

BLB&G Obtains \$730 Million Cash Recovery for Citigroup Bond Class; Nearly \$4 Billion Recovered for Investors in 5 Months

March 18, 2013

BLB&G announced today that it has obtained a \$730 million cash recovery for the Class in *In re Citigroup, Inc. Bond Litigation*. The settlement, which is subject to Court approval, comes after more than four years of protracted litigation, including the denial of defendants' motions to dismiss and a massive and intensive discovery effort that involved more than 70 depositions.

It is the second largest recovery in a securities class action brought on behalf of purchasers of debt securities, as well as the second largest settlement arising out of the subprime meltdown and financial crisis. It is also the third largest recovery in a case that did not involve a financial restatement, and among the fifteen largest securities class action recoveries in history.

The *Citigroup Bond* litigation was filed on behalf of purchasers of 48 offerings of Citigroup preferred stock and bonds issued from 2006 through 2008. The action contends that Citigroup conducted a series of public offerings prior to the collapse of the subprime mortgage market based on offering documents that contained material misrepresentations and omissions regarding Citigroup's exposure to billions of dollars in mortgage-related assets. Plaintiffs also allege that Citigroup materially understated the loss reserves for its portfolio of high-risk residential mortgage loans, and falsely stated that risky assets held in off-balance sheet entities known as structured investment vehicles ("SIVs") were of high credit quality. It wasn't until November 2008, when the bank received substantial government assistance, that investors learned the full truth about Citigroup's financial condition.

BLB&G is the Court-appointed Bond Counsel for the Class representing, among others, Arkansas Teacher Retirement Systems and Louisiana Sheriffs' Pension and Relief Fund. The settlement is pending before Judge Sidney H. Stein of the United States District Court of the Southern District of New York. Former United States District Judge Layn R. Phillips served as mediator in helping to facilitate the resolution of this case.

Nearly \$4 Billion Recovered for Investors in Last 5 Months

In the past five months alone, BLB&G has recovered nearly \$4 billion in securities class actions on behalf of investors who have been victimized by financial wrongdoing. In addition to the \$730 million settlement announced today, in October, on the eve of trial in *In re Bank of America Securities Litigation*, BLB&G obtained a settlement of \$2.425 billion - the sixth largest securities recovery in history. Last month, again just weeks before trial and after almost five years of litigation, BLB&G obtained \$688 million in two actions: *In re Schering-Plough Corporation/ENHANCE Securities Litigation*, (\$473 million); and *In re Merck & Co., Inc. Vytarin/Zetia Securities Litigation* (\$215 million). These settlements are also subject to Court approval.