

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

CITIGROUP INC.,

Defendant.

Civil Action No. 10-cv-1277-ESH

CITIGROUP INC. FAIR FUND NOTICE TO POTENTIALLY ELIGIBLE NEW CLAIMANTS

TO: Persons who purchased or otherwise acquired Citigroup Inc. (“Citigroup” or “Defendant”) common stock including Citigroup common stock acquired in Citigroup’s Voluntary PA Capital Accumulation Program (“FA Cap”), (“Eligible Securities”) between February 26, 2007 and April 18, 2008, inclusive (the “Relevant Period”), and were damaged thereby.¹

If you purchased or acquired Eligible Securities during the Relevant Period, you may be entitled to a recovery from the Fair Fund (as defined below) (hereinafter a “Potentially Eligible New Claimant”). Under the terms of the Distribution Plan for the Fair Fund (the “Plan”), you must submit a Proof of Claim Form to Garden City Group, LLC (“GCG” or the “Distribution Agent”) with the necessary documentation so that it is postmarked or, if not mailed, received by July 1, 2018 (the “Claims Bar Date”) to be eligible to recover from the Fair Fund.

I. Purpose of this Notice.

The purpose of this Potentially Eligible New Claimant Notice (“Notice”) is to inform you that you may be entitled to share in the proceeds of the Fair Fund described herein. Copies of this Notice and the claim form approved for the filing of a claim in connection with the Fair Fund (“Proof of Claim Form”) are available on the Fair Fund’s website at www.CitigroupFairFund.com and through the website of the United States Securities and Exchange Commission (the “SEC” or “Commission”) at www.sec.gov. As explained in greater detail below, if you are a Potentially Eligible New Claimant, you must submit a Proof of Claim Form in accordance with the steps set forth in this Notice and in the Plan, to be eligible to share in the Fair Fund.

Please Note: Receipt of this Notice does not mean you are eligible to receive a Distribution Payment. In addition, GCG does not have information regarding your potentially eligible transactions.

NOTE TO INSTITUTIONAL FILERS. Claims with 100 or more transactions or on behalf of 20 or more different accounts must be submitted electronically and in the required format. To obtain the mandatory electronic filing requirements and file layout, you may visit the Fair Fund’s website at www.CitigroupFairFund.com or you may email the Distribution Agent at eClaim@choosegcg.com. Any submission not in accordance with the required electronic filing format may be rejected. Proof of authority to submit a Proof of Claim Form on behalf of any managed accounts must be submitted with any Proof of Claim Forms for such accounts. If you intend to file electronically, you can submit and track the history of your claims by using our secure website, GCG ICE™ (www.gcgice.com), which is available 24/7. GCG ICE™ allows institutional investors to upload electronic claims and documents, track the history and status of submissions, view claim rejections and how to fix them, update contact information, and receive important status alerts via email.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY BECAUSE YOU MAY BE ENTITLED TO A RECOVERY FROM THE FAIR FUND. THIS NOTICE CONTAINS IMPORTANT INFORMATION REGARDING YOUR ABILITY TO SHARE IN THE FAIR FUND.

¹Any capitalized terms used in this Notice that are not otherwise defined herein shall have the meanings ascribed to them in Plan, which is available on the website established for the Fair Fund at www.CitigroupFairFund.com.

II. Background.

On July 29, 2010, the SEC filed a complaint (“Complaint”) alleging that the Defendant violated Section 17(a)(2) of the Securities Act of 1933 (“Securities Act”), Section 13(a) of the Securities Exchange Act of 1934 (“Exchange Act”), and Exchange Act Rules 12b-20 and 13a-11. The Complaint alleges that from July 2007 through October 2007, Citigroup made a series of materially misleading statements concerning the extent of the company’s exposure to sub-prime mortgage-related assets in earnings calls and public filings.²

The Defendant entered into consent agreements and on October 19, 2010 the Court entered a Final Judgment ordering the Defendant to pay disgorgement of \$1.00, and a civil penalty in the amount of \$75,000,000.³ Pursuant to the Final Judgment, on October 22, 2010, defendant Citigroup Inc. paid a total of \$75,000,001 to the Clerk of the Court (the “Fair Fund”) under the case name designation “SEC v. Citigroup Inc., Case No. 10-cv-01277 ESH.” The Fair Fund was deposited into an interest bearing account and it constitutes a Qualified Settlement Fund under Section 468(g) of the Internal Revenue Code, and related regulations, 26 C.F.R. §§ 1.468B-1 through 5.

By order dated December 17, 2010, the Court appointed Damasco & Associates LLP, now known as Miller Kaplan Arase LLP, as Tax Administrator to fulfill the tax obligations of the Fair Fund.

By order dated October 6, 2016, the Court appointed GCG as the Distribution Agent for the Fair Fund to assist in overseeing the administration and the distribution of the Fair Fund in coordination with Commission staff, pursuant to the terms of the Plan. Pursuant to the Final Judgment, the Fair Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002.

III. The Class Action.

The Fair Fund is separate and independent from the settlement funds previously established in the related securities class action settlement, entitled *In re Citigroup Inc. Securities Litigation, No. 07 CIV. 9901 (S.D.N.Y.) (SHS)*, pending in the United States District Court for the Southern District of New York (the “Class Action”). However, the Fair Fund relates to allegations similar to those asserted in the Class Action and to purchases of Eligible Securities during the Relevant Period, which is the same time period at issue in the Class Action.

IV. Eligibility Criteria and Allocation for the Fair Fund.

Overview of the Plan: The corpus of the Fair Fund previously established by the Final Judgment, together with any interest earned thereon, constitutes the Fair Fund. The Fair Fund, less all taxes, approved costs, fees, and expenses plus any interest accrued will be distributed to purchasers of Eligible Securities during the Relevant Period who (a) already submitted a Claim that was approved in the Class Action; (b) submitted a Claim that was determined to be deficient in the Class Action who now cure such deficiencies and/or (c) submit Proof of Claim Forms to the Distribution Agent on or before the Claims Bar Date that are finally determined by the Distribution Agent to be eligible for a distribution (“Eligible Claimants”). The Distribution Agent is responsible for providing notice to persons with records in the Class Action, and for determining the amount of each Eligible Claimant’s share of the distribution (“Recognized Claim”).

Eligibility Criteria and the Method of Allocation: To qualify for a Distribution Payment from the Fair Fund, Potentially Eligible New Claimants must satisfy the methodology used to calculate a Recognized Claim as set forth in Exhibit A to the Distribution Plan For Citigroup Inc. Fair Fund (the “Plan of Allocation”). The Plan of Allocation is available on the Fair Fund website.

You are excluded from participation in the Fair Fund if you are:

- A defendant named in the Complaint or in the Class Action;
- A member of the immediate families of the individual defendants named in the Complaint or in the Class Action;
- A director or officer of Citigroup during the Relevant Period;

²Complaint, SEC v. Citigroup Inc., 10-cv-1277 (D.D.C. 2010). On the same day the Commission filed this action against Citigroup, it instituted administrative proceedings against Citigroup’s former Chief Financial Officer, Gary Crittenden, and Citigroup’s former head of Investor Relations, Arthur Tildesley, for their roles in causing Citigroup to make certain of the misleading statements alleged in the Complaint. In their offers of settlement related to those proceedings, Messrs. Crittenden and Tildesley consented to the entry of a cease-and-desist order finding that each of them caused violations by Citigroup of Section 13(a) of the Exchange Act and Exchange Act Rules 12b-20 and 13a-11. In addition, Mr. Crittenden paid \$100,000 and Mr. Tildesley paid \$80,000 to the United States Department of Treasury.

³Final Judgment as to Defendant Citigroup Inc. (D.D.C. 2010).

- Any firm, trust, partnership, corporation, present or former officer, director or other individual or entity in which any of the defendants named in the Complaint or in the Class Action have a controlling interest or which is related to or affiliated with any of the defendants named in the Complaint or in the Class Action;
- The legal representatives, heirs, successors-in-interest or assigns of any such excluded persons or entities; and
- Citigroup's directors' and officers' liability insurance carriers and any affiliates or subsidiaries thereof.

Should the total Recognized Claims of all Eligible Claimants exceed the Net Available Fair Fund, the Distribution Agent will distribute funds to the Eligible Claimants based upon a *pro rata* distribution formula. The Distribution Agent shall determine each Eligible Claimant's Pro Rata Share of the Fair Fund based upon each Eligible Claimant's Recognized Claim divided by the total of Recognized Claims of all Eligible Claimants, multiplied by the total amount in the Net Available Fair Fund ("*Pro Rata Share*").

No Eligible Claimant shall receive a distribution unless his, her or its Distribution Payment is equal to or greater than \$25.00 ("Distribution De Minimis Amount"). Claims that would result in a payment of less than \$25.00 will not be paid.

V. Proof of Claim Forms.

PROOF OF CLAIM FORMS ARE AVAILABLE ON THE FAIR FUND WEBSITE AT WWW.CITIGROUPFAIRFUND.COM. PROOF OF CLAIM FORMS MUST BE SUBMITTED TO THE ADDRESS BELOW AND POSTMARKED OR, IF NOT MAILED, RECEIVED BY JULY 1, 2018.

**SEC v. Citigroup Inc.
c/o GCG
P.O. Box 10345
Dublin, OH 43017-5545**

IF YOU FAIL TO TIMELY SUBMIT A COMPLETED PROOF OF CLAIM FORM, YOU MAY BE BARRED FROM RECEIVING A PAYMENT FROM THE FAIR FUND. THE PROOF OF CLAIM FORM MUST BE ACCOMPANIED BY APPROPRIATE SUPPORTING DOCUMENTS FOR EACH TRANSACTION LISTED IN THE PROOF OF CLAIM FORM.

If you submit a Proof of Claim Form that fails to provide all required information, or is otherwise deficient, you may receive a Claim Deficiency Notice advising you of the reason(s) why the claim is deficient and of the opportunity to cure such deficiencies.

VI. Claims Determination.

The Distribution Agent shall mail a notice advising each claimant that submitted a Proof of Claim Form of the determination concerning such claim. If a claim is denied in whole or in part, the Distribution Agent will state the reason for such denial.

All determinations of the Distribution Agent that are made in accordance with the Plan shall be final and not subject to appeal.

VII. Other Claims.

Upon receipt and acceptance of a distribution from the Fair Fund, you shall be deemed to have released any claims you may have against the Distribution Agent and its agents. By participating in the distribution of the Fair Fund, you will not be releasing any rights or claims you may have against any other party, including, but not limited to, Citigroup and Citigroup's past and present directors, officers, advisors and agents.

VIII. Special Notice to Securities Brokers and Other Nominee Purchasers.

If you purchased Eligible Securities during the Relevant Period as nominee for a beneficial owner and have additional names and addresses **that were not previously submitted** in the Class Action, then within ten (10) calendar days after you receive a Notice, you must either: (a) send a copy of the Notice by first-class mail to all such beneficial owners; or (b) provide a list of the names and addresses of such beneficial owners to the Distribution Agent at the address above.

IX. Additional Information.

Additional information regarding the Fair Fund may be found at www.CitigroupFairFund.com. Proof of Claim Forms may be downloaded from the website. You may obtain additional information or request copies of Proof of Claim Forms by calling the Fair Fund's toll-free hotline at (866) 879-4189 or by emailing Questions@CitigroupFairFund.com.

**PLEASE CHECK THE WEBSITE WWW.CITIGROUPFAIRFUND.COM
FREQUENTLY FOR UPDATES**