their discretion in voting their customers shares on non-routine matters. The proposals to elect the director nominees and ratify the appointment of E&Y as the Company s independent registered public accounting firm are considered routine matters and, therefore, if beneficial owners fail to give voting instructions, brokers, banks and other nominees will have the discretionary authority to vote shares of our common stock with respect to these proposals. You should follow the directions provided by your nominee regarding instructions on how to vote your shares.

What Is A Broker Non-Vote?

Generally, a broker non-vote occurs when a broker, bank or other nominee that holds shares in street name for a customer is precluded from exercising voting discretion on a particular proposal because:

(1) the beneficial owner has not instructed the nominee on how to vote, and
(2) the nominee lacks discretionary voting power to vote such issues.

Under the rules of NASDAQ, a nominee does not have discretionary voting power with respect to the approval of non-routine matters absent specific voting instructions from the beneficial owners of such shares.

How Will My Proxy Be Voted?

Shares represented by a properly executed proxy (in paper form, by Internet or by telephone) that is timely received, and not subsequently revoked, will be voted at the annual meeting or any adjournment or postponement thereof in the manner directed on the proxy. Wayne Garrison and Kirk Thompson are named as proxies in the proxy form and have been designated by the Board as the directors proxies to represent you and vote your shares at the annual meeting. All shares represented by a properly executed proxy on which no choice is specified will be voted:

(1) **FOR** the election of the nominees for director named in this Proxy Statement,
(2) **FOR** the ratification of the appointment of E&Y as the Company s independent registered public accounting firm for the 2009 calendar year, and
(3) in accordance with the proxy holders best judgment as to any other business that properly comes before the annual meeting.

This Proxy Statement is considered to be voting instructions for the trustees of the J.B. Hunt Transport Services, Inc. Employee Retirement Plan for our common stock allocated to individual accounts under this plan. If account information is the same, participants in the plan (who are stockholders of record) will receive a single proxy representing all of their shares. If a plan participant does not submit a proxy to us, the trustees of the plan in which shares are allocated to his or her individual account will vote such shares in the same proportion as the total shares in such plan for which directions have been received.

May I Revoke My Proxy And Change My Vote?

Yes. You may revoke your proxy and change your vote at any time prior to the vote at the annual meeting.

If you are the registered owner, you may revoke your proxy and change your vote by:

(1) submitting a new proxy bearing a later date (which automatically revokes the earlier proxy),
(2) giving notice of your changed vote to us in writing mailed to the attention of David Mee, Corporate Secretary, at our executive offices, or
(3) attending the annual meeting and giving oral notice of your intention to vote in person.

You should be aware that simply attending the annual meeting will not in and of itself constitute a revocation of your proxy.

Who Will Pay The Costs Of Soliciting Proxies?

Proxies will be solicited initially by mail. Further solicitation may be made in person or by telephone, electronic mail or facsimile. The Company will bear the expense of preparing, printing and mailing this Proxy Statement and accompanying materials to our stockholders. Upon request, the Company will reimburse brokers, banks and other nominees for reasonable expenses incurred in forwarding copies of the proxy materials relating to the annual meeting to the beneficial owners of our common stock.

The Company has retained Broadridge, an independent proxy solicitation firm, to assist in soliciting proxies from stockholders. Broadridge will receive a fee of approximately $40,000 as compensation for its services and will be reimbursed for its out-of-pocket expenses. The fee amount is not contingent on the number of stockholder votes cast in favor of any proposals, and Broadridge is prohibited from making any recommendation to our stockholders to either accept or reject any proposal or otherwise express an opinion concerning a proposal.

What Other Business Will Be Presented At The Annual Meeting?

As of the date of this Proxy Statement, the Board knows of no other business that may properly be, or is likely to be, brought before the annual meeting. If any other matters should arise at the annual meeting, the persons named as proxy holders, Wayne Garrison and Kirk Thompson, will have the discretion to vote your shares on any additional matters properly presented for a vote at the meeting. If, for any unforeseen reason, any of the Class II director nominees are not available to serve as a director, the named proxy holders will vote your proxy for such other director candidate or candidates as may be nominated by the Board.

What Is The Deadline For Stockholder Proposals For The 2010 Annual Meeting?

In order for a stockholder proposal to be eligible to be included in the Company s Proxy Statement and proxy card for the 2010 Annual Meeting of Stockholders, the proposal:

(1) must be received by the Company at its executive offices, 615 J.B. Hunt Corporate Drive, Lowell, Arkansas 72745, Attention: Corporate Secretary on or before November 20, 2009, and
(2) must concern a matter that may be properly considered and acted upon at the annual meeting in accordance with applicable laws, regulations and the Company s Bylaws and policies, and must otherwise comply with Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the Exchange Act).

Where Can I Find The Voting Results Of The Annual Meeting?

The Company will publish final voting results of the annual meeting in its quarterly report on Form 10-Q for the second quarter of the 2009 calendar year.

What Should I Do If I Receive More Than One Set Of Voting Materials?

You may receive more than one set of voting materials, including multiple copies of this Proxy Statement and multiple proxy or voting instruction cards. For example, if you hold your shares in more than one brokerage account, you may receive a separate voting instruction card for each brokerage account. If you are a registered owner and your shares are registered in more than one name, you will receive more than one proxy card. Please vote each proxy and instruction card that you receive.

What Is Householding?

In an effort to reduce printing costs and postage fees, the Company has adopted a practice approved by the Securities and Exchange Commission (the SEC) called householding. Under this practice, certain stockholders who have the same address and last name will receive only one copy of this Proxy Statement and the Company s annual report, unless one or more of these stockholders notifies the Company that he or she wishes to continue receiving individual copies. Stockholders who participate in householding will continue to receive separate proxy cards.

If you share an address with another stockholder and received only one copy of this Proxy Statement and the Company s annual report and would like to request a separate copy of these materials, or if you do not wish to participate in householding in the future, please:

(1) mail such request to J.B. Hunt Transport Services, Inc., Attention: Corporate Secretary, 615 J.B. Hunt Corporate Drive, Lowell, Arkansas 72745, or

(2) contact the Corporate Secretary toll-free at 800-643-3622.

Similarly, you may also contact the Company if you received multiple copies of the Company s proxy materials and would prefer to receive a single copy in the future.

What Do I Need To Do Now?

First, read this Proxy Statement carefully. Then, if you are a registered owner, you should, as soon as possible, submit your proxy by executing and returning the proxy card or by voting electronically via the Internet or by telephone. If you are the beneficial owner of shares held in street name, then you should follow the voting instructions of your broker, bank or other nominee. Your shares will be

voted in accordance with the directions you specify. If you submit an executed proxy card to the Company, but fail to specify voting directions, your shares will be voted:

(1) **FOR** the approval of the director nominees, and
(2) **FOR** the ratification of E&Y as the Company s independent registered public accounting firm for the 2009 calendar year.

Who Can Help Answer My Questions?

If you have questions concerning a proposal or the annual meeting, if you would like additional copies of this Proxy Statement, or if you need directions to or special assistance at the annual meeting, please call the Corporate Secretary toll-free at 800-643-3622. In addition, information regarding the annual meeting is available via the Internet at our website www.jbhunt.com.

YOU SHOULD CAREFULLY READ THIS PROXY STATEMENT IN ITS ENTIRETY

The summary information provided above in the question-and-answer format is for your convenience only and is merely a brief description of material information contained in this Proxy Statement.

YOUR VOTE IS IMPORTANT

IF YOU ARE A REGISTERED OWNER, YOU MAY VOTE BY INTERNET, TELEPHONE,

OR BY FILLING IN, SIGNING AND DATING

THE ENCLOSED PROXY CARD AND RETURNING IT TO US

IN THE ACCOMPANYING ENVELOPE AS PROMPTLY AS POSSIBLE

IF YOU ARE A BENEFICIAL OWNER, PLEASE FOLLOW THE VOTING INSTRUCTIONS OF YOUR BROKER, BANK OR OTHER NOMINEE

AS PROVIDED WITH THIS PROXY STATEMENT AS PROMPTLY AS POSSIBLE

PROPOSALS TO BE VOTED AT THE ANNUAL MEETING

PROPOSAL NUMBER ONE

ELECTION OF DIRECTORS

Our Board nominates Sharilyn S. Gasaway, Coleman H. Peterson and James L. Robo as Class II directors, to hold office for a term of one year, expiring at the close of the 2010 Annual Meeting of Stockholders or until their successors are elected and qualified or until their earlier resignation or removal. The Board believes these incumbent directors standing for re-election are well-qualified and experienced to direct and manage the Company s operations and business affairs and will represent the interests of the stockholders as a whole. Biographical information on each of these nominees is set forth below in Nominees for Director.

If any director nominee becomes unavailable for election, which is not anticipated, the named proxies will vote for the election of such other person as the Board may nominate, unless the Board resolves to reduce the number of Class II directors to serve on the Board and thereby reduce the number of directors to be elected at the annual meeting.

THE BOARD UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE

FOR

EACH OF THE DIRECTOR NOMINEES LISTED HEREIN

INFORMATION ABOUT THE BOARD

The Board is currently divided into three classes. The term of office of directors in each class expires at the annual meeting held on the following dates:

Class	Year Term Expires
Class I	2011
Class II	2010
Class III	2010

OTHER INFORMATION YOU NEED TO MAKE AN INFORMED DECISION

DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY

Number of Directors and Term of Directors and Executive Officers

The Company s Bylaws provide that the number of directors shall not be less than three or more than 12, with the exact number to be fixed by the Board.

At its regularly scheduled meeting on January 31, 2008, the Board, upon recommendation of the Corporate Governance Committee, decided to declassify its Board. On February 27, 2008, the Board amended the Bylaws to provide for the annual election of directors beginning in 2009. The result is as follows:

Class I director nominees elected at the 2008 annual meeting will serve a term of three years. Their term will expire in 2011.
Class II director nominees elected in 2009 will serve a term of one year. Their term will expire in 2010.
Class II and Class III nominees elected in 2010 will serve a term of one year. Their term will expire in 2011.
In 2011, and going forward, all director nominees will serve a one-year term and will stand for re-election each year.

The stockholders of the Company elect successors for directors whose terms have expired at the Company s annual meeting. The Board elects members to fill new membership positions and vacancies in unexpired terms on the Board. In the amendment to the Bylaws adopted February 27, 2008, the Board included in its existing policy that no director will be eligible to stand for re-election or be elected to a vacancy once he or she has reached 72 years of age. Executive officers are elected by the Board and hold office until their successors are elected and qualified or until the earlier of their death, retirement, resignation or removal.

Directors and Executive Officers

The names of the Company s directors and executive officers as of February 20, 2009, and their respective ages and positions are as follows:

Name	Age	Position
Paul R. Bergant	62	Executive Vice President, Chief Marketing Officer and President, Intermodal
David N. Chelette	45	Vice President and Treasurer
Donald G. Cope	58	Sr. Vice President, Finance, Controller and Chief Accounting Officer
Wayne Garrison	56	Chairman of the Board; Class III Director
Sharilyn S. Gasaway	40	Class II Director
Gary C. George	58	Class III Director
Craig Harper	51	Executive Vice President, Operations and Chief Operations Officer
Bryan Hunt	50	Class III Director
Terrence D. Matthews	50	Executive Vice President, Sales and Marketing
David G. Mee	48	Sr. Vice President, Tax and Risk Management and Corporate Secretary
Kay J. Palmer	45	Executive Vice President and Chief Information Officer
Coleman H. Peterson	60	Class II Director
Bob D. Ralston	62	Executive Vice President, Equipment and Properties
John N. Roberts III	44	Executive Vice President and President, Dedicated Contract Services
James L. Robo	46	Class II Director
Shelley Simpson	37	Sr. Vice President and President, Integrated Capacity Solutions
Kirk Thompson	55	President and Chief Executive Officer; Class I Director
Leland Tollett	72	Class I Director
Jerry W. Walton	62	Executive Vice President, Finance and Administration and Chief Financial Officer
John A. White	69	Class I Director

NOMINEES FOR DIRECTOR

CLASS II TERM EXPIRES 2010

Sharilyn S. Gasaway
Mrs. Gasaway, 40, was elected to the Board at its regularly scheduled meeting on February 5, 2009. She is a member of the Audit and the Nominating and Corporate Governance committees. Most recently she served as the Executive Vice President and Chief Financial Officer of Alltel Corp., the Little Rock, Arkansas-based Fortune 500 wireless carrier. She was part of the executive team that spearheaded publicly traded Alltel s transition through the largest private equity buyout in the telecom sector and has been an integral part of the successful combination of Alltel and Verizon. Joining Alltel in 1999, she served as director of general accounting, controller and vice president of accounting and finance. Prior to joining Alltel, she worked for eight years at Arthur Andersen LLC. She has a Bachelor of Science degree in accounting from Louisiana Tech University and is a Certified Public Accountant. She currently serves as a Board and Audit Committee member of the American Red Cross of Greater Arkansas and on the Louisiana Tech University College of Business Advisory Board.

Coleman H. Peterson
Mr. Peterson, 60, was elected to the Board in 2004. He is chairman of the Executive Compensation Committee and a member of the Nominating and Corporate Governance Committee. Mr. Peterson is the President and CEO of Hollis Enterprises LLC, a human resources consulting firm founded in 2004. He retired from Wal-Mart Stores, Inc. as its Executive Vice President of the People Division. During his tenure, Mr. Peterson was responsible for recruitment, retention and development of the world s largest corporate work force. Prior to his experience with Wal-Mart, Mr. Peterson spent 16 years with Venture Stores, with his last position as Senior Vice President of Human Resources. He holds master s and bachelor s degrees from Loyola University of Chicago. He serves as a member of the Board and chairs the Compensation Committee of Build-A-Bear Workshop. Locally, he serves as Chairman of the Board of Trustees for Northwest Arkansas Community College.

James L. Robo
Mr. Robo, 46, was elected to the Board in 2002. He is chairman of the Nominating and Corporate Governance Committee and a member of the Audit Committee. Mr. Robo is President and Chief Operating Officer of FPL Group. He served as President of NextEra Energy Resources (formerly FPL Energy) until December 2006 and Vice President of Corporate

Development and Strategy of FPL Group until July 2002. FPL Group is a U.S. electric company whose two main subsidiaries are Florida Power & Light and NextEra Energy Resources. Prior to joining FPL Group in 2002, Mr. Robo spent 10 years at General Electric Company. He served as President and Chief Executive Officer of GE Mexico from 1997-1999 and was President and Chief Executive Officer of the GE Capital TIP/Modular Space division from 1999 until February 2002. From 1984 through 1992, Mr. Robo worked for Mercer Management Consulting. He received a BA Summa Cum Laude from Harvard College and an MBA from Harvard Business School, where he was a Baker Scholar.

REMAINING MEMBERS OF THE CURRENT BOARD

The remaining members of the current Board, their experience and qualifications as Board members, the class in which they serve, and the expiration of their terms are as follows:

CLASS III TERM EXPIRES 2010

Wayne Garrison
Mr. Garrison, 56, was elected to the Board in 1981. He is Chairman of the Board of the Company and has held this title since 1995. Joining the Company in 1976 as Plant Manager, he has also served the Company as Vice President of Finance in 1978, Executive Vice President of Finance in 1979, President in 1982, Chief Executive Officer in 1987 and Vice Chairman of the Board from January 1986 until May 1991.

Gary C. George
Mr. George, 58, was elected to the Board in 2006. He is a member of the Executive Compensation and the Nominating and Corporate Governance committees. Mr. George is Vice Chairman and Chief Executive Officer of George s, Inc., a private, fully integrated poultry company in northwest Arkansas. He is a graduate of the University of Arkansas with a degree in business administration and served on the Board of Trustees for the University of Arkansas from 1995 through 2005. He also served on the Board of First National Bank of Springdale until 2003. He is presently serving as the Chairman of the Board of Legacy National Bank in Springdale, Arkansas.

Bryan Hunt
Mr. Hunt, 50, was elected to the Board in 1991. He is Chairman of the Board of Global Dealer Group, a private company with operations in motor vehicle sales and service in Arkansas, Missouri, Mississippi and Oklahoma. He also serves as Chairman of the Board of Best Buy Here Pay Here of Arkansas, a private company with used-car operations in Arkansas, Missouri and Oklahoma. Additionally, he serves as Chairman of the Board of Progressive Car Finance, a private company that provides subprime financing for automobile dealers. Mr. Hunt is the son of Johnelle Hunt.

CLASS I TERM EXPIRES 2011

Kirk Thompson
Mr. Thompson, 55, was elected to the Board in 1985. He is President and Chief Executive Officer of the Company. Mr. Thompson, a certified public accountant, joined the Company in 1973. He served as Vice President of Finance from 1979 until 1984, Executive Vice President and Chief Financial Officer until 1985, and President and Chief Operating Officer from 1986 until 1987, when he was elected President and Chief Executive Officer.

Leland Tollett
Mr. Tollett, 72, was elected to the Board in 2001 and is a member of the Nominating and Corporate Governance Committee. He currently serves as the interim President and Chief Executive Officer of Tyson Foods, Inc. From 2001 to 2008 he was a private investor and a consultant to Tyson Foods, Inc. Mr. Tollett served as Chairman of the Board and Chief Executive Officer of Tyson Foods, Inc. from 1995 to 1998. A Tyson Foods employee since 1959, he also served as President and Chief Executive Officer from 1991 to 1995. He first became a board member of Tyson Foods, Inc. in 1984 and served in that capacity until February 1, 2008.

John A. White
Dr. White, 69, was elected to the Board in 1998. He is chairman of the Audit Committee and a member of the Executive Compensation and the Nominating and Corporate Governance committees. Dr. White is Chancellor Emeritus and Distinguished Professor of the University of Arkansas. Previous to this appointment, he served as Chancellor of the University of Arkansas, a position he held for 11 years, beginning July 1, 1997. A graduate of the University of Arkansas (BSIE), Virginia Tech (MSIE) and The Ohio State University (PhD), he also holds honorary doctorates from the Katholieke Universitiet of Leuven in Belgium and from George Washington University. Dr. White is a member of the National Academy of Engineering. He also serves on the Board and the Audit committees of Logility, Inc. and Motorola, Inc.

EXECUTIVE OFFICERS OF THE COMPANY

Paul R. Bergant joined the Company in 1978 as General Counsel and currently serves as Executive Vice President, Chief Marketing Officer and President of our Intermodal business segment. Prior to joining the Company, he worked for the Kansas Corporation Commission as Assistant General Counsel and in a private law practice in Chicago, Illinois.

David N. Chelette joined the Company in 1993 as a Finance Manager and currently serves as Vice President and Treasurer and Assistant Secretary. Prior to joining the Company, he was Cash Manager for Brinker International, Inc. Mr. Chelette is a Certified Public Accountant.

Donald G. Cope joined the Company in 1991 as Vice President of Finance and Corporate Controller and currently serves as Senior Vice President, Controller and Chief Accounting Officer. Prior to joining the Company, he worked in the finance departments of various transportation companies, including Schneider National and Crete Carrier as Vice President of Finance. Mr. Cope is a Certified Public Accountant.

Craig Harper joined the Company in 1992 as Vice President of Marketing and currently serves as Executive Vice President and Chief Operations Officer. Prior to joining the Company, he worked for Rineco Chemical Industries as its Chief Executive Officer.

Terrence D. Matthews joined the Company in 1986 as a National Accounts Manager and currently serves as Executive Vice President of Sales and Marketing for our Truck and Intermodal business segments. Prior to joining the Company, he worked as a National Accounts Manager for North American Van Lines.

David G. Mee joined the Company in 1992 as Vice President, Tax and currently serves as Senior Vice President, Tax and Risk Management and Corporate Secretary. Prior to joining the Company, he was a Senior Tax Manager for KPMG LLP. Mr. Mee is a Certified Public Accountant.

Kay J. Palmer joined the Company in 1988 as a Program Analyst of Finance and currently serves as Executive Vice President and Chief Information Officer. Prior to joining the Company, she worked at EDS as a Systems Engineer Manager.

Bob D. Ralston joined the Company in 1978 as a Night Shift Shop Foreman and currently serves as Executive Vice President of Equipment and Properties. Prior to joining the Company, he worked as the Sales Manager for Ozark Kenworth.

John N. Roberts III joined the Company in 1989 as a Management Trainee and currently serves as Executive Vice President and President of the Dedicated Contract Services business segment.

Shelley Simpson joined the Company in 1994 as a Management Trainee and currently serves as Senior Vice President and President of the Integrated Capacity Solutions business segment.

Jerry W. Walton joined the Company in 1991 as Executive Vice President of Finance and currently serves as Executive Vice President of Finance and Administration and Chief Financial Officer. Prior to joining the Company, he was the Managing Partner of the Little Rock office of KPMG LLP. Mr. Walton is a Certified Public Accountant.

DIRECTOR COMPENSATION

The Company pays only nonemployee directors for their services as directors. Directors who are also officers or employees of the Company are not eligible to receive any of the compensation described below.

In calendar year 2008, compensation for nonemployee directors, serving on the Board, was as follows:

an annual retainer of $115,000 paid in Company stock, cash or any combination thereof
an annual retainer of $12,000, paid in cash, to the Audit Committee Chairman
an annual retainer of $8,000, paid in cash, to the Executive Compensation Committee Chairman
an annual retainer of $4,000, paid in cash, to the Nominating and Corporate Governance Committee Chairman
$4,500 for each Board meeting attended
$2,000 for each Audit Committee meeting attended
$1,500 for each Executive Compensation Committee meeting attended

$1,500 for each Nominating and Corporate Governance Committee meeting attended
reimbursement of expenses to attend Board and Committee meetings

Nonemployee Board of Director Compensation Paid in Calendar Year 2008

Board Member	Fees Paid in Cash ($)	Fees Paid in Stock ($)	Restricted Share or Stock Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($) (1)	Total ($)
Sharilyn S. Gasaway (2)							
Gary C. George	27,000	115,000					142,000
Bryan Hunt	133,000						133,000
Coleman H. Peterson	35,000	115,000					150,000
James L. Robo	41,000	115,000				10,653	166,653
Leland Tollett	37,000	115,000					152,000
John A. White	47,000	115,000				1,109	163,109

(1) Reimbursement of expenses to attend Board and Committee meetings
(2) Mrs. Gasaway was elected to the Board at its regularly scheduled meeting on February 5, 2009
Each nonemployee member of the Board had the choice of receiving his or her annual retainer of $115,000 in Company stock, cash or any combination thereof. Those directors choosing to receive their retainer in Company stock received 3,130 shares based on the $36.74 closing market price on July 17, 2008.

To more closely align their interests with those of the stockholders, each Board member is required to own three times their estimated annual compensation in Company stock within five years of their initial stockholder election to the Board. All Board members are in compliance with this requirement.

Nonemployee members of the Board did not participate in either a pension plan or deferred compensation plan in calendar year 2008.

Until her retirement on May 1, 2008, Johnelle Hunt, an employee and director of the Company, received a salary of $36,154 for her services as the Company s Corporate Secretary. The Company also remitted payment of $10,000 on her behalf for professional fees and provided a Company match of $1,038 to her 401(k) account.

Security Ownership of Management

The following table sets forth the beneficial ownership of the Company s common stock as of February 20, 2009, by each of its current directors (including all nominees for director), the Named Executive Officers (the NEOs) and all other executive officers and directors as a group. Unless otherwise indicated in the footnotes below, beneficially owned means the sole power to vote or direct the voting of a security and the sole power to dispose or direct the disposition of a security.

Owner	Number of Shares Beneficially Owned Directly (1)	Number of Shares Beneficially Owned Indirectly (2)	Percent of Class (3)(%)
Paul R. Bergant	235,773	0	*
Sharilyn S. Gasaway	1,775	275	*
Wayne Garrison	5,057,820	12,000	4.01
Gary C. George	27,282	353,310 (4)	*
Craig Harper	100,000	0	*
Bryan Hunt	72,300	0	*
Coleman H. Peterson	13,437	0	*

James L. Robo	31,259	0	*
Kirk Thompson	150,000	0	*
Leland Tollett	47,961	0	*
Jerry W. Walton	305,636	0	*
John A. White	38,620	0	*
All executive officers and Directors			
as a group (20 persons)	6,739,309	405,594	5.34

**Less than 1 percent*

(1) Includes shares owned by the director or executive officer that are (a) held in a 401(k) or deferred compensation account, (b) held as trustee of family trusts in which the trustee has no beneficial ownership, (c) options that are currently exercisable, and (d) options that will become exercisable within 60 days from February 20, 2009. Also includes pledged shares as shown below:

The following table illustrates, for a hypothetical maximum return of 15.20% or $152.00 per security (the lowest possible maximum return that may be determined on the pricing date) and a range of hypothetical ending levels of the Index:

- the hypothetical index return;
- the hypothetical maturity payment amount payable at stated maturity per security;
- the hypothetical total pre-tax rate of return; and
- the hypothetical pre-tax annualized rate of return.

Hypothetical ending level	**Hypothetical index return[(1)]**	**Hypothetical maturity payment amount payable at stated maturity per security**	**Hypothetical pre-tax total rate of return**	**Hypothetical pre-tax annualized rate of return[(2)]**
175.00	75.00%	$1,152.00	15.20%	9.61%
150.00	50.00%	$1,152.00	15.20%	9.61%
140.00	40.00%	$1,152.00	15.20%	9.61%
130.00	30.00%	$1,152.00	15.20%	9.61%
120.00	20.00%	$1,152.00	15.20%	9.61%
115.20	15.20%	$1,152.00	15.20%	9.61%
110.00	10.00%	$1,100.00	10.00%	6.43%
105.00	5.00%	$1,050.00	5.00%	3.26%
100.00[(3)]	0.00%	$1,000.00	0.00%	0.00%
95.00	-5.00%	$1,050.00	5.00%	3.26%
90.00	-10.00%	$1,100.00	10.00%	6.43%
89.00	-11.00%	$990.00	-1.00%	-0.67%
85.00	-15.00%	$950.00	-5.00%	-3.38%
80.00	-20.00%	$900.00	-10.00%	-6.87%
75.00	-25.00%	$850.00	-15.00%	-10.50%
50.00	-50.00%	$600.00	-40.00%	-31.18%
25.00	-75.00%	$350.00	-65.00%	-58.83%

(1)

The index return is equal to the percentage change from the starting level to the ending level (i.e., ending level *minus* starting level, *divided* by starting level).

(2) The annualized rates of return are calculated on a semi-annual bond equivalent basis with compounding.

(3) The hypothetical starting level of 100.00 has been chosen for illustrative purposes only and does not represent the actual starting level. The actual starting level will be determined on the pricing date and will be set forth under "Terms of the Securities" above. For historical data regarding the actual closing levels of the Index, see the historical information set forth herein.

The above figures are for purposes of illustration only and may have been rounded for ease of analysis. The actual amount you receive at stated maturity and the resulting pre-tax rate of return will depend on the actual starting level, ending level and maximum return.

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Hypothetical Payments at Stated Maturity

Set forth below are four examples of payment at stated maturity calculations, reflecting a hypothetical maximum return of 15.20% or $152.00 per security (the lowest possible maximum return that may be determined on the pricing date) and assuming hypothetical starting levels and ending levels as indicated in the examples. The terms used for purposes of these hypothetical examples do not represent the actual starting level or threshold level. The hypothetical starting level of 100.00 has been chosen for illustrative purposes only and does not represent the actual starting level. The actual starting level and threshold level will be determined on the pricing date and will be set forth under "Terms of the Securities" above. For historical data regarding the actual closing levels of the Index, see the historical information set forth herein. These examples are for purposes of illustration only and the values used in the examples may have been rounded for ease of analysis.

Example 1. The ending level is greater than the starting level, and the maturity payment amount is greater than the original offering price and reflects a return that is less than the maximum return:

Hypothetical starting level:	100.00
Hypothetical ending level:	105.00
Hypothetical index return (ending level – starting level)/starting level:	5.00%

Because the hypothetical ending level is greater than the hypothetical starting level, the maturity payment amount per security would be equal to the original offering price of $1,000 *plus* a positive return equal to the *lesser* of:

(i) [$1,000 × 5.00% × 100.00%] = $50.00; and

(ii) the maximum return of $152.00

On the stated maturity date you would receive $1,050.00 per security.

Example 2. The ending level is greater than the starting level, and the maturity payment amount is greater than the original offering price and reflects a return equal to the maximum return:

Hypothetical starting level:	100.00
Hypothetical ending level:	150.00
Hypothetical index return (ending level – starting level)/starting level:	50.00%

Because the hypothetical ending level is greater than the hypothetical starting level, the maturity payment amount per security would be equal to the original offering price of $1,000 *plus* a positive return equal to the *lesser* of:

(i) [$1,000 × 50.00% × 100.00%] = $500.00 ; and

(ii) the maximum return of $152.00

On the stated maturity date you would receive $1,152.00 per security, which is the maximum maturity payment amount.

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Example 3. The ending level is less than the starting level but greater than the threshold level, and the maturity payment amount is greater than the original offering price:

Hypothetical starting level:	100.00
Hypothetical ending level:	95.00
Hypothetical index return (ending level – starting level)/starting level:	-5.00%

Since the hypothetical ending level is less than the hypothetical starting level, but not by more than 10%, you will receive the original offering price of your securities *plus* a positive return based on the absolute value of the index return. The maturity payment amount would be calculated as follows:

$1,000 + ($1,000 × absolute value of index return × participation rate)

$1,000 + ($1,000 × 5.00% × 100.00%) = $1,050.00

On the stated maturity date you would receive $1,050.00 per security.

Example 4. The ending level is less than the threshold level, and the maturity payment amount is less than the original offering price:

Hypothetical starting level:	**100.00**
Hypothetical ending level:	50.00
Hypothetical index return (ending level – starting level)/starting level:	-50.00%

Since the hypothetical ending level is less than the hypothetical starting level by more than 10%, you would lose a portion of the original offering price of your securities and receive a maturity payment amount equal to:

$1,000 + [$1,000 × (index return + buffer amount)]

$1,000 + [$1,000 × (-50.00% + 10%)] = $600.00

On the stated maturity date you would receive $600.00 per security.

To the extent that the starting level, ending level and maximum return differ from the values assumed above, the results indicated above would be different.

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Additional Terms of the Securities

Wells Fargo will issue the securities as part of a series of senior unsecured debt securities entitled "Medium-Term Notes, Series S," which is more fully described in the prospectus supplement. Information included in this pricing supplement supersedes information in the market measure supplement, prospectus supplement and prospectus to the extent that it is different from that information.

Certain Definitions

A "trading day" means a day, as determined by the calculation agent, on which (i) the relevant stock exchanges with respect to each security underlying the Index are scheduled to be open for trading for their respective regular trading sessions and (ii) each related futures or options exchange is scheduled to be open for trading for its regular trading session.

The "relevant stock exchange" for any security underlying the Index means the primary exchange or quotation system on which such security is traded, as determined by the calculation agent.

The "related futures or options exchange" for the Index means an exchange or quotation system where trading has a material effect (as determined by the calculation agent) on the overall market for futures or options contracts relating to the Index.

Calculation Agent

Wells Fargo Securities, LLC, one of our subsidiaries, will act as calculation agent for the securities and may appoint agents to assist it in the performance of its duties. Pursuant to a calculation agent agreement, we may appoint a different calculation agent without your consent and without notifying you.

The calculation agent will determine the maturity payment amount you receive at stated maturity. In addition, the calculation agent will, among other things:

- determine whether a market disruption event has occurred;
- determine the closing level of the Index under certain circumstances;
- determine if adjustments are required to the closing level of the Index under various circumstances; and
- if publication of the Index is discontinued, select a successor equity index (as defined below) or, if no successor equity index is available, determine

the closing level of the Index.

All determinations made by the calculation agent will be at the sole discretion of the calculation agent and, in the absence of manifest error, will be conclusive for all purposes and binding on us and you. The calculation agent will have no liability for its determinations.

Market Disruption Events

A "market disruption event" means any of the following events as determined by the calculation agent in its sole discretion:

(A) The occurrence or existence of a material suspension of or limitation imposed on trading by the relevant stock exchanges or otherwise relating to securities which then comprise 20% or more of the level of the Index or any successor equity index at any time during the one-hour period that ends at the close of trading on that day, whether by reason of movements in price exceeding limits permitted by those relevant stock exchanges or otherwise.

(B) The occurrence or existence of a material suspension of or limitation imposed on trading by any related futures or options exchange or otherwise in futures or options contracts relating to the Index or any successor equity index on any related futures or options exchange at any time during the one-hour period that ends at the close of trading on that day, whether by reason of movements in price exceeding limits permitted by the related futures or options exchange or otherwise.

(C) The occurrence or existence of any event, other than an early closure, that materially disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for, securities that then comprise 20% or more of the level of the Index or any successor equity index on their relevant stock exchanges at any time during the one-hour period that ends at the close of trading on that day.

(D) The occurrence or existence of any event, other than an early closure, that materially disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for, futures or options contracts relating to the Index or any successor equity index on any related futures or options exchange at any time during the one-hour period that ends at the close of trading on that day.

(E) The closure on any exchange business day of the relevant stock exchanges on which securities that then comprise 20% or more of the level of the Index or any successor equity index are traded or any related futures or options exchange prior to its scheduled closing time unless the earlier closing time is announced by the relevant stock exchange or related futures or

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options exchange, as applicable, at least one hour prior to the earlier of (1) the actual closing time for the regular trading session on such relevant stock exchange or related futures or options exchange, as applicable, and (2) the submission deadline for orders to be entered into the relevant stock exchange or related futures or options exchange, as applicable, system for execution at such actual closing time on that day.

(F) The relevant stock exchange for any security underlying the Index or successor equity index or any related futures or options exchange fails to open for trading during its regular trading session.

For purposes of determining whether a market disruption event has occurred:

(1) the relevant percentage contribution of a security to the level of the Index or any successor equity index will be based on a comparison of (x) the portion of the level of such index attributable to that security and (y) the overall level of the Index or successor equity index, in each case immediately before the occurrence of the market disruption event;

(2) the "close of trading" on any trading day for the Index or any successor equity index means the scheduled closing time of the relevant stock exchanges with respect to the securities underlying the Index or successor equity index on such trading day; provided that, if the actual closing time of the regular trading session of any such relevant stock exchange is earlier than its scheduled closing time on such trading day, then (x) for purposes of clauses (A) and (C) of the definition of "market disruption event" above, with respect to any security underlying the Index or successor equity index for which such relevant stock exchange is its relevant stock exchange, the "close of trading" means such actual closing time and (y) for purposes of clauses (B) and (D) of the definition of "market disruption event" above, with respect to any futures or options contract relating to the Index or successor equity index, the "close of trading" means the latest actual closing time of the regular trading session of any of the relevant stock exchanges, but in no event later than the scheduled closing time of the relevant stock exchanges;

(3) the "scheduled closing time" of any relevant stock exchange or related futures or options exchange on any trading day for the Index or any successor equity index means the scheduled weekday closing time of such relevant stock exchange or related futures or options exchange on such trading day, without regard to after hours or any other trading outside the regular trading session hours; and

(4) an "exchange business day" means any trading day for the Index or any successor equity index on which each relevant stock exchange for the

securities underlying the Index or any successor equity index and each related futures or options exchange are open for trading during their respective regular trading sessions, notwithstanding any such relevant stock exchange or related futures or options exchange closing prior to its scheduled closing time.

If a market disruption event occurs or is continuing on the calculation day, then the calculation day will be postponed to the first succeeding trading day on which a market disruption event has not occurred and is not continuing; however, if such first succeeding trading day has not occurred as of the eighth trading day after the originally scheduled calculation day, that eighth trading day shall be deemed to be the calculation day. If the calculation day has been postponed eight trading days after the originally scheduled calculation day and a market disruption event occurs or is continuing on such eighth trading day, the calculation agent will determine the closing level of the Index on such eighth trading day in accordance with the formula for and method of calculating the closing level of the Index last in effect prior to commencement of the market disruption event, using the closing price (or, with respect to any relevant security, if a market disruption event has occurred with respect to such security, its good faith estimate of the value of such security at the scheduled closing time of the relevant stock exchange for such security or, if earlier, the actual closing time of the regular trading session of such relevant stock exchange) on such date of each security included in the Index. As used herein, "closing price" means, with respect to any security on any date, the relevant stock exchange traded or quoted price of such security as of the scheduled closing time of the relevant stock exchange for such security or, if earlier, the actual closing time of the regular trading session of such relevant stock exchange.

Adjustments to the Index

If at any time the method of calculating the Index or a successor equity index, or the closing level thereof, is changed in a material respect, or if the Index or a successor equity index is in any other way modified so that such index does not, in the opinion of the calculation agent, fairly represent the level of such index had those changes or modifications not been made, then the calculation agent will, at the close of business in New York, New York, on each date that the closing level of such index is to be calculated, make such calculations and adjustments as, in the good faith judgment of the calculation agent, may be necessary in order to arrive at a level of an index comparable to the Index or successor equity index as if those changes or modifications had not been made, and the calculation agent will calculate the closing level of the Index or successor equity index with reference to such index, as so adjusted. Accordingly, if the method of calculating the Index or successor equity index is modified so that the level of such index is a fraction or a multiple of what it would have been if it had not been modified (e.g., due to a split or reverse split in such equity index), then the calculation agent will adjust the Index or successor equity index in order to arrive at a level of such index as if it had not been modified (e.g., as if the split or reverse split had not occurred).

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Discontinuance of the Index

If the sponsor or publisher of the Index (the "index sponsor") discontinues publication of the Index, and such index sponsor or another entity publishes a successor or substitute equity index that the calculation agent determines, in its sole discretion, to be comparable to the Index (a "successor equity index"), then, upon the calculation agent's notification of that determination to the trustee and Wells Fargo, the calculation agent will substitute the successor equity index as calculated by the relevant index sponsor or any other entity and calculate the ending level as described above. Upon any selection by the calculation agent of a successor equity index, Wells Fargo will cause notice to be given to holders of the securities.

In the event that the index sponsor discontinues publication of the Index prior to, and the discontinuance is continuing on, the calculation day and the calculation agent determines that no successor equity index is available at such time, the calculation agent will calculate a substitute closing level for the Index in accordance with the formula for and method of calculating the Index last in effect prior to the discontinuance, but using only those securities that comprised the Index immediately prior to that discontinuance. If a successor equity index is selected or the calculation agent calculates a level as a substitute for the Index, the successor equity index or level will be used as a substitute for the Index for all purposes, including the purpose of determining whether a market disruption event exists.

If on the calculation day the index sponsor fails to calculate and announce the level of the Index, the calculation agent will calculate a substitute closing level of the Index in accordance with the formula for and method of calculating the Index last in effect prior to the failure, but using only those securities that comprised the Index immediately prior to that failure; *provided* that, if a market disruption event occurs or is continuing on such day, then the provisions set forth above under "—Market Disruption Events" shall apply in lieu of the foregoing.

Notwithstanding these alternative arrangements, discontinuance of the publication of, or the failure by the index sponsor to calculate and announce the level of, the Index may adversely affect the value of the securities.

Events of Default and Acceleration

If an event of default with respect to the securities has occurred and is continuing, the amount payable to a holder of a security upon any acceleration permitted by the securities, with respect to each security, will

be equal to the maturity payment amount, calculated as provided herein. The maturity payment amount will be calculated as though the date of acceleration were the calculation day.

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The S&P 500® Index

The S&P 500 Index is an equity index that is intended to provide an indication of the pattern of common stock price movement in the large capitalization segment of the United States equity market. Wells Fargo & Company is one of the companies currently included in the S&P 500 Index. See "Description of Equity Indices—The S&P Indices" in the accompanying market measure supplement for additional information about the S&P 500 Index.

In addition, information about the S&P 500 Index may be obtained from other sources including, but not limited to, the S&P 500 Index sponsor's website (including information regarding the S&P 500 Index's sector weightings). We are not incorporating by reference into this pricing supplement the website or any material it includes. Neither we nor the agent makes any representation that such publicly available information regarding the S&P 500 Index is accurate or complete.

Historical Information

We obtained the closing levels of the S&P 500 Index in the graph below from Bloomberg Financial Markets, without independent verification.

The following graph sets forth daily closing levels of the Index for the period from January 1, 2014 to January 28, 2019. The closing level on January 28, 2019 was 2643.85. The historical performance of the Index should not be taken as an indication of the future performance of the Index during the term of the securities.

The S&P 500 Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by Wells Fargo & Company ("WFC"). Standard & Poor's®, S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by WFC. The securities are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates, and none of such parties

make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the S&P 500 Index.

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Benefit Plan Investor Considerations

Each fiduciary of a pension, profit-sharing or other employee benefit plan to which Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") applies (a "plan"), should consider the fiduciary standards of ERISA in the context of the plan's particular circumstances before authorizing an investment in the securities. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the plan. When we use the term "holder" in this section, we are referring to a beneficial owner of the securities and not the record holder.

Section 406 of ERISA and Section 4975 of the Code prohibit plans, as well as individual retirement accounts and Keogh plans to which Section 4975 of the Code applies (also "plans"), from engaging in specified transactions involving "plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under the Code (collectively, "parties in interest") with respect to such plan. A violation of those "prohibited transaction" rules may result in an excise tax or other liabilities under ERISA and/or Section 4975 of the Code for such persons, unless statutory or administrative exemptive relief is available. Therefore, a fiduciary of a plan should also consider whether an investment in the securities might constitute or give rise to a prohibited transaction under ERISA and the Code.

Employee benefit plans that are governmental plans, as defined in Section 3(32) of ERISA, certain church plans, as defined in Section 3(33) of ERISA, and foreign plans, as described in Section 4(b)(4) of ERISA (collectively, "Non-ERISA Arrangements"), are not subject to the requirements of ERISA, or Section 4975 of the Code, but may be subject to similar rules under other applicable laws or regulations ("Similar Laws").

We and our affiliates may each be considered a party in interest with respect to many plans. Special caution should be exercised, therefore, before the securities are purchased by a plan. In particular, the fiduciary of the plan should consider whether statutory or administrative exemptive relief is available. The U.S. Department of Labor has issued five prohibited transaction class exemptions ("PTCEs") that may provide exemptive relief for direct or indirect prohibited transactions resulting from the purchase or holding of the securities. Those class exemptions are:

- PTCE 96-23, for specified transactions determined by in-house asset managers;
-

- PTCE 95-60, for specified transactions involving insurance company general accounts;
- PTCE 91-38, for specified transactions involving bank collective investment funds;
- PTCE 90-1, for specified transactions involving insurance company separate accounts; and
- PTCE 84-14, for specified transactions determined by independent qualified professional asset managers.

In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide an exemption for transactions between a plan and a person who is a party in interest (other than a fiduciary who has or exercises any discretionary authority or control with respect to investment of the plan assets involved in the transaction or renders investment advice with respect thereto) solely by reason of providing services to the plan (or by reason of a relationship to such a service provider), if in connection with the transaction of the plan receives no less, and pays no more, than "adequate consideration" (within the meaning of Section 408(b)(17) of ERISA).

Any purchaser or holder of the securities or any interest in the securities will be deemed to have represented by its purchase and holding that either:

- no portion of the assets used by such purchaser or holder to acquire or purchase the securities constitutes assets of any plan or Non-ERISA Arrangement; or
- the purchase and holding of the securities by such purchaser or holder will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any Similar Laws.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing the securities on behalf of or with "plan assets" of any plan consult with their counsel regarding the potential consequences under ERISA and the Code of the acquisition of the securities and the availability of exemptive relief.

The securities are contractual financial instruments. The financial exposure provided by the securities is not a substitute or proxy for, and is not intended as a substitute or proxy for, individualized investment management or advice for the benefit of any purchaser or holder of the securities. The securities have not been designed and will not be administered in a manner intended to reflect the individualized needs and objectives of any purchaser or holder of the securities.

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Each purchaser or holder of the securities acknowledges and agrees that:

(i) the purchaser or holder or its fiduciary has made and shall make all investment decisions for the purchaser or holder and the purchaser or holder has not relied and shall not rely in any way upon us or our affiliates to act as a fiduciary or adviser of the purchaser or holder with respect to (a) the design and terms of the securities, (b) the purchaser or holder's investment in the securities, or (c) the exercise of or failure to exercise any rights we have under or with respect to the securities;

(ii) we and our affiliates have acted and will act solely for our own account in connection with (a) all transactions relating to the securities and (b) all hedging transactions in connection with our obligations under the securities;

(iii) any and all assets and positions relating to hedging transactions by us or our affiliates are assets and positions of those entities and are not assets and positions held for the benefit of the purchaser or holder;

(iv) our interests may be adverse to the interests of the purchaser or holder; and

(v) neither we nor any of our affiliates is a fiduciary or adviser of the purchaser or holder in connection with any such assets, positions or transactions, and any information that we or any of our affiliates may provide is not intended to be impartial investment advice.

Purchasers of the securities have the exclusive responsibility for ensuring that their purchase, holding and subsequent disposition of the securities does not violate the fiduciary or prohibited transaction rules of ERISA, the Code or any Similar Law. Nothing herein shall be construed as a representation that an investment in the securities would be appropriate for, or would meet any or all of the relevant legal requirements with respect to investments by, plans or Non-ERISA Arrangements generally or any particular plan or Non-ERISA Arrangement.

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United States Federal Tax Considerations

The following is a discussion of the material U.S. federal income and certain estate tax consequences of the ownership and disposition of the securities. It applies to you only if you purchase a security for cash in the initial offering at the "issue price," which is the first price at which a substantial amount of the securities is sold to the public, and hold the security as a capital asset within the meaning of Section 1221 of the Code. It does not address all of the tax consequences that may be relevant to you in light of your particular circumstances or if you are an investor subject to special rules, such as:

- a financial institution;
- a "regulated investment company";
- a tax-exempt entity, including an "individual retirement account" or "Roth IRA";
- a dealer or trader subject to a mark-to-market method of tax accounting with respect to the securities;
- a person holding a security as part of a "straddle" or conversion transaction or who has entered into a "constructive sale" with respect to a security;
- a U.S. holder (as defined below) whose functional currency is not the U.S. dollar; or
- an entity classified as a partnership for U.S. federal income tax purposes.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds the securities, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. If you are a partnership holding the securities or a partner in such a partnership, you should consult your tax adviser as to your particular U.S. federal tax consequences of holding and disposing of the securities.

We will not attempt to ascertain whether any of the issuers of the underlying stocks of the Index (the "underlying stocks") is treated as a "U.S. real property holding corporation" ("USRPHC") within the meaning of Section 897 of the Code or as a "passive foreign investment company" ("PFIC") within the meaning of Section 1297 of the Code. If any of the issuers of the underlying stocks were so treated, certain adverse U.S. federal income tax consequences might apply to you, in the case of a USRPHC if you are a non-U.S. holder (as defined below) and in the case of a PFIC if you are a U.S. holder (as defined below), upon the sale, exchange or other disposition of the securities. You should refer to information filed with the Securities and Exchange Commission or another governmental authority by the issuers of the underlying stocks and consult your tax adviser regarding the possible

consequences to you if any of the issuers of the underlying stocks is or becomes a USRPHC or PFIC.

This discussion is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, all as of the date of this pricing supplement, changes to any of which subsequent to the date of this pricing supplement may affect the tax consequences described herein, possibly with retroactive effect. This discussion does not address the effects of any applicable state, local or non-U.S. tax laws, any alternative minimum tax consequences, the potential application of the Medicare tax on investment income or the consequences to taxpayers subject to special tax accounting rules under Section 451(b) of the Code. You should consult your tax adviser concerning the application of U.S. federal income and estate tax laws to your particular situation (including the possibility of alternative treatments of the securities), as well as any tax consequences arising under the laws of any state, local or non-U.S. jurisdiction.

Tax Treatment of the Securities

In the opinion of our counsel, Davis Polk & Wardwell LLP, which is based on current market conditions, a security should be treated as a prepaid derivative contract that is an "open transaction" for U.S. federal income tax purposes. By purchasing a security, you agree (in the absence of an administrative determination or judicial ruling to the contrary) to this treatment.

Due to the absence of statutory, judicial or administrative authorities that directly address the U.S. federal tax treatment of the securities or similar instruments, significant aspects of the treatment of an investment in the securities are uncertain. We do not plan to request a ruling from the IRS, and the IRS or a court might not agree with the treatment described below. Accordingly, you should consult your tax adviser regarding all aspects of the U.S. federal income and estate tax consequences of an investment in the securities. Unless otherwise indicated, the following discussion is based on the treatment of the securities as prepaid derivative contracts that are "open transactions."

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Tax Consequences to U.S. Holders

This section applies only to U.S. holders. You are a "U.S. holder" if you are a beneficial owner of a security that is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Tax Treatment Prior to Maturity. You should not be required to recognize income over the term of the securities prior to maturity, other than pursuant to a sale, exchange or retirement as described below.

Sale, Exchange or Retirement of the Securities. Upon a sale, exchange or retirement of the securities, you should recognize gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and your tax basis in the securities that are sold, exchanged or retired. Your tax basis in the securities should equal the amount you paid to acquire them. This gain or loss should be long-term capital gain or loss if at the time of the sale, exchange or retirement you held the securities for more than one year, and short-term capital gain or loss otherwise. Long-term capital gains recognized by non-corporate U.S. holders are generally subject to taxation at reduced rates. The deductibility of capital losses is subject to certain limitations.

Possible Alternative Tax Treatments of an Investment in the Securities

Alternative U.S. federal income tax treatments of the securities are possible that, if applied, could materially and adversely affect the timing and/or character of income, gain or loss with respect to them. It is possible, for example, that the securities could be treated as debt instruments governed by Treasury regulations relating to the taxation of contingent payment debt instruments. In that case, regardless of your method of tax accounting for U.S. federal income tax purposes, you generally would be required to accrue income based on our comparable yield for similar non-contingent debt, determined as of the time of issuance of the securities, in each year that you held the securities, even though we are not required to make any payment with respect to the securities prior to maturity. In addition, any gain on the sale, exchange or retirement of the securities would be treated as ordinary income.

Other possible U.S. federal income tax treatments of the securities could also affect the timing and character of income or loss with respect to the securities. In 2007, the U.S. Treasury Department and the IRS released a notice requesting comments on the U.S. federal income tax treatment of "prepaid forward contracts" and similar instruments. The notice focuses in particular on whether to require holders of these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; whether short-term instruments should be subject to any such accrual regime; the relevance of factors such as the exchange-traded status of the instruments and the nature of the underlying property to which the instruments are linked; and whether these instruments are or should be subject to the "constructive ownership" regime, which very generally can operate to recharacterize certain long-term capital gain as ordinary income and impose a notional interest charge. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the securities, possibly with retroactive effect. You should consult your tax adviser regarding the possible alternative treatments of an investment in the securities and the issues presented by this notice.

Tax Consequences to Non-U.S. Holders

This section applies only to non-U.S. holders. You are a "non-U.S. holder" if you are a beneficial owner of a security that is, for U.S. federal income tax purposes:

- an individual who is classified as a nonresident alien;
- a foreign corporation; or
- a foreign estate or trust.

You are not a non-U.S. holder for purposes of this discussion if you are (i) an individual who is present in the United States for 183 days or more in the taxable year of disposition or (ii) a former citizen or resident of the United States. If you are or may become such a

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person during the period in which you hold a security, you should consult your tax adviser regarding the U.S. federal tax consequences of an investment in the securities.

Sale, Exchange or Retirement of the Securities. Subject to the possible application of Section 897 of the Code and the discussion below regarding Section 871(m), you generally should not be subject to U.S. federal income or withholding tax in respect of amounts paid to you, provided that income in respect of the securities is not effectively connected with your conduct of a trade or business in the United States.

If you are engaged in a U.S. trade or business, and if income from the securities is effectively connected with the conduct of that trade or business, you generally will be subject to regular U.S. federal income tax with respect to that income in the same manner as if you were a U.S. holder, unless an applicable income tax treaty provides otherwise. If you are such a holder and you are a corporation, you should also consider the potential application of a 30% (or lower treaty rate) branch profits tax.

Tax Consequences Under Possible Alternative Treatments. If all or any portion of a security were recharacterized as a debt instrument, subject to the possible application of Section 897 of the Code and the discussions below regarding FATCA and Section 871(m), any payment made to you with respect to the security generally should not be subject to U.S. federal withholding or income tax, provided that: (i) income or gain in respect of the security is not effectively connected with your conduct of a trade or business in the United States, and (ii) you provide an appropriate IRS Form W-8 certifying under penalties of perjury that you are not a United States person.

Other U.S. federal income tax treatments of the securities are also possible. In 2007, the U.S. Treasury Department and the IRS released a notice requesting comments on the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. Among the issues addressed in the notice is the degree, if any, to which income with respect to instruments such as the securities should be subject to U.S. withholding tax. While the notice requests comments on appropriate transition rules and effective dates, it is possible that any Treasury regulations or other guidance promulgated after consideration of these issues might materially and adversely affect the withholding tax consequences of an investment in the securities, possibly with retroactive effect. Accordingly, you should consult your tax adviser regarding the issues presented by the notice.

Possible Withholding Under Section 871(m) of the Code. Section 871(m) of the Code and Treasury regulations promulgated thereunder ("Section 871(m)") generally impose a 30% withholding tax on dividend equivalents paid or deemed paid to non-U.S. holders with respect to certain financial instruments linked to U.S. equities ("U.S. underlying equities") or indices that include U.S. underlying equities. Section 871(m) generally applies to instruments that substantially replicate the economic performance of one or more U.S. underlying equities, as determined based on tests set forth in the applicable Treasury regulations (a "specified security"). However, the regulations, as modified by an IRS notice, exempt financial instruments issued prior to January 1, 2021 that do not have a "delta" of one. Based on the terms of the securities and representations provided by us, our counsel is of the opinion that the securities should not be treated as transactions that have a "delta" of one within the meaning of the regulations with respect to any U.S. underlying equity and, therefore, should not be specified securities subject to withholding tax under Section 871(m).

A determination that the securities are not subject to Section 871(m) is not binding on the IRS, and the IRS may disagree with this treatment. Moreover, Section 871(m) is complex and its application may depend on your particular circumstances. For example, if you enter into other transactions relating to a U.S. underlying equity, you could be subject to withholding tax or income tax liability under Section 871(m) even if the securities are not specified securities subject to Section 871(m) as a general matter. You should consult your tax adviser regarding the potential application of Section 871(m) to the securities.

This information is indicative and will be updated in the final pricing supplement or may otherwise be updated by us in writing from time to time. Non-U.S. holders should be warned that Section 871(m) may apply to the securities based on circumstances as of the pricing date for the securities and, therefore, it is possible that the securities will be subject to withholding tax under Section 871(m).

In the event withholding applies, we will not be required to pay any additional amounts with respect to amounts withheld.

U.S. Federal Estate Tax

If you are an individual non-U.S. holder or an entity the property of which is potentially includible in such an individual's gross estate for U.S. federal estate tax purposes (for example, a trust funded by such an individual and with respect to which the individual has retained certain interests or powers), you should note that, absent an applicable treaty exemption, the securities may be treated as U.S. situs property subject to U.S. federal estate tax. If you are such an individual or entity, you should consult your tax adviser regarding the U.S. federal estate tax consequences of investing in the securities.

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Information Reporting and Backup Withholding

Amounts paid on the securities, and the proceeds of a sale, exchange or other disposition of the securities, may be subject to information reporting and, if you fail to provide certain identifying information (such as an accurate taxpayer identification number if you are a U.S. holder) or meet certain other conditions, may also be subject to backup withholding at the rate specified in the Code. If you are a non-U.S. holder that provides an appropriate IRS Form W-8, you will generally establish an exemption from backup withholding. Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against your U.S. federal income tax liability, provided the relevant information is timely furnished to the IRS.

FATCA

Legislation commonly referred to as "FATCA" generally imposes a withholding tax of 30% on payments to certain non-U.S. entities (including financial intermediaries) with respect to certain financial instruments, unless various U.S. information reporting and due diligence requirements have been satisfied. An intergovernmental agreement between the United States and the non-U.S. entity's jurisdiction may modify these requirements. This legislation applies to certain financial instruments that are treated as paying U.S.-source interest, dividends or dividend equivalents or other U.S.-source "fixed or determinable annual or periodical" income ("FDAP income"). If required under FATCA, withholding applies to payments of FDAP income. While existing Treasury regulations would also require withholding on payments of gross proceeds of the disposition (including upon retirement) of certain financial instruments treated as paying U.S.-source interest or dividends, the U.S. Treasury Department has indicated in subsequent proposed regulations its intent to eliminate this requirement. If the securities were treated as debt instruments or as subject to Section 871(m), the withholding regime under FATCA would apply to the securities. If withholding applies to the securities, we will not be required to pay any additional amounts with respect to amounts withheld. If you are a non-U.S. holder, or a U.S. holder holding securities through a non-U.S. intermediary, you should consult your tax adviser regarding the potential application of FATCA to the securities.

The preceding discussion constitutes the full opinion of Davis Polk & Wardwell LLP regarding the material U.S. federal tax consequences of owning and disposing of the securities.

You should consult your tax adviser regarding all aspects of the U.S. federal income and estate tax consequences of an investment in the securities and any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

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