

# City of Sunrise Firefighters' Pension Fund v. Citigroup Inc.

**COURT:** U.S. District Court for the Southern District of New York  
**CASE NUMBER:** No. 1:20-cv-09132  
**CLASS PERIOD:** 02/25/2017 - 10/12/2020  
**CASE CONTACTS:** Avi Josefson, Hannah Ross, Gerald H. Silk

On October 30, 2020, Bernstein Litowitz Berger & Grossmann filed a class action lawsuit for violations of the federal securities laws in the U.S. District Court for the Southern District of New York against Citigroup Inc. ("Citi" or "the Company") and certain of its current and former senior executives (collectively, "Defendants") on behalf of investors in Citi common stock between February 25, 2017, and October 12, 2020, inclusive (the "Class Period").

BLB&G filed this action on behalf of its client, City of Sunrise Firefighters' Pension Fund and the case is captioned *City of Sunrise Firefighters' Pension Fund v. Citigroup Inc.*, No. 1:20-cv-09132 (S.D.N.Y.). The complaint is based on an extensive proprietary investigation and a careful evaluation of the merits of this case. To view a copy of the complaint, click on the Case Documents tab on the left-hand side of the page.

## **Citi's Alleged Fraud**

Citi is a multinational investment bank and financial services corporation with its headquarters in New York, New York. The claims asserted in the case arise from Defendants' misrepresentations and omissions regarding Citi's internal controls and regulatory compliance.

Specifically, the complaint alleges that, throughout the Class Period, Defendants made false and misleading statements regarding Citi's internal controls, risk management capabilities, and regulatory compliance. As a result of Defendants' misrepresentations, shares of Citi's common stock traded at artificially inflated prices during the Class Period.

The truth began to emerge on August 13, 2020, when reports surfaced that Citi had accidentally paid almost \$900 million in principal payments to creditors of Revlon, Inc, on a loan for which Citi was an administrative agent. Less than a month later, on September 10, 2020, Citi announced in a press release that CEO Michael Corbat would be retiring in February 2021, much earlier than the general expectation that his retirement would come some time in 2022.

Then, on September 14, 2020, reports surfaced that regulators were preparing to reprimand Citi for failing to improve its risk-management systems. Additionally, after the market closed on September 14, 2020, an internal memo from Citi's CEO exposing the Company's lax attitude towards internal controls and regulatory compliance was made public.

Finally, on October 13, 2020, Citi reported an increase in the Company's expenses during the third quarter by 5%, to a total of \$11 billion, due in part to additional costs related to regulatory fines, investments in infrastructure, and other remediation costs related to control deficiencies. As a result of these disclosures, the price of Citi common stock declined precipitously.

If you wish to serve as Lead Plaintiff for the Class, you must file a motion with the Court no later than December 29, 2020, which is the first business day on which the U.S. District Court for the Southern District of New York is open that is 60 days after the publication date of October 30, 2020. Any member of the proposed Class may seek to serve as Lead Plaintiff through counsel of their choice, or may choose to do nothing and remain a member of the proposed Class.

If you wish to discuss this action or have any questions concerning this notice or your rights or interests, please contact Avi Josefson of BLB&G at (212) 554-1493 or [avi@blbglaw.com](mailto:avi@blbglaw.com).