

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE CITIGROUP INC.
SECURITIES LITIGATION

No. 07 Civ. 9901 (SHS)

ECF Case

**PLAINTIFFS' NOTICE OF MOTION
TO AUTHORIZE DISTRIBUTION OF THE NET SETTLEMENT FUND**

PLEASE TAKE NOTICE that upon the accompanying Memorandum of Law, the Declaration of Peter S. Linden (“Linden Declaration”), the Affidavit of Stephen J. Cirami in Support of Motion to Authorize Distribution of the Net Settlement Fund with annexed exhibits (the “Cirami Affidavit”), each of which is filed concurrently herewith, and all prior proceedings in this action, Plaintiffs, on behalf of the Class, respectfully move for entry of an Order (the “Distribution Order”) pursuant to Rule 23 of the Federal Rules of Civil Procedure, which will, *inter alia*:

1. Approve the initial distribution to Authorized Claimants of the Net Settlement Fund established by the Settlement of the action;
2. Approve the timely valid claims of Authorized Claimants identified in the list of Timely Authorized Claimants, attached as Exhibit C-1 to the Cirami Affidavit;
3. Allow the Claims Administrator to deem timely otherwise eligible claims that were submitted after the applicable claim deadline of either February 7, 2013 or March 8, 2013¹ but received as of March 31, 2014, as identified in the list of Late Postmarked But Otherwise Authorized Claimants, attached as Exhibit C-2 to the Cirami Affidavit;

¹ Pursuant to the Court’s January 2, 2013 Order [Dkt. No. 183], the deadline to file claims for class members whose Notices were mailed to them by the Claims Administrator after November 9, 2012 was extended to March 8, 2013.

4. Approve the rejection of ineligible claims identified in the list of Rejected or Ineligible Claimants, attached as Exhibit C-3 to the Cirami Affidavit;

5. Approve the rejection of the 15 disputed claims as ineligible claims, attached as Exhibit D to the Cirami Affidavit (and included in Exhibit C-3 to the Cirami Affidavit);

6. Approve payment of outstanding fees charged and expenses incurred by the Claims Administrator in the amount of \$3,889,889.37, as set forth in Exhibit E of the Cirami Affidavit;

7. Approve and So Order the Joint Stipulation concerning payment of costs associated with the additional notice ordered by the Order dated January 2, 2013, attached as Exhibit A to the Linden Declaration, pursuant to which Citigroup, Inc. will pay \$221,199 to the Net Settlement Fund in connection with such costs.

8. Direct that 5% of the Net Settlement Fund be held as reserve to address any contingencies that may arise, including the payment of any eligible and valid claims that require additional processing and were received through and including April 18, 2014 (“Claims-in-Process”), and to fund the subsequent distribution as described below;

9. Direct that the initial distribution of the balance of the Net Settlement Fund be made to Authorized Claimants (as set forth in Exhibits C-1 and C-2 of the Cirami Affidavit) as follows: (a) Authorized Claimants whose *pro rata* share of the Net Settlement Fund (“Distribution Amounts”) calculates to less than \$10.00 shall not receive any payment from the Net Settlement Fund; (b) Authorized Claimants whose Distribution Amounts are less than \$100.00 will be paid in full (“Claims Paid in Full”) and shall not be eligible for payment in subsequent distributions of the Net Settlement Fund; and (c) 95% of the remaining balance of the Net Settlement Fund, after deduction of the payments to the Claims Paid in Full, shall be

distributed on a *pro rata* basis to Authorized Claimants, set forth in Exhibits C-1 and C-2 to the Cirami Affidavit, whose Distributions Amounts are \$100.00 or greater.

10. Direct that no further Claims may be accepted or adjustments to existing Claims may be made after the Claims-in-Process Cut-Off Date, which will be April 18, 2014.

11. Upon a supplemental filing by Lead Counsel and Court approval regarding any additional claims recommended for approval or rejection, allow the Claims Administrator to reallocate the 5% of the Net Settlement Fund held in reserve and any residual funds remaining in the Net Settlement Fund (whether by reason of tax refunds, uncashed checks, or otherwise) to Authorized Claimants (including late claimants approved by the Court) who are not Claims Paid in Full, have cashed their initial distribution checks, and who would receive at least \$10.00 from such redistribution (the “Reserve Distribution”);

12. Allow the Claims Administrator to reallocate to Authorized Claimants (including late claimants approved by the Court) any residual funds remaining in the Net Settlement Fund (whether by reason of tax refunds, uncashed checks, or otherwise) six months after the Reserve Distribution, as further detailed in the proposed Distribution Order, and thereafter to permit Lead Counsel to donate, subject to Court approval, any remaining balance to non-sectarian, not-for-profit, 501(c)(3) organization(s); and

13. Allow the destruction of: (a) paper copies of the Proofs of Claim and all supporting documentation one year after final distribution of the Net Settlement Fund; (b) electronic copies of the Proofs of Claim and all supporting documentation three years after final distribution of the Net Settlement Fund.

A proposed Distribution Order is filed herewith for the Court’s consideration.

Dated: April 25, 2014

Respectfully Submitted,

KIRBY McINERNEY LLP

By: /s/ Peter S. Linden

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**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

IN RE CITIGROUP INC.
SECURITIES LITIGATION

No. 07 Civ. 9901 (SHS)

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**[PROPOSED] ORDER AUTHORIZING
DISTRIBUTION OF THE NET SETTLEMENT FUND**

WHEREAS, by its Order dated August 29, 2012 [Dkt. No. 156], this Court approved the terms of the Stipulation and Agreement of Settlement dated as of August 28, 2012, as amended (the “Stipulation”) and the Plan of Allocation¹ for distributing the settlement proceeds to Class Members;

WHEREAS, on September 7 and 28, 2012 [Dkt. Nos. 158 and 159], the Court issued Orders further amending the preliminary approval order;

WHEREAS, this Court has directed the parties to consummate the terms of the Stipulation and Plan of Allocation;

WHEREAS, as set forth in the Notice of (I) Pendency of Class Action; (II) Proposed Settlement and Plan of Allocation; (III) Settlement Fairness Hearing; and (IV) Motion for an Award of Attorneys’ Fees and Reimbursement of Litigation Expenses (“Settlement Notice”), the deadline for Class Members to submit Proof of Claim and Release forms (“Proofs of Claim”) to the claims administrator for the Settlement, Garden City Group, Inc. (“GCG” or the “Claims

¹ Unless otherwise indicated, all capitalized terms herein shall have the same meaning as set forth in the Stipulation and Agreement of Settlement, dated August 28, 2012, as amended (the “Stipulation”), and filed with the Court on August 29, 2012 [Dkt. No. 155-1], and as modified by the Court’s September 28, 2012 order further amending the preliminary approval order [Dkt. No. 159].

Administrator”), in order to participate in the distribution of the Settlement Fund was February 7, 2013;

WHEREAS, by its Order dated January 2, 2013 [Dkt. No. 183], the deadline to file claims for class members whose Notices were mailed to them by the Claims Administrator after November 9, 2012 was extended to March 8, 2013;

WHEREAS, Lead Counsel and Defendants have reached an agreement regarding the payment of costs associated with the additional notice ordered by the Order dated January 2, 2013, pursuant to which Citigroup, Inc. will pay \$221,199 to the Net Settlement Fund in connection with such costs;

WHEREAS, Lead Counsel now seeks authorization to distribute the proceeds of the Settlement Fund to Authorized Claimants, after deduction of any taxes, fees and expenses previously approved by the Court or approved by this Order; and

WHEREAS, this Court has retained jurisdiction of this Action for the purpose of considering any further application or matter which may arise in connection with the administration and execution of the Settlement and the processing of Proofs of Claim and the distribution of the Net Settlement Fund to the Authorized Claimants;

NOW, THEREFORE, upon reading and filing of: (1) the Memorandum of Law in Support of Plaintiffs’ Motion to Authorize Distribution of the Net Settlement Fund; (2) the supporting Declaration of Peter S. Linden with the annexed exhibit (the “Linden Declaration”); (3) the Affidavit of Stephen J. Cirami in Support of Motion for Distribution of the Net Settlement Fund with annexed exhibits (the “Cirami Affidavit”); and (4) upon all prior proceedings heretofore had herein, and after due deliberation, it is hereby:

ORDERED, that the administrative determinations of GCG to accept claims for the Timely Authorized Claimants, as set forth in Exhibit C-1 to the Cirami Affidavit, and the Late Postmarked But Otherwise Authorized Claimants, as set forth in Exhibit C-2 to the Cirami Affidavit, are adopted and said claims are hereby accepted; and it is further

ORDERED, that the administrative determinations of GCG to reject the claims for the Rejected or Ineligible Claimants, as set forth in Exhibit C-3 to the Cirami Affidavit, are adopted and said claims are hereby rejected; and it is further

ORDERED, that the administrative determinations of GCG to reject the 15 disputed claims, as set forth in Exhibit D to the Cirami Affidavit and discussed at Paragraph 73 of the Cirami Affidavit, are adopted and said claims are hereby rejected; and it is further

ORDERED, that rather than delay the distribution to Authorized Claimants until the eligible and valid Claims that require additional processing and were received through and including April 18, 2014 (“Claims-in-Process”) are fully processed, any distribution to Claims-in-Process, to the extent they ultimately may be deemed eligible to participate in the Settlement, shall await the Reserve Distribution; and it is further

ORDERED, that the Claims Administrator is directed to conduct an Initial Distribution of the Net Settlement Fund, after deducting the payments previously allowed and authorized herein, and after deducting payment of any taxes due and owing on the interest earned on the Settlement Fund while in escrow, if any. Specifically, GCG will: (1) distribute 95% of the balance of the Net Settlement Fund to Class Members whose Proofs of Claim have been accepted whereby (a) any Authorized Claimant whose *pro rata* share of the Net Settlement Fund (“Distribution Amounts”) calculates to less than \$10.00 shall not receive any payment from the Net Settlement Fund, (b) Authorized Claimants whose Distribution Amounts are less than \$100.00 will be paid

in full (“Claims Paid in Full”) and shall not be eligible for payment in subsequent distributions of the Net Settlement Fund, and (c) 95% of the remaining balance of the Net Settlement Fund, after deduction of the payments to the Claims Paid in Full, shall be distributed on a *pro rata* basis to Authorized Claimants whose Distributions Amounts are \$100.00 or greater; and (2) 5% of the Net Settlement Fund shall be held in reserve to address any contingencies that may arise, including the payment of any Claims-in-Process that ultimately may be deemed eligible to participate in the Settlement; and it is further

ORDERED, that the checks for distribution to the Authorized Claimants shall bear the notation “CASH PROMPTLY, VOID AND SUBJECT TO RE-DISTRIBUTION IF NOT CASHED WITHIN 90 DAYS AFTER ISSUE DATE.” Lead Counsel and GCG are authorized to take appropriate action to locate and/or contact any Authorized Claimant who has not cashed his, her or its check within said time; and it is further

ORDERED, that following the completion of the claims processing for the Claims-in-Process, Lead Plaintiffs shall move the Court for approval of GCG’s determinations with respect to those claims and upon entry of an order approving any eligible Claims-in-Process for payment, GCG shall make a Reserve Distribution from the 5% held in reserve and any remaining funds in the Net Settlement Fund (whether by reason of tax refunds, uncashed checks, or otherwise) and will pay such eligible Claims-in-Process received through and including April 18, 2014 (“Claims-in-Process Cut-Off Date”), on the same *pro rata* basis as Authorized Claimants who were not Claims Paid in Full; and it is further

ORDERED, that no further Claims may be accepted or adjustments to existing Claims may be made after the Claims-in-Process Cut-Off Date; and it is further

ORDERED, that six (6) months after the Reserve Distribution, any funds remaining in the Net Settlement Fund, whether by reason of tax refunds, uncashed checks, or otherwise, and after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in the distribution of the Net Settlement Fund cash their distribution checks, shall be redistributed to Authorized Claimants whose claims are not Claims Paid in Full, have cashed their initial distributions, and who would receive at least \$10.00 from such redistribution. If cost effective, subsequent distributions of the funds remaining in the Net Settlement Fund will take place in six-month intervals until no longer feasible; and it is further

ORDERED, that four (4) months after the last distribution, any balance remaining in the Net Settlement Fund (after payment of unpaid costs of administration and taxes, if any) shall be donated to non-sectarian charitable organization(s) certified under the United States Internal Revenue Code § 501(c)(3), to be designated by Lead Counsel and approved by the Court after the submission of a supplemental filing; and it is further

ORDERED, that payment be made to GCG for \$3,889,889.37, the outstanding balance of fees and expenses in connection with the services performed through March 15, 2014, and that GCG's fees and expenses for additional efforts in administering the Settlement and proposed Distribution, as described more fully in the Cirami Affidavit, will be submitted to the Court for approval at a future date ; and it is further

ORDERED, that the Court finds that the administration of the Settlement and the proposed distribution of the Net Settlement Fund comply with the terms of the Stipulation and the Plan of Allocation and that all persons who are involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the Proofs of Claim filed in this Action, or who are otherwise involved in the administration or taxation of the Settlement Fund,

or the Net Settlement Fund, are released and discharged from any and all claims arising out of such involvement, and, pursuant to the release terms of the Settlement, all Class Members, whether or not they are to receive payment from the Net Settlement Fund, are barred from making any further claims against the Net Settlement Fund, beyond the amount allocated to Authorized Claimants, and to provide that all persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the Proofs of Claim submitted herein, or otherwise involved in the administration or taxation of the Settlement Fund or Net Settlement Fund, be released and discharged from any and all claims arising out of such involvement; and it is further

ORDERED, that this Order shall not release any claim by Plaintiffs against the Claims Administrator with respect to distributions, if any, if later discovered to have been made not substantially in accordance with the Stipulation, the Plan of Allocation or any order of the Court; and it is further

ORDERED, that the Claims Administrator is hereby authorized to destroy: (a) paper copies of the Proofs of Claim and all supporting documentation one year after final distribution of the Net Settlement Fund; and (b) electronic copies of the Proofs of Claim and all supporting documentation three years after final distribution of the Net Settlement Fund; and it is further

ORDERED, that the Joint Stipulation dated April 17, 2014 (filed herewith in the accompanying Linden Declaration at Exhibit A), concerning the payment of costs associated with the additional notice ordered by the Order dated January 2, 2013, is hereby accepted and Defendants will pay \$221,199 to the Settlement Fund; and it is further

ORDERED, that this Court retains jurisdiction over any further application or matter which may arise in connection with this Action.

SO ORDERED

this _____ day of _____, 2014

THE HONORABLE SIDNEY H. STEIN
UNITED STATES DISTRICT JUDGE