

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE CITIGROUP INC.  
SECURITIES LITIGATION

No. 07 Civ. 9901 (SHS)

ECF Case

~~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 Allocation<sup>1</sup> 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

<sup>1</sup> 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 <sup>are directed to</sup> will pay \$221,199 to the Settlement Fund; and it is further

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

SO ORDERED  
this 30<sup>th</sup> day of May, 2014

  
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THE HONORABLE SIDNEY H. STEIN  
UNITED STATES DISTRICT JUDGE