

# Court Grants Final Approval of \$730 Million Cash Recovery for Citigroup Bond Class

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The United States District Court of the Southern District of New York has granted final approval of the \$730 million cash settlement reached in the *In re Citigroup, Inc. Bond Litigation*. The settlement 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 settlement 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.

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. Former United States District Judge Layn R. Phillips served as mediator in helping to facilitate the resolution of this case.