UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

MINNEAPOLIS FIREFIGHTERS' RELIEF ASSOCIATION and LOUISIANA SHERIFFS' PENSION AND RELIEF FUND, On Behalf of Itself and All Others Similarly Situated, Plaintiffs, v. SAUL ROSEN, JAMES GARNETT, SCOTT FREIDENRICH, MICHAEL CONWAY, DAVID WINKLER, ERIC L. WENTZEL, ROBERT L. RYAN, FRANKLIN A. THOMAS, ROBERT E. RUBIN, JUDITH RODIN, RICHARD D. PARSONS, ANN M. MULCAHY, DUDLEY C. MECUM, ANDREW N. LIVERIS, KLAUS KLEINFELD, ANN DIBBLE JORDAN, ROBERTO HERNANDEZ RAMIREZ, JOHN M. DEUTCH, KENNETH DERR, GEORGE DAVID, ALAIN J.P. BELDA, C. MICHAEL ARMSTRONG, SANFORD I. WEILL, JOHN C. GERSPACH, GARY CRITTENDEN, SALLIE L. KRAWCHECK, VIKRAM PANDIT, SIR WINFRIED F.W. BISCHOFF, CHARLES PRINCE, CITIGROUP GLOBAL MARKETS INC., J.P. MORGAN CHASE & CO., BEAR STEARNS & CO., J.P. MORGAN SECURITIES INC., GOLDMAN, SACHS & CO., MERRILL LYNCH, PIERCE, FENNER & SMITH INC., UBS SECURITIES LLC, MORGAN STANLEY & CO., BANC OF AMERICA SECURITIES LLC, H&R BLOCK FINANCIAL ADVISORS INC., HSBC SECURITIES (USA) INC., WACHOVIA CAPITAL SECURITIES, LLC, A.G. EDWARDS & SONS, INC., BARCLAYS CAPITAL INC., ABN AMRO INC., CHARLES SCHWAB & CO., DEUTSCHE BANK SECURITIES INC., COMERICA SECURITIES INC., KEYBANC CAPITAL MARKETS, OPPENHEIMER & CO. INC., PIPER JAFFRAY & CO., RAYMOND JAMES & ASSOCIATES, INC., TD AMERITRADE, INC., TD SECURITIES (USA) LLC, WELLS FARGO INVESTMENTS, LLC, SBK-BROOKS INVESTMENT CORP., APEX PRYOR SECURITIES, UTENDAHL CAPITAL PARTNERS, L.P., LOOP CAPITAL MARKETS LLC, TOUSSAINT CAPITAL MARKETS, LLC, CREDIT SUISSE SECURITIES (USA) LLC,	X	'08 CIV. 10353 Case No. **NOTICE OF REMOVAL**

RECEIVED
2008
U.S.D.C. S.D. N.Y.
CASHIERS

GREENWICH CAPITAL MARKETS INC., JACKSON SECURITIES LLC, THE WILLIAMS CAPITAL GROUP, L.P., CASTLEOAK SECURITIES, L.P., GUZMAN & CO., CABRERA CAPITAL MARKETS, SAMUEL A. RAMIREZ & CO., INC., MURIEL SIEBERT & CO., DANSKE A/S, FORTIS BANK NV-SA, DAIN RAUSCHER INC., RBC CAPITAL MARKETS CORPORATION, B.C. ZIEGLER AND COMPANY, BB&T CAPITAL MARKETS, BLAYLOCK & CO., INC., BLAYLOCK ROBERT VAN, LLC, BNP PARIBAS SECURITIES CORP., C.L. KING & ASSOC., INC., CROWELL, WEEDON & CO., D.A. DAVIDSON & CO., DAVENPORT & COMPANY LLC, DOLEY SECURITIES, LLC, FERRIS, BAKER WATTS, INC., J.J.B. HILLIARD, W.L. LYONS, INC., JANNEY MONTGOMERY SCOTT LLC, FIDELITY CAPITAL MARKETS, KEEFE, BRUYETTE & WOODS, INC., MELVIN SECURITIES, MESIROW FINANCIAL, INC., MORGAN KEEGAN & COMPANY, INC., PERSHING LLC, ROBERT W. BAIRD & CO. INC., RYAN BECK & CO. INC., SANDLER, O'NEILL & PARTNERS, L.P., STIFEL, NICOLAUS & COMPANY, INC., STONE & YOUNGBERG LLC, SUNTRUST CAPITAL MARKETS, INC., WEDBUSH MORGAN SECURITIES INC., WILLIAM BLAIR & COMPANY L.L.C., JEFFRIES & COMPANY, INC., NABCAPITAL SECURITIES, LLC, FIXED INCOME SECURITIES, LP,

Defendants.

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NOTICE OF REMOVAL

PLEASE TAKE NOTICE THAT, pursuant to 28 U.S.C. §§ 1331, 1332, 1441, 1446 and 1453, defendants Saul Rosen, James Garnett, Scott Freidenrich, Michael Conway, David Winkler, Eric L. Wentzel, Robert L. Ryan, Franklin A. Thomas, Robert E. Rubin, Judith Rodin, Richard D. Parsons, Ann M. Mulcahy, Dudley C. Mecum, Andrew N. Liveris, Klaus Kleinfeld, Ann Dibble Jordan, Roberto Hernandez Ramirez, John M. Deutch, Kenneth T. Derr, George David, Alain J.P. Belda, C. Michael Armstrong, Sanford I. Weill, John C. Gerspach, Gary Crittenden, Sallie L. Krawcheck, Vikram Pandit, Sir Winfried F.W. Bischoff, Charles Prince, Citigroup Inc., Citigroup Funding, Inc., Citigroup Capital XIV, Citigroup Capital XV, Citigroup Capital XVI, Citigroup Capital XVII, Citigroup Capital XIX, Citigroup Capital XX and Citigroup XXI (collectively, the "Removing Defendants") hereby remove this action from the Supreme Court of the State of New York, County of New York, to the United States District Court for the Southern District of New York. The grounds for removal are as follows:

1. Plaintiffs commenced this action in the Supreme Court of the State of New York, County of New York, on October 28, 2008, and the Clerk of said court assigned Index No. 08650414 thereto.

2. Plaintiffs bring this putative class action pursuant to the Securities Act of 1933, 15 U.S.C. §§ 77a *et seq.*, (the "Securities Act") on behalf of all persons who purchased or otherwise acquired securities in or traceable to the following registered public offerings:

- $1.5 billion in Floating Rate Notes due 2011, issued on or about May 18, 2006;
- $250 million in Floating Rate Notes due 2011, issued on or about June 30, 2006;
- $600 million in Floating Rate Subordinated Notes due 2016, issued on or about June 9, 2006;
- $750 million in Floating Rate Subordinated Notes due 2016, issued on or about February 16, 2007;
- $1 billion in 5.850% Notes due 2013, issued on or about June 28, 2006;
- $1 billion in 5.85% Notes due 2016, issued on or about August 2, 2006;
- $150 million in 5.85% Notes due 2016, issued on or about November 7, 2006;
- $1.5 billion in 6.125% Subordinated Notes due 2016, issued on or about August 25, 2006;

- $500 million in 6.125% Subordinated Notes due 2016, issued on or about January 16, 2007;
- $250 million in Floating Rate Subordinated Notes due 2036, issued on or about August 25, 2006;
- $175 million in Floating Rate Subordinated Notes due 2036, issued on or about December 4, 2006;
- $100 million in Floating Rate Subordinated Notes due 2036, issued on or about May 31, 2007;
- $1 billion in 5.10% Notes due 2011, issued on or about September 29, 2006;
- $100 million in 5.10% Notes due 2011, issued on or about November 7, 2006;
- $2 billion in Floating Rate Notes due 2009, issued on or about December 20, 2006;
- $1.25 billion in 5.5% Subordinated Notes due 2017, issued on or about February 12, 2007;
- $1 billion in 5.250% Notes due 2012, issued on or about February 27, 2007;
- $300 million in 5.250% Notes due 2012, issued on or about September 14, 2007;
- $650 million in Floating Rate Notes due 2014, issued on or about March 7, 2007;
- $1 billion in 5.875% Notes due 2037, issued on or about May 29, 2007;
- $3 billion in Floating Rate Notes due 2010, issued on or about August 13, 2007;
- $1.5 billion in 6.00% Notes due 2017, issued on or about August 15, 2007;
- $500 million in 6.00% Notes due 2017, issued on or about September 14, 2007;
- $1 billion in 5.500% Notes due 2012, issued on or about August 27, 2007;
- $3 billion in 5.300% Notes due 2012, issued on or about October 17, 2007;

- $4 billion in 6.125% Notes due 2017, issued on or about November 21, 2007;
- $3.16865 billion in Depositary Shares Each Representing a 1/1,000th Interest in a Share of 6.5% Non-Cumulative Convertible Preferred Stock, Series T, issued on or about January 23, 2008;
- $3.715 billion in Depositary Shares Each Representing a 1/1,000th Interest in a Share of 8.125% Non-Cumulative Convertible Preferred Stock, Series AA, issued on or about January 25, 2008;
- $2.5 billion in 6.875% Notes due 2038, issued on or about March 5, 2008;
- $4.75 billion in 5.500% Notes due 2013, issued on or about April 11, 2008;
- $6 billion in Depositary Shares Each Representing a 1/25th Interest in a Share of 8.40% Fixed Rate/Floating Rate Non-Cumulative Preferred Stock, Series E, issued on or about April 28, 2008;
- $3 billion in 6.125% Notes due 2018, issued on or about May 12, 2008;
- $550 million in Floating Rate Notes due 2018, issued on or about May 13, 2008;
- $2.04 billion in Depositary Shares Each Representing a 1/1000th Interest in a Share of 8.50% Non-Cumulative Preferred Stock, Series F, issued on or about May 13, 2008;
- $3 billion in 6.500% Notes due 2013, issued on or about August 19, 2008;
- $1.8 billion in Medium Term Notes, Series D, maturing on October 22, 2009, issued on or about October 22, 2007
- $2.5 billion in Medium Term Notes, Series D, maturing on May 7, 2010, issued on or about May 7, 2008;

- $565 million in Citigroup Capital XIV 6.875% Enhanced Trust Preferred Securities, issued on or about June 30, 2006;
- $1.185 billion in Citigroup Capital XV 6.50% Enhanced Trust Preferred Securities, issued on or about September 15, 2006;
- $1.6 billion in Citigroup Capital XVI 6.45% Enhanced Trust Preferred Securities, issued on or about November 22, 2006;
- $1.1 billion in Citigroup Capital XVII 6.35% Enhanced Trust Preferred Securities, issued on or about March 6, 2007;
- $1.225 billion in Citigroup Capital XIX 7.250% Enhanced Trust Preferred Securities, issued on or about August 15, 2007;
- $787.5 million in Citigroup Capital XX 7.875% Enhanced Trust Preferred Securities, issued on or about November 27, 2007; and
- $3.5 billion in Citigroup Capital XXI 8.300% Enhanced Trust Preferred Securities, issued on or about December 21, 2007.

(Compl. ¶ 133.)

3. True and correct copies of all process and pleadings received by the Removing Defendants are attached as Exhibit A.

4. In filing this Notice of Removal, the Removing Defendants do not waive any defenses that may be available to them.

<u>This Court Has Original Jurisdiction Pursuant to 28 U.S.C. § 1331</u>

5. Except as otherwise provided by Act of Congress, a civil action commenced in state court may be removed to federal district court provided that the federal district court has original jurisdiction over the action. *See* 28 U.S.C. § 1441(a).

6. This is a civil action of which this Court has original jurisdiction pursuant to 28 U.S.C. § 1331 because Plaintiffs' claims arise under federal law, specifically under Sections 11, 12 and 15 of the Securities Act , 15 U.S.C. §§ 77k, 77l and 77o.[1] (*See* Compl. ¶¶ 1, 7.)

7. Except for the $3.5 billion in Citigroup Capital XXI 8.300% Enhanced Trust Preferred Securities issued on or about December 21, 2007 (the "Non-Covered Securities"), all the remaining securities listed in this action (the "Covered Securities") are securities that fall within the statutory definition of "covered securities" under the Securities Litigation Uniform Standards Act of 1998 ("SLUSA"). *See* 15 U.S.C. §§ 77p(f)(3), 77r(b)(1)-(2).

8. This action, insofar as it concerns the Covered Securities, is removable under SLUSA in that Plaintiffs purport to bring a class action on behalf of all persons who purchased or otherwise acquired covered securities, the offering materials for which are alleged to have been false and misleading (*see, e.g.*, Compl. ¶¶ 1, 5). SLUSA amended the Securities Act to create exclusive federal jurisdiction over securities fraud class actions involving covered securities and, accordingly, has carved out such actions from the Securities Act's pre-existing prohibition on removal. *See* 15 U.S.C. § 77v(a); *see also, e.g., Cal. Pub. Employees' Retirement Sys.* v. *WorldCom, Inc.*, 368 F.3d 86, 97-98 (2d Cir. 2004) ("the [Securities] Act excepts 'class action[s] brought in state court' from the scope of the nonremoval provision and provides that those class actions '*shall* be removable to the Federal district court for the district in which the action is pending'"), *aff'g In re WorldCom, Inc. Sec. Litig.*, 293 B.R. 308, 327-28 (S.D.N.Y. 2003) (indicating that class action claims under the 1933 Act are "covered by SLUSA's

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1 This Court also has original jurisdiction pursuant to 28 U.S.C. § 1332 to the extent claims are removable under the Class Action Fairness Act. *See infra*.

mandatory removal provision"); *N.J. Carpenters Vacation Fund* v. *HarborView Mortgage Loan Trust*, No. 08-CV-5093(HB), 2008 WL 4369840, at *2 & n.1 (S.D.N.Y. Sept. 24, 2008) ("Congress amended the anti-removal provision with SLUSA in 1998 to ensure that cases involving covered securities class actions be heard in federal court"); *Rubin* v. *Pixelplus Co.*, No. 06-CV-2964 (ERK), 2007 WL 778485, at *3-6 (E.D.N.Y. Mar. 13, 2007) (denying remand of class action asserting solely Securities Act claims, stating that "by enacting SLUSA Congress eliminated concurrent jurisdiction for covered class actions, which made federal court the sole venue for securities fraud class actions"). Even if, *arguendo*, the Court were to find that concurrent state court jurisdiction remains, these claims are still removable pursuant to 15 U.S.C. § 77v(a). *See, e.g., Rubin*, 2007 WL 778485, at *6 (holding that the Securities Act's bar on removal applies only to "individual actions under the Securities Act and other actions that do not come within the definition of 'covered class actions'").[2]

9. This action, insofar as it concerns the Non-Covered Securities, is removable under the Class Action Fairness Act ("CAFA"), in that Plaintiffs purport to bring a putative class action for which there is minimal diversity, no fewer than 100 members, and at least $5,000,000 in controversy and none of the exceptions to CAFA jurisdiction and removal apply. *See* 28 U.S.C. §§ 1332(d), 1453(b); *see also, e.g., Estate of Pew* v. *Cardarelli*, 527 F.3d 25, 30-32 (2d Cir. 2008); *Blockbuster, Inc.* v. *Galeno*, 472 F.3d 53, 56, 59 (2d Cir. 2006); *N.J. Carpenters Vacation Fund*, 2008 WL 4369840, at *2; *Brook* v. *UnitedHealth Group Inc.*, No. 06 CV 12954(GBD), 2007 WL 2827808, at *2 (S.D.N.Y. Sept. 27, 2007); *Mattera* v. *Clear Channel Commc'ns, Inc.*, 239 F.R.D. 70, 78 (S.D.N.Y. 2006). Specifically:

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[2] In the unlikely event that any of the Covered Securities were found not to be covered securities, removal would still be proper under the Class Action Fairness Act and/or 28 U.S.C. § 1441(c). *See infra*.

a. Plaintiffs' lawsuit meets the definition of "class action" under 28 U.S.C. § 1332(d)(1)(B) because "Plaintiffs bring this action as a class action pursuant to Article 9 of the New York Civil Practice and Rules." (Compl. ¶ 127.)

b. Because, for example, plaintiff Minneapolis Firefighters' Relief Association is a citizen of Minnesota and defendant Citigroup Inc. is a citizen of Delaware and New York, (*see* Compl. ¶ 12), diversity of citizenship is established for the purposes of CAFA. *See* 28 U.S.C. §§ 1332(c)(1), 1332(d)(2)(A).

c. Because, upon information and belief, there were at least 100 investors in the Non-Covered Securities, the class membership requirement of § 1332(d)(5)(B) is satisfied. (*See also* Compl. ¶ 128 (expressing Plaintiffs' reasonable belief that there are thousands of class members).)

d. Because the offering of the Non-Covered Securities totaled $3.5 billion, (Compl. ¶ 133), it is more likely than not that the amount in controversy in this action exceeds $5,000,000, thereby satisfying the requirement of § 1332(d)(2). *See* 28 U.S.C. § 1332(d)(6); *see also, e.g.*, *Blockbuster, Inc.*, 472 F.3d at 58 (applying a "reasonable probability" standard); *Mattera*, 239 F.R.D. at 78 (applying a "preponderance of the evidence" standard).

Additionally, CAFA has been held to override the earlier ban on removal of Securities Act cases. *See N.J. Carpenters Vacation Fund*, 2008 WL 4369840, at *6; *see also Estate of Pew*, 527 F.3d at 32 (inferring that "jurisdiction is created under CAFA for all large, non-local securities class actions," subject to certain exceptions).

10. In the alternative, pursuant to 28 U.S.C. § 1441(c), "[w]henever a separate and independent claim or cause of action within the jurisdiction conferred by section 1331 . . . is

joined with one or more otherwise non-removable claims or causes of action, the entire case may be removed and the district court may determine all issues therein . . . ." Plaintiffs are bringing claims "on behalf of the investors who purchased Citigroup securities on or traceable" to 44 different offerings. (Compl. ¶ 133.) The claims as to any one of these 44 offerings constitute separate and independent claims from the claims pertaining to any of the other offerings. Accordingly, so long as the claims pertaining to any one of the offerings included in this action are removable, all of the claims in this action are removable.

The Procedural Requirements for Removal Have Been Satisfied

11. This action is removable to this Court pursuant to 28 U.S.C. § 1441(a) because the Southern District of New York embraces the place where the state court action is pending.

12. Plaintiffs filed the Complaint on October 28, 2008. This Notice of Removal is therefore being filed within the thirty days required by 28 U.S.C. § 1446(b) and is timely.

13. Defendants Citigroup Global Markets Inc., JPMorgan Chase & Co., Bear Stearns & Co. (n/k/a JPMorgan Chase & Co.), J.P. Morgan Securities Inc., Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., UBS Securities LLC, Morgan Stanley & Co. Inc., Banc Of America Securities LLC, H&R Block Financial Advisers Inc., HSBC Securities (USA) Inc., Wachovia Capital Securities, LLC, A.G. Edwards & Sons, Inc., Barclays Capital Inc., ABN AMRO Inc., Charles Schwab & Co., Deutsche Bank Securities Inc., Comerica Securities Inc., KeyBanc Capital Markets, Oppenheimer & Co. Inc., Piper Jaffray & Co., Raymond James & Associates, Inc., TD Ameritrade, Inc., TD Securities (USA) LLC, Wells Fargo Investments, LLC, SBK-Brooks Investment Corp., Apex Pryor Securities, Utendahl Capital Partners, L.P., Loop Capital Markets LLC, Toussaint Capital Markets, LLC, Credit Suisse Securities (USA) LLC, Greenwich Capital Markets Inc., Jackson Securities LLC, The Williams Capital Group,

L.P., CastleOak Securities, L.P., Guzman & Co., Cabrera Capital Markets, LLC, Samuel A. Ramirez & Co., Inc., Muriel Siebert & Co., Danske Bank A/S, Fortis Bank NV-SA, RBC Dain Rauscher Inc., RBC Capital Markets Corporation, B.C. Ziegler and Company (n/k/a Ziegler Capital Management), BB&T Capital Markets, Blaylock Robert Van, LLC, BNP Paribas Securities Corp., C.L. King & Assoc., Inc., Crowell, Weedon & Co., D.A. Davidson & Co., Davenport & Company LLC, Doley Securities, LLC, Ferris, Baker Watts, Inc., J.J.B. Hilliard, W.L. Lyons, Inc., Janney Montgomery Scott LLC, Fidelity Capital Markets (a division of National Financial Services LLC), Keefe, Bruyette & Woods, Inc., Melvin Securities, L.L.C., Mesirow Financial, Inc., Morgan Keegan & Company, Inc., Pershing LLC, Robert W. Baird & Co. Inc., Ryan Beck & Co., Inc., Sandler, O'Neill & Partners, L.P., Stifel, Nicolaus & Company, Inc., Stone & Youngberg LLC, SunTrust Capital Markets, Inc. (n/k/a SunTrust Robinson Humphrey, Inc.), Wedbush Morgan Securities Inc., William Blair & Company L.L.C., Jefferies & Company, Inc., nabCapital Securities, LLC and Advisors Asset Management, Inc. (f/k/a Fixed Income Securities, LP) (collectively, the "Underwriter Defendants") and Defendant KPMG LLP have consented to this removal. The consent of the Underwriter Defendants is attached as Exhibit B. The consent of KPMG LLP is attached as Exhibit C.

14. In accordance with 28 U.S.C. § 1446(d), Removing Defendants promptly will file a copy of this Notice of Removal with the Clerk of the Supreme Court of the State of New York, County of New York, and provide written notice of this filing to all adverse parties.

15. In accordance with 28 U.S.C. § 1446(a) and Local Civil Rule 81.1(b), true and correct copies of all process, pleadings, orders, records and proceedings are attached hereto as Exhibit A.

WHEREFORE, Removing Defendants remove this action from the Supreme Court of the State of New York, County of New York.

Dated: November 26, 2008
New York, New York

Respectfully submitted,

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

By: ______________________________
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EXHIBIT A

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

Minneapolis Firefighters' Relief Association and Louisiana Sheriffs' Pension and Relief Fund, On Behalf of Itself and All Others Similarly Situated Plaintiffs, v. Saul Rosen, James Garnett, Scott Freidenrich, Michael Conway, David Winkler, Eric L. Wentzel, Robert L. Ryan, Franklin A. Thomas, Robert E. Rubin, Judith Rodin, Richard D. Parsons, Ann M. Mulcahy, Dudley C. Mecum, Andrew N. Liveris, Klaus Kleinfeld, Ann Dibble Jordan, Roberto Hernandez Ramirez, John M. Deutch, Kenneth Derr, George David, Alan J.P. Belda, C. Michael Armstrong, Sanford I. Weill, John C. Gerspach, Gary Crittenden, Sallie L. Krawcheck, Vikram Pandit, Sir. Winfried F.W. Bischoff, Charles Prince, Citigroup Global Markets Inc., JPMorgan Chase & Co., Bear, Stearns & Co., J.P. Morgan Securities Inc., Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., UBS Securities LLC, Morgan Stanley & Co., Banc of America Securities LLC, H&R Block Financial Advisors Inc., HSBC Securities (USA) Inc., Wachovia Capital Securities, LLC, A.G. Edwards & Sons, Inc., Barclays Capital Inc., ABN AMRO Inc., Charles Schwab & Co., Deutsche Bank Securities Inc., Comerica Securities, Inc., KeyBanc Capital Markets, Oppenheimer & Co. Inc., Piper Jaffray & Co., Raymond James & Associates, Inc., TD Ameritrade, Inc., TD Securities (USA) LLC, Wells Fargo Investments, LLC, SBKBrooks Investment Corp., Apex Pryor Securities, Utendahl Capital Partners, L.P., Loop Capital Markets LLC, Toussaint Capital Markets, LLC, Credit Suisse Securities (USA) LLC, Greenwich Capital Markets Inc., Jackson Securities LLC, The Williams Capital Group, L.P., CastleOak Securities,	Index No. 650414/2008 **SUMMONS**

L.P., Guzman & Co., Cabrera Capital Markets, Samuel A. Ramirez & Co., Muriel Siebert & Co., Danske A/S, Fortis Bank NV-SA, Dain Rauscher Inc. , RBC Capital Markets Corporation, B.C. Ziegler and Company, BB&T Capital Markets, Blaylock & Co., Inc., Blaylock Robert Van, LLC, BNP Paribas Securities Corp., C.L. King & Assoc., Inc., Crowell, Weedon & Co., D. A. Davidson & Co., Davenport & Company LLC, Doley Securities, LLC, Ferris, Baker, Watts, Inc., J.J.B. Hilliard, W.L. Lyons, Inc., Janney Montgomery Scott LLC, Fidelity Capital Markets, Keefe, Bruyette & Woods, Inc., Melvin Securities, Mesirow Financial, Inc., Morgan Keegan & Company, Inc., Pershing LLC, Robert W. Baird & Co. Inc., Ryan Beck & Co. Inc., Sandler, O'Neill & Partners, L.P., Stifel, Nicolaus & Company, Inc., Stone & Youngberg LLC., SunTrust Capital Markets, Inc., Wedbush Morgan Securities Inc., William Blair & Company L.L.C., Jeffries & Company, Inc., nabCapital Securities, LLC, Fixed Income Securities, LP,

Defendants.

YOU ARE HEREBY SUMMONED and required to serve upon Plaintiffs' attorneys an Answer to the Complaint in this action within twenty (20) days after the service of this summons, exclusive of the day of service, or within thirty (30) days after service is complete if this summons is not personally delivered to you within the State of New York. In case of your failure to answer, judgment will be taken against you by default for the relief demanded in the complaint.

Dated: October 28, 2008

Respectfully Submitted,

/s/ Gerald H. Silk

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Attorneys for Minneapolis Firefighters' Relief Association and Louisiana Sheriffs' Pension and Relief Fund and the Proposed Class

Trial is desired in the County of New York
The basis for the venue designated above is that Defendants maintain and/or conduct their business in the County of New York.

Citigroup, Inc.
399 Park Avenue
New York, NY 10043
United States

Other addresses will be determined prior to service.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

Minneapolis Firefighters' Relief Association and Louisiana Sheriffs' Pension and Relief Fund, On Behalf of Itself and All Others Similarly Situated Plaintiffs, v. Saul Rosen, James Garnett, Scott Freidenrich, Michael Conway, David Winkler, Eric L. Wentzel, Robert L. Ryan, Franklin A. Thomas, Robert E. Rubin, Judith Rodin, Richard D. Parsons, Ann M. Mulcahy, Dudley C. Mecum, Andrew N. Liveris, Klaus Kleinfeld, Ann Dibble Jordan, Roberto Hernandez Ramirez, John M. Deutch, Kenneth Derr, George David, Alan J.P. Belda, C. Michael Armstrong, Sanford I. Weill,John C. Gerspach, Gary Crittenden, Sallie L. Krawcheck, Vikram Pandit, Sir. Winfried F.W. Bischoff, Charles Prince, Citigroup Global Markets Inc., JPMorgan Chase & Co., Bear, Stearns & Co., J.P. Morgan Securities Inc., Goldman, Sachs & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., UBS Securities LLC, Morgan Stanley & Co., Banc of America Securities LLC, H&R Block Financial Advisors Inc., HSBC Securities (USA) Inc., Wachovia Capital Securities, LLC, A.G. Edwards & Sons, Inc., Barclays Capital Inc., ABN AMRO Inc., Charles Schwab & Co., Deutsche Bank Securities Inc., Comerica Securities, Inc., KeyBanc Capital Markets, Oppenheimer & Co. Inc., Piper Jaffray & Co., Raymond James & Associates, Inc., TD Ameritrade, Inc., TD Securities (USA) LLC, Wells Fargo Investments, LLC, SBKBrooks Investment Corp., Apex Pryor Securities, Utendahl Capital Partners, L.P., Loop Capital Markets LLC, Toussaint Capital Markets, LLC, Credit Suisse Securities (USA) LLC, Greenwich Capital Markets Inc., Jackson Securities LLC, The Williams Capital Group, L.P., CastleOak Securities,	Index No. 650414/2008 **<u>CLASS ACTION</u>** **COMPLAINT FOR VIOLATION OF SECTIONS 11, 12 and 15 OF THE SECURITIES ACT OF 1933**

L.P., Guzman & Co., Cabrera Capital Markets, Samuel A. Ramirez & Co., Muriel Siebert & Co., Danske A/S, Fortis Bank NV-SA, Dain Rauscher Inc. , RBC Capital Markets Corporation, B.C. Ziegler and Company, BB&T Capital Markets, Blaylock & Co., Inc., Blaylock Robert Van, LLC, BNP Paribas Securities Corp., C.L. King & Assoc., Inc., Crowell, Weedon & Co., D. A. Davidson & Co., Davenport & Company LLC, Doley Securities, LLC, Ferris, Baker, Watts, Inc., J.J.B. Hilliard, W.L. Lyons, Inc., Janney Montgomery Scott LLC, Fidelity Capital Markets, Keefe, Bruyette & Woods, Inc., Melvin Securities, Mesirow Financial, Inc., Morgan Keegan & Company, Inc., Pershing LLC, Robert W. Baird & Co. Inc., Ryan Beck & Co. Inc., Sandler, O'Neill & Partners, L.P., Stifel, Nicolaus & Company, Inc., Stone & Youngberg LLC., SunTrust Capital Markets, Inc., Wedbush Morgan Securities Inc., William Blair & Company L.L.C., Jeffries & Company, Inc., nabCapital Securities, LLC, Fixed Income Securities, LP,

Defendants.

Plaintiffs Minneapolis Firefighters' Relief Association ("Minneapolis Firefighters") and Louisiana Sheriffs' Pension and Relief Fund ("Louisiana Sheriffs") (collectively, "Plaintiffs") allege the following based on the investigation of counsel Bernstein Litowitz Berger & Grossmann LLP, which included, *inter alia*, a review of United States Securities and Exchange Commission ("SEC") filings by Citigroup, Inc. ("Citigroup" or the "Company"), as well as other reports, advisories, press releases, and other public statements issued by or with respect to Citigroup. Plaintiffs believe that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery. The claims asserted herein do not sound in or arise from allegations of fraud.

NATURE OF THE ACTION

Securities Act of 1933, 15 U.S.C. § 77a et seq. (the "Securities Act") on behalf of all persons who purchased or otherwise acquired securities in or traceable to the registered public offerings identified herein. These offerings are referred to collectively herein as the "Offerings."

2. As set forth herein, each of the Offerings occurred pursuant to a Shelf Registration Statement and Prospectus, filed with the SEC on Form S-3 on either (i) March 2, 2006, (ii) March 10, 2006, or (iii) June 10, 2006 (as amended through subsequent post-effective amendments filed with the SEC). Form S-3 is a so called "shelf registration," which permits an issuer to register numerous different securities for later issuance in a single SEC filing. Once this "shelf" is established, the issuer may later "take down" securities from the shelf by issuing them to the public pursuant to a supp-

filed Prospectus, Prospectus Supplement, and/or Pricing Supplement that refers investors to the underlying Form S-3. These securities offering materials generally incorporate by reference numerous other public filings of the issuer—including annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K—as of the time of the issuance pursuant to the later-filed Prospectus, Prospectus Supplement, and/or Pricing Supplement.

3. Citigroup's Form S-3, filed with the SEC on March 2, 2006, is referred to herein as the "March 2, 2006 Shelf Registration Statement." Citigroup's Form S-3, filed with the SEC on March 10, 2006, is referred to herein as the "March 10, 2006 Shelf Registration Statement." Citigroup's Form S-3, filed with the SEC on June 10, 2006 (as amended through all post-effective amendments), is referred to herein as the "June 10, 2006 Shelf Registration Statement." The March 2, 2006 Shelf Registration Statement, March 10, 2006 Shelf Registration Statement, and June 10, 2006 Shelf Registration Statement are referred to collectively herein as the "Shelf Registration Statements."

4. As to each of the Offerings, the applicable Shelf Registration Statement and the relevant Prospectus, Prospectus Supplement, and/or Pricing Supplement (including any documents incorporated by reference) are referred to collectively as the "Offering Materials."

5. The Offering Materials associated with each of the Offerings were materially false and misleading. Among other things, these Offering Materials failed: to disclose the true extent of its exposure to losses from its mortgage-related assets; to accurately disclose Citigroup's mortgage-related assets to reflect their true fair value; to properly account for off-balance sheet vehicles in which mortgage-related securities were

being held; disclose Citigroup's obligation to provide liquidity and other support to its off-balance sheet entities; to disclose that the Company had deficient internal accounting controls; and to disclose Citigroup's significant liability arising out of its participation in the market for auction rate securities ("ARSs").

6. Later revelations concerning the Company's true financial condition harmed investors by causing a significant decline in the value of the securities purchased in or traceable to the above-listed offerings. Plaintiffs bring this action to recover these damages under the Securities Act.

JURISDICTION AND VENUE

7. The claims asserted herein arise under Sections 11, 12(a)(2), and 15 of the Securities Act, 15 U.S.C. §§ 77k, 77l(a)(2), and 77o.

8. This court has jurisdiction pursuant to Section 22 of the Securities Act, 15 U.S.C. § 77v. Jurisdiction is also conferred by CPLR § 301.

9. Venue is proper in this County pursuant to Section 22 of the Securities Act. Venue is also proper in this County pursuant to CPLR § 503(c). Citigroup, as well as numerous other defendants, are located in this County. Many of the acts alleged herein, including the preparation and dissemination of the materially misleading statements contained in the relevant offering materials, occurred in substantial part in this County.

PARTIES

Plaintiffs

10. Plaintiff Minneapolis Firefighters is a public pension system that operates for the benefit of current and former firefighters of the City of Minneapolis, Minnesota

and their dependents. Minneapolis Firefighters purchased certain of the Citigroup securities pursuant to the Shelf Registration Statements and related Offering Materials. These documents contained material misstatements and omissions of fact, upon which Minneapolis Firefighters and the Class relied. Minneapolis Firefighters and its investment personnel were misled by the false and misleading statements set forth herein and suffered damages pursuant to Sections 11, 12, and 15 of the Securities Act.

11. Plaintiff Louisiana Sheriffs is a defined-benefit pension fund for sheriffs in the State of Louisiana. Louisiana Sheriffs purchased certain of the Citigroup securities pursuant to the Shelf Registration Statements and related Offering Materials. These documents contained material misstatements and omissions of fact, upon which Louisiana Sheriffs and the Class relied. Louisiana Sheriffs and its investment personnel were misled by the false and misleading statements set forth herein and suffered damages pursuant to Sections 11, 12, and 15 of the Securities Act.

<u>Citigroup, Citigroup Funding, and the Citigroup Trusts</u>

12. Defendant Citigroup, incorporated in 1988 under the laws of Delaware, is traded on the NYSE under the symbol "C." Citigroup's principal executive offices are located at 399 Park Avenue, New York, New York. The Company is a multibank holding company providing various financial services to customers in the United States and internationally. Citigroup is an issuer of securities at issue in this action, as set forth herein.

13. Defendant Citigroup Funding, Inc. ("Citigroup Funding") is a wholly-owned subsidiary of Citigroup whose business activities consist primarily of providing funds to Citigroup and its subsidiaries. Citigroup Funding's principal executive offices

are located at 399 Park Avenue, New York, New York. Citigroup Funding is an issuer of securities at issue in this action, as set forth herein.

14. Defendant Citigroup Capital XIV is a Delaware statutory trust located at 399 Park Avenue, New York, New York. The sole assets of Citigroup Capital XIV are securities issued by Citigroup. Citigroup Capital XIV is an issuer of securities at issue in this action, as set forth herein.

15. Defendant Citigroup Capital XV is a Delaware statutory trust located at 399 Park Avenue, New York, New York. The sole assets of Citigroup Capital XV are securities issued by Citigroup. Citigroup Capital XV is an issuer of securities at issue in this action, as set forth herein.

16. Defendant Citigroup Capital XVI is a Delaware statutory trust located at 399 Park Avenue, New York, New York. The sole assets of Citigroup Capital XVI are securities issued by Citigroup. Citigroup Capital XVI is an issuer of securities at issue in this action, as set forth herein.

17. Defendant Citigroup Capital XVII is a Delaware statutory trust located at 399 Park Avenue, New York, New York. The sole assets of Citigroup Capital XVII are securities issued by Citigroup. Citigroup Capital XVII is an issuer of securities at issue in this action, as set forth herein.

18. Defendant Citigroup Capital XIX is a Delaware statutory trust located at 399 Park Avenue, New York, New York. The sole assets of Citigroup Capital XIX are securities issued by Citigroup. Citigroup Capital XIX is an issuer of securities at issue in this action, as set forth herein.

19. Defendant Citigroup Capital XX is a Delaware statutory trust located at 399 Park Avenue, New York, New York. The sole assets of Citigroup Capital XX are securities issued by Citigroup. Citigroup Capital XX is an issuer of securities at issue in this action, as set forth herein.

20. Defendant Citigroup Capital XXI is a Delaware statutory trust located at 399 Park Avenue, New York, New York. The sole assets of Citigroup Capital XXI are securities issued by Citigroup. Citigroup Capital XXI is an issuer of securities at issue in this action, as set forth herein.

21. The Defendants listed in paragraphs 14 through 20 are sometimes referred to collectively herein as the "Citigroup Trusts."

22. The Defendants listed in paragraphs 12 through 20 are sometimes referred to collectively herein as the "Citigroup Defendants."

The Individual Defendants

23. Defendant Charles Prince ("Prince") was, at times relevant hereto, the Chief Executive Officer of Citigroup and a member of the Board of Directors. Defendant Prince signed Shelf Registration Statements at issue herein.

24. Defendant Sir Winfried F. W. Bischoff ("Bischoff") was, at times relevant hereto, the Interim Chief Executive Officer of Citigroup. Defendant Bischoff signed a Shelf Registration Statement at issue herein.

25. Defendant Vikram Pandit ("Pandit") was, at times relevant hereto, the Chief Executive Officer of Citigroup and a member of the Board of Directors. Defendant Pandit signed Citigroup's annual report on Form 10-K, which was incorporated by

reference into all Offering Materials applicable to Offerings occurring after February 22, 2008 (the date on which the relevant Form 10-K was filed with the SEC).

26. Defendant Sallie L. Krawcheck ("Krawcheck") was, at times relevant hereto, the Chief Financial Officer of Citigroup, as well as a trustee of Citigroup Trusts. Defendant Krawcheck signed Shelf Registration Statements at issue herein.

27. Gary Crittenden ("Crittenden") was, at times relevant hereto, the Chief Financial Officer of Citigroup. Defendant Crittenden signed Shelf Registration Statements at issue herein.

28. Defendant John C. Gerspach ("Gerspach") was, at times relevant hereto, Controller and Chief Accounting Officer of Citigroup, a Director of Citigroup Funding, and a trustee of Citigroup Trusts. Defendant Gerspach signed Shelf Registration Statements at issue herein.

29. Defendant Sanford I. Weill ("Weill") was, at times relevant hereto, a member of the Board of Directors of Citigroup. Defendant Weill signed Shelf Registration Statements at issue herein.

30. Defendant C. Michael Armstrong ("Armstrong") was, at times relevant hereto, a member of the Board of Directors of Citigroup. Defendant Armstrong signed Shelf Registration Statements at issue herein.

31. Defendant Alan J.P. Belda ("Belda") was, at times relevant hereto, a member of the Board of Directors of Citigroup. Defendant Belda signed Shelf Registration Statements at issue herein.

32. Defendant George David ("David') was, at times relevant hereto, a member of the Board of Directors of Citigroup. Defendant David signed Shelf Registration Statements at issue herein.

33. Defendant Kenneth T. Derr ("Derr") was, at times relevant hereto, a member of the Board of Directors of Citigroup. Defendant Derr signed Shelf Registration Statements at issue herein.

34. Defendant John M. Deutch ("Deutch") was, at times relevant hereto, a member of the Board of Directors of Citigroup. Defendant Deutch signed Shelf Registration Statements at issue herein.

35. Defendant Roberto Hernandez Ramirez ("Ramirez") was, at times relevant hereto, a member of the Board of Directors of Citigroup. Defendant Ramirez signed Shelf Registration Statements at issue herein.

36. Defendant Ann Dibble Jordan ("Jordan") was, at times relevant hereto, a member of the Board of Directors of Citigroup. Defendant Jordan signed Shelf Registration Statements at issue herein.

37. Defendant Klaus Kleinfeld ("Kleinfeld") was, at times relevant hereto, a member of the Board of Directors of Citigroup. Defendant Kleinfeld signed Shelf Registration Statements at issue herein.

38. Defendant Andrew N. Liveris ("Liveris") was, at times relevant hereto, a member of the Board of Directors of Citigroup. Defendant Liveris signed Shelf Registration Statements at issue herein.

39. Defendant Dudley C. Mecum ("Mecum") was, at times relevant hereto, a member of the Board of Directors of Citigroup. Defendant Mecum signed Shelf Registration Statements at issue herein.

40. Defendant Ann M. Mulcahy ("Mulcahy") was, at times relevant hereto, a member of the Board of Directors of Citigroup. Defendant Mulcahy signed Shelf Registration Statements at issue herein.

41. Defendant Richard D. Parsons ("Parsons") was, at times relevant hereto, a member of the Board of Directors of Citigroup. Defendant Parsons signed Shelf Registration Statements at issue herein.

42. Defendant Judith Rodin ("Rodin") was, at times relevant hereto, a member of the Board of Directors of Citigroup. Defendant Rodin signed Shelf Registration Statements at issue herein.

43. Defendant Robert E. Rubin ("Rubin") was, at times relevant hereto, a member of the Board of Directors of Citigroup. Defendant Rubin signed Shelf Registration Statements at issue herein.

44. Defendant Franklin A. Thomas ("Thomas") was, at times relevant hereto, a member of the Board of Directors of Citigroup. Defendant Thomas signed Shelf Registration Statements at issue herein.

45. Defendant Robert L. Ryan ("Ryan") was, at times relevant hereto, a member of the Board of Directors of Citigroup. Defendant Ryan signed a Shelf Registration Statement at issue herein.

46. Defendant Eric L. Wentzel ("Wentzel"), at times relevant hereto, was Executive Vice President and Treasurer of Citigroup Funding, as well as a Trustee of

Citigroup Trusts. Defendant Wentzel signed Shelf Registration Statements at issue herein.

47. Defendant David Winkler ("Winkler"), at times relevant hereto, was Executive Vice President and chief Financial Officer of Citigroup Funding. Defendant Winkler signed a Shelf Registration Statement at issue herein.

48. Defendant Michael Conway ("Conway"), at times relevant hereto, was a Vice President and Controller of Citigroup Funding. Defendant Conway signed a Shelf Registration Statement at issue herein.

49. Scott Freidenrich ("Freidenrich"), at times relevant hereto, was a Director of Citigroup Funding. Defendant Freidenrich signed a Shelf Registration Statement at issue herein.

50. James Garnett ("Garnett"), at times relevant hereto, was a Director of Citigroup Funding. Defendant Garnett signed a Shelf Registration Statement at issue herein.

51. Defendant Saul Rosen ("Rosen"), at times relevant hereto, was a Director of Citigroup Funding, as well as a Trustee of Citigroup Trusts. Defendant Rosen signed Shelf Registration Statements at issue herein.

52. The individuals listed in paragraphs 23 through 51 are sometimes referred to collectively herein as the "Individual Defendants."

Underwriter Defendants

53. Defendant Citigroup Global Markets Inc. ("Citigroup Global Markets") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Citigroup Global Markets was responsible for ensuring the truthfulness and accuracy of

the various statements contained in or incorporated by reference into the Offering Materials.

54. Defendant JPMorgan Chase & Co., ("JPMorgan Chase") is a successor in liability to Bear, Stearns & Co. ("Bear Stearns"). Defendant Bear Stearns was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Bear Stearns was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

55. J.P. Morgan Securities Inc. ("JPMSI") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, JPMSI was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

56. Defendant Goldman, Sachs & Co. ("Goldman Sachs") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Goldman Sachs was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

57. Merrill Lynch, Pierce, Fenner & Smith Inc. ("Merrill Lynch") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Merrill Lynch was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

58. Defendant UBS Securities LLC ("UBS") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, UBS was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

59. Morgan Stanley & Co. Inc. ("Morgan Stanley") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Morgan Stanley was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

60. Defendant Banc of America Securities LLC ("BOA") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, BOA was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

61. H&R Block Financial Advisors Inc. ("H&R Block") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, H&R Block was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

62. HSBC Securities (USA) Inc. ("HSBC") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, HSBC was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

63. Wachovia Capital Securities, LLC ("Wachovia") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Wachovia was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

64. A.G. Edwards & Sons, Inc. ("A.G. Edwards") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, A.G. Edwards was

responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

65. Defendant Barclays Capital Inc ("Barclays") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Barclays was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

66. Defendant ABN AMRO Inc. ("ABN") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, ABN was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

67. Defendant Charles Schwab & Co. ("Charles Schwab") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Charles Schwab was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

68. Defendant Deutsche Bank Securities Inc. ("Deutsche") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Deutsche was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

69. Comerica Securities, Inc. ("Comerica") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Comerica was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

70. KeyBanc Capital Markets, a division of McDonald Investments Inc. ("KeyBanc") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, KeyBanc was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

71. Oppenheimer & Co. Inc. ("Oppenheimer") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Oppenheimer was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

72. Piper Jaffray & Co. ("Piper Jaffray") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Piper Jaffray was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

73. Raymond James & Associates, Inc. ("Raymond James") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Raymond James was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

74. TD Ameritrade, Inc. ("TD Ameritrade") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, TD Ameritrade was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

75. TD Securities (USA) LLC ("TD Securities") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, TD Securities was

responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

76. Wells Fargo Investments, LLC ("Wells Fargo") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Wells Fargo was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

77. Defendant SBK-Brooks Investment Corp. ("SBK") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, SBK was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

78. Apex Pryor Securities ("Apex"), a division of Rice Financial Products Company, was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Apex was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

79. Defendant Utendahl Capital Partners, L. P. ("Utendahl") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Utendahl was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

80. Defendant Loop Capital Markets LLC ("Loop") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Loop was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

81. Defendant Toussaint Capital Markets LLC ("Toussaint") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Toussaint was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

82. Defendant Credit Suisse Securities (USA) LLC ("Credit Suisse") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Credit Suisse was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

83. Defendant Greenwich Capital Markets Inc. ("Greenwich") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Greenwich was responsible for ensuring the truthfulness and accuracy of the various statements

84. Defendant Jackson Securities LLC ("Jackson") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Jackson was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

85. Defendant The Williams Capital Group, L.P. ("Williams") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Williams was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

86. Defendant CastleOak Securities, L.P. ("CastleOak") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, CastleOak was responsible

for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

87. Defendant Guzman & Co. ("Guzman") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Guzman was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

88. Defendant Cabrera Capital Markets, LLC ("Cabrera") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Cabrera was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

89. Defendant Samuel A. Ramirez & Co., Inc. ("Ramirez & Co.") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Ramirez & Co. was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

90. Defendant Muriel Siebert & Co. ("Muriel Siebert") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Muriel Siebert was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

91. Defendant Danske Bank A/S ("Danske") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Danske was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

92. Defendant Fortis Bank NV-SA ("Fortis") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Fortis was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

93. RBC Dain Rauscher Inc. ("RBC") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, RBC was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

94. RBC Capital Markets Corporation ("RBC Capital") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, RBC Capital was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

95. B.C. Ziegler and Company ("B.C. Ziegler") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, B.C. Ziegler was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

96. BB&T Capital Markets, a division of Scott & Stringfellow, Inc. ("BB&T") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, BB&T was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

97. Blaylock & Company, Inc. ("Blaylock") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Blaylock was responsible for

ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

98. Blaylock Robert Van, LLC ("Blaylock Robert Van") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Blaylock Robert Van was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

99. BNP Paribas Securities Corp. ("BNP") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, BNP was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

100. C.L. King & Associates, Inc. ("C.L. King") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, C.L. King was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

101. Crowell, Weedon & Co. ("Crowell") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Crowell was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

102. D.A. Davidson & Co. ("D.A. Davidson") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, D.A. Davidson was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

103. Davenport & Company LLC ("Davenport") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Davenport was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

104. Doley Securities, LLC ("Doley") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Doley was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

105. Ferris, Baker, Watts, Inc. ("Ferris") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Ferris was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

106. J.J.B. Hilliard, W.L. Lyons, Inc. ("J.J.B. Hilliard") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, J.J.B. Hilliard was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

107. Janney Montgomery Scott LLC ("Janney") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Janney was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

108. Fidelity Capital Markets, a division of National Financial Services LLC ("Fidelity Capital") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Fidelity Capital was responsible for ensuring the truthfulness

and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

109. Keefe, Bruyette & Woods, Inc. ("Keefe, Bruyette") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Keefe, Bruyette was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

110. Melvin Securities, L.L.C. ("Melvin") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Melvin was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

111. Mesirow Financial, Inc. ("Mesirow") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Mesirow was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

112. Morgan Keegan & Company, Inc. ("Morgan Keegan") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Morgan Keegan was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

113. Pershing LLC ("Pershing") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Pershing was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

114. Robert W. Baird & Co. Inc. ("Baird") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Baird was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

115. Ryan Beck & Co., Inc. ("Ryan Beck") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Ryan Beck was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

116. Sandler, O'Neill & Partners, L.P. ("Sandler, O'Neill") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Sandler, O'Neill was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

117. Stifel, Nicolaus & Company, Inc. ("Stifel, Nicolaus") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Stifel, Nicolaus was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

118. Stone & Youngberg LLC ("Stone") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Stone was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

119. SunTrust Capital Markets, Inc. ("SunTrust") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, SunTrust was responsible

for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

120. Wedbush Morgan Securities Inc. ("Wedbush") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Wedbush was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

121. William Blair & company, L.L.C. ("William Blair") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Willliam Blair was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

122. Jeffries & Company, Inc. ("Jeffries") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Jeffries was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

123. nabCapital Securities, LLC ("nabCapital") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, nabCapital was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

124. Fixed Income Securities, LP ("Fixed Income") was an underwriter of Offerings as specified herein. As an underwriter of Offerings, Fixed Income was responsible for ensuring the truthfulness and accuracy of the various statements contained in or incorporated by reference into the Offering Materials.

125. The defendants listed in paragraphs 53 through 124 are sometimes referred to collectively herein as the "Underwriter Defendants."

Auditor Defendant

126. Defendant KPMG LLP ("KPMG"), at all relevant times, served as an Independent Registered Public Accounting Firm for Citigroup. KPMG audited Citigroup's financial statements for the year ended December 31, 2006, which financial statements were approved by KPMG and included in Citigroup's annual report for 2006, which was filed on Form 10-K with the SEC and incorporated by reference into each of the Offerings that occurred after February 23, 2007 (the date it was filed). KPMG also audited Citigroup's financial statements for the year ended December 31, 2007, which financial statements were approved by KPMG and included in Citigroup's annual report for 2007, which was filed on Form 10-K with the SEC and incorporated by reference into each of the Offerings that occurred after February 22, 2008 (the date it was filed). KPMG consented to the incorporation by reference of its reports of these annual reports on Form 10-K.

CLASS ACTION ALLEGATIONS

127. Plaintiffs bring this action as a class action pursuant to Article 9 of the New York Civil Practice Law and Rules on behalf of a class consisting of all persons who purchased or acquired the securities of Citigroup pursuant or traceable to the Offerings as defined herein (the "Class") from the effective date of these Offerings through the date of the filing of this action. Excluded from the Class are Defendants, their respective officers and directors at all relevant times, members of their immediate

families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.

128. The members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is presently unknown to Plaintiffs and can only be ascertained through appropriate discovery, Plaintiffs reasonably believe that there are thousands of members in the Class. Record owners and other members of the Class may be identified by records maintained by Defendants and may be notified of the pendency of the action by mail, the internet or publication using the form of notice similar to that customarily used in securities class actions.

129. Plaintiffs' claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of statutory law as complained of herein.

130. Plaintiffs will fairly and adequately represent the interests of the members of the Class and have retained Bernstein Litowitz Berger & Grossmann LLP, counsel competent and experienced in class and securities litigation.

131. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among common questions of law and fact common to the Class are:

a. whether the provisions of the Securities Act of 1933 were violated by the Defendants as alleged herein;

b. whether the Shelf Registration Statements and Prospectus Supplements contained materially untrue statements or omitted statements of material fact; and

c. to what extent the members of the Class have sustained damages pursuant to the statutory measure of damages.

132. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

SUBSTANTIVE ALLEGATIONS

A. Summary Of Citigroup's Securities Offerings

133. The Securities Act claims are brought on behalf of investors who purchased Citigroup securities on or traceable to the following Offerings:

OFFERINGS PURSUANT TO THE MARCH 2, 2006 SHELF REGISTRATION STATEMENT

DATE	SECURITY (CUSIP)	VOLUME
May 18, 2006 (the "May 18, 2006 Offering")	Floating Rate Notes due 2011 (172967DL2)	$1.5 billion
June 30, 2006 (the "June 30, 2006 Offering")	Floating Rate Notes due 2011 (172967DL2)	$250 million
June 9, 2006 (the "June 9, 2006 Offering")	Floating Rate Subordinated Notes due 2016 (172967DM0)	$600 million
February 16, 2007 (the "February 16, 2007 Offering")	Floating Rate Subordinated Notes due 2016 (172967DM0)	$750 million

June 28, 2006 (the "June 28, 2006 Offering")	5.850% Notes due 2013 (172967DP3)	$1 billion
August 2, 2006 (the "August 2, 2006 Offering")	5.85% Notes due 2016 (172967DQ1)	$1 billion
November 7, 2006 (the "November 7, 2006 Offering")	5.85% Notes due 2016 (172967DQ1)	$150 million
August 25, 2006 (the "August 25, 2006 6.125% Subordinated Offering")	6.125% Subordinated Notes due 2036 (172967DR9)	$1.5 billion
January 16, 2007 (the "January 16, 2007 Offering")	6.125% Subordinated Notes due 2036 (172967DR9)	$500 million
August 25, 2006 (the "August 25, 2006 Floating Subordinated Offering")	Floating Rate Subordinated Notes due 2036 (172967DS7)	$250 million
December 4, 2006 (the "December 4, 2006 Offering")	Floating Rate Subordinated Notes due 2036 (172967DS7)	$175 million
May 31, 2007 (the "May 31, 2007 Offering")	Floating Rate Subordinated Notes due 2036 (172967DS7)	$100 million
September 29, 2006 (the "September 29, 2006 Offering")	5.10% Notes due 2011 (172967DU2)	$1 billion
November 7, 2006 (the "November 7, 2006 Offering")	5.10% Notes due 2011 (172967DU2)	$100 million
December 20, 2006 (the "December 20, 2006 Offering")	Floating Rate Notes due 2009 (172967DW8)	$2 billion

February 12, 2007 (the "February 12, 2007 Offering")	5.5% Subordinated Notes due 2017 (172967DY4)	$1.25 billion
February 27, 2007 (the "February 27, 2007 Offering")	5.250% Notes due 2012 (172967DZ1)	$1 billion
September 14, 2007 (the "September 14, 2007 5.250% Notes Offering")	5.250% Notes due 2012 (172967DZ1)	$300 million
March 7, 2007 (the "March 7, 2007 Offering")	Floating Rate Notes due 2014 (172967EA5)	$650 million
May 29, 2007 (the "May 29, 2007 Offering")	5.875% Notes due 2037 (172967EC1)	$1 billion
August 13, 2007 (the "August 13, 2007 Offering")	Floating Rate Notes due 2010 (172967EG2)	$3 billion
August 15, 2007 (the "August 15, 2007 Offering")	6.00% Notes due 2017 (172967EH0)	$1.5 billion
September 14, 2007 (the "September 14, 2007 6.00% Notes Offering")	6.00% Notes due 2017 (172967EH0)	$500 million
August 27, 2007 (the "August 27, 2007 Offering")	5.500% Notes due 2012 (172967EJ6)	$1 billion
October 17, 2007 (the "October 17, 2007 Offering")	5.300% Notes due 2012 (172967EL1)	$3 billion
November 21, 2007 (the "November 21, 2007 Offering")	6.125% Notes due 2017 (172967EM9)	$4 billion

January 23, 2008 (the "January 23, 2008 Offering")	Depositary Shares Each Representing a 1/1,000th Interest in a Share of 6.5% Non-Cumulative Convertible Preferred Stock, Series T (172967598)	$3,168 ,650,000 (63,373,000 depositary shares at $50 per share)
January 25, 2008 (the "January 25, 2008 Offering")	Depositary Shares Each Representing a 1/1,000th Interest in a Share of 8.125% Non-Cumulative Preferred Stock, Series AA (172967572)	$3,715,000,000 (148,600,000 depositary shares at $25 per share)
March 5, 2008 (the "March 5, 2008 Offering")	6.875% Notes due 2038 (172967EP2)	$2.5 billion
April 11, 2008 (the "April 11, 2008 Offering")	5.500% Notes due 2013 (172967EQ0)	$4.75 billion
April 28, 2008 (the "April 28, 2008 Offering")	Depositary Shares Each representing a 1/25th Interest in a share of 8.40% fixed Rate/Floating Rate Non-Cumulative Preferred Stock Series E (172967ER8)	$6 billion (6 million depositary shares at $1,000 per share)
May 12, 2008 (the "May 12, 2008 Offering")	6.125% Notes due 2018 (172967ES6)	$3 billion
May 13, 2008 (the "May 13, 2008 Offering")	Floating Rate Notes due 2018 (172967ET4)	$550 million
May 13, 2008 (the "May 13, 2008 Depositary Share Offering")	Depositary Shares Each Representing a 1/1,000th Interest in a Share of 8.50% Non-Cumulative Preferred Stock, Series F (172967556)	$2,040,000,000 (81,600,000 depositary shares at $25 per share)
August 19, 2008 (the "August 19, 2008 Offering")	6.500% Notes due 2013 (172967EU1)	$3 billion

OFFERINGS PURSUANT TO THE
MARCH 10, 2006 SHELF REGISTRATION STATEMENT

DATE	SECURITY (CUSIP)	VOLUME
October 22, 2007 (the "October 22, 2007 Offering")	Medium Term Notes, Series D, maturing on October 22, 2009 (1730TOEK1)	$1.8 billion
May 7, 2008 (the "May 7, 2008 Offering")	Medium Term Notes, Series D, maturing on May 7, 2010 (1730TOFV6)	$2.25 billion

OFFERINGS PURSUANT TO THE
JUNE 10, 2006 SHELF REGISTRATION STATEMENT

DATE	SECURITY (CUSIP)	VOLUME
June 30, 2006 (the "June 30, 2006 Offering")	Citigroup Capital XIV 6.875% Enhanced Trust Preferred Securities (17309E200)	$565 million
September 15, 2006 (the September 15, 2006 Offering")	Citigroup Capital XV 6.50% Enhanced Trust Preferred Securities (17310G202)	$1.185 billion
November 22, 2006 (the "November 22, 2006 Offering")	Citigroup Capital XVI 6.45% Enhanced Trust Preferred Securities (17310L201)	$1.6 billion
March 6, 2007 (the "March 6, 2007 Offering")	Citigroup Capital XVII 6.35% Enhanced Trust Preferred Securities (17310H209)	$1.1 billion
August 15, 2007 (the "August 15, 2007 Offering")	Citigroup Capital XIX 7.250% Enhanced Trust Preferred Securities (17311U200)	$1.225 billion

November 27, 2007 (the "November 27, 2007 Offering")	Citigroup Capital XX 7.875% Enhanced Trust Preferred Securities (173085200)	$787.5 million
December 21, 2007 (the "December 21, 2007 Offering")	Citigroup Capital XXI 8.300% Enhanced Trust Preferred Securities (173094AA1)	$3.5 billion

B. The False And Misleading Offering Materials

134. Each of these Offerings was conducted pursuant to one of the Shelf Registration Statements. Each of these Offerings was also conducted pursuant to its own Prospectus, Prospectus Supplement, and/or Pricing Supplement that was issued contemporaneously with each Offering. These Offering Materials incorporated by reference documents containing materially false and misleading statements. Accordingly, as to each Offering, the Offering Materials contained untrue statements and omissions of material fact.

135. Defendants herein are liable for violations of the Securities Act arising out of the sale of Citigroup securities pursuant to the Offering Materials issued in connection with each of the Offerings identified above, respectively. These Offering materials contained materially false and misleading information because, among other things, they:

- Did not disclose Citigroup's massive exposure to losses from its mortgage-related assets;
- Overstated the value of the mortgage-related assets—such as mortgage backed securities and collateralized debt obligations—carried on Citigroup's books;

- Did not write down Citigroup's mortgage-related assets adequately to reflect their true fair value;

- [illegible] Interest Entities" ("VIEs")— in which mortgage-related were being held;

- [illegible] support to the VIEs;

- Did not disclose that the Company had deficient internal accounting controls, including with respect to its accounting for its off-balance sheet entities; and

- [illegible] participation in the ARS market.

136. An ARS is a debt security whose interest rate is periodically reset through an auction, in which bidders set the lowest interest rate they are willing to accept. The [illegible] market, where investors generally hold securities for longer periods of time, the ARS market catered to investors who wanted to be able to quickly liquidate their investments. Investments in ARS were sold to investors by Citigroup and other financial institutions as secure, liquid investments. The ARS market was dependent upon the participation of [illegible] Citigroup and other banks ceased participating in the auctions that provided the [illegible] Ultimately, the seizure of the ARS market triggered governmental investigations of

Citigroup in response to which Citigroup was forced to acknowledge its liability for over $7 billion in ARSs and repurchase these instruments from investors.

137. These undisclosed facts directly impacted the various SEC filings incorporated into the Offering Materials identified below, including the Company's financial statements, rendering them untrue as discussed below.

138. With respect to each Offering, for purposes of liability under the Securities [illegible] relevant Offering, not the earlier date on which the Shelf Registration Statement itself was filed. *See* 17 C.F.R. § 230.415 and 17 C.F.R. § 229.512(a)(2).

139. The Shelf Registration Statements expressly incorporate by reference Citigroup's Forms 10-K, 10-Q, and 8-K that were filed with the SEC prior to the date of

Specifically, each of the Shelf Registration Statements contain the following or materially similar language:

> The SEC allows Citigroup to "incorporate by reference" the information it files with the SEC, which means that it can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus. Information that Citigroup files later with the SEC will should rely on the later information over different information included in this prospectus or the prospectus supplement. Citigroup incorporates by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934[.]
>
> . . .
>
> All documents Citigroup files pursuant to Section 13(a), 13(c), 14 or [illegible] in this prospectus and (2) the date the broker-dealer subsidiaries of

Citigroup stop offering securities pursuant to this prospectus shall be incorporated by reference in this prospectus from the date of filing of such documents.

140. Accordingly, on the date of each of the Offerings set forth above, the Shelf Registration Statements incorporated by reference each of the false and misleading documents filed pursuant to Forms 10-K, 10-Q or 8-K that had been filed prior to the date of each respective Offering. As to each such Offering, the false and misleading documents that were incorporated in the Shelf Registration Statements, rendering the Offering Materials untrue as of the date of that Offering are as follows:

OFFERINGS PURSUANT TO THE MARCH 2, 2006 SHELF REGISTRATION STATEMENT

OFFERING	AMOUNT	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO THE OFFERING MATERIALS
May 18, 2006 Offering	$1.5 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q
June 30, 2006 Offering	$250 million	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q
June 9, 2006 Offering	$600 million	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q
February 16, 2007 Offering	$750 million	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K
June 28, 2006 Offering	$1 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q
August 2, 2006 Offering	$1 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 18, 2006 Form 8-K
November 7, 2006 Offering	$150 million	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K

		August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q
August 25, 2006 6.125% Subordinated Offering	$1.5 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q
January 16, 2007 Offering	$500 million	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q
August 25, 2006 Floating Subordinated Offering	$250 million	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q
December 4, 2006 Offering	$175 million	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q
May 31, 2007 Offering	$100 million	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q
September 29, 2006 Offering	$1 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q
November 7, 2006 Offering	$100 million	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q
December 20, 2006 Offering	$2 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q

		July 18, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q
February 12, 2007 Offering	$1.25 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K
February 27, 2007 Offering	$1 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K
September 14, 2007 5.250% Notes Offering	$300 million	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q
March 7, 2007 Offering	$650 million	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 8-K
May 29, 2007 Offering	$1 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q

		October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q
August 13, 2007 Offering	$3 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q
August 15, 2007 Offering	$1.5 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q
September 14, 2007 6.00% Notes Offering	$500 million	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q

August 27, 2007 Offering	$1 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q
October 17, 2007 Offering	$3 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q October 1, 2007 Form 8-K
November 21, 2007 Offering	$4 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q October 1, 2007 Form 8-K November 4, 4007 Form 8-K November 5, 2007 Form 10-Q
January 23, 2008 Offering	$3,168 ,650,000	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K

		August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q October 1, 2007 Form 8-K November 4, 2007 Form 8-K November 5, 2007 Form 10-Q January 15, 2008 Form 8-K
January 25 2008 Offering	$3,715,000,000	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q October 1, 2007 Form 8-K November 4, 2007 Form 8-K November 5, 2007 Form 10-Q January 15, 2008 Form 8-K
March 5, 2008	$2.5 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q October 1, 2007 Form 8-K November 4, 2007 Form 8-K

		November 5, 2007 Form 10-Q January 15, 2008 Form 8-K February 22, 2008 Form 10-K
April 11, 2008 Offering	$4.75 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q October 1, 2007 Form 8-K November 4, 2007 Form 8-K November 5, 2007 Form 10-Q January 15, 2008 Form 8-K February 22, 2008 Form 10-K
April 28, 2008 Offering	$6 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q October 1, 2007 Form 8-K November 4, 2007 Form 8-K November 5, 2007 Form 10-Q January 15, 2008 Form 8-K February 22, 2008 Form 10-K April 18, 2008 Form 8-K
May 12, 2008 Offering	$3 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q

		January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q October 1, 2007 Form 8-K November 4, 2007 Form 8-K November 5, 2007 Form 10-Q January 15, 2008 Form 8-K February 22, 2008 Form 10-K April 18, 2008 Form 8-K May 2, 2008 Form 10-Q
May 13, 2008 Offering	$550 million	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q October 1, 2007 Form 8-K November 4, 2007 Form 8-K November 5, 2007 Form 10-Q January 15, 2008 Form 8-K February 22, 2008 Form 10-K April 18, 2008 Form 8-K May 2, 2008 Form 10-Q
May 13, 2008 Depositary Share Offering	$2,040,000,000	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K

		August 3, 2007 Form 10-Q October 1, 2007 Form 8-K November 4, 2007 Form 8-K November 5, 2007 Form 10-Q January 15, 2008 Form 8-K February 22, 2008 Form 10-K April 18, 2008 Form 8-K May 2, 2008 Form 10-Q
August 19, 2008 Offering	$3 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q October 1, 2007 Form 8-K November 4, 2007 Form 8-K November 5, 2007 Form 10-Q January 15, 2008 Form 8-K February 22, 2008 Form 10-K April 18, 2008 Form 8-K May 2, 2008 Form 10-Q July 18, 2008 Form 8-K August 1, 2008 Form 10-Q August 7, 2008 form 10-Q

OFFERINGS PURSUANT TO THE

MARCH 10, 2006 SHELF REGISTRATION STATEMENT

OFFERING	AMOUNT	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO THE OFFERING MATERIALS
October 22, 2007 Offering	$1.8 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K

		November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q October 1, 2007 Form 8-K
May 7, 2008 Offering	$2.25 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q October 1, 2007 Form 8-K November 4, 2007 Form 8-K November 5, 2007 Form 10-Q January 15, 2008 Form 8-K February 22, 2008 Form 10-K April 18, 2008 Form 8-K May 2, 2008 Form 10-Q

OFFERINGS PURSUANT TO THE
JUNE 10, 2006 SHELF REGISTRATION STATEMENT

OFFERING	AMOUNT	FALSE AND MISLEADING DOCUMENTS INCORPORATED INTO THE OFFERING MATERIALS
June 30, 2006 Offering	$565 million	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q
September 15, 2006 Offering	$1.185 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q
November 22, 2006 Offering	$1.6 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q
March 6, 2007 Offering	$1.1 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K
August 15, 2007 Offering	$1.225 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q
November 27, 2007 Offering	$787.5 million	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q

		October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q October 1, 2007 Form 8-K November 4, 2007 Form 8-K November 5, 2007 Form 10-Q
December 21, 2007 Offering	$3.5 billion	April 17, 2006 Form 8-K May 5, 2006 Form 10-Q July 17, 2006 Form 8-K August 4, 2006 Form 10-Q October 19, 2006 Form 8-K November 3, 2006 Form 10-Q January 19, 2007 Form 8-K February 23, 2007 Form 10-K February 25, 2007 Form 8-K April 16, 2007 Form 8-K May 4, 2007 Form 10-Q July 20, 2007 Form 8-K August 3, 2007 Form 10-Q October 1, 2007 Form 8-K November 4, 2007 Form 8-K November 5, 2007 Form 10-Q

1. 1Q06 Financial Results

141. On April 17, 2006, Citigroup issued a press release, filed with the SEC on Form 8-K, (the "April 17, 2006 Form 8-K") announcing the Company's financial results for the quarter ended March 31, 2006. Specifically, Citigroup reported net income for the first quarter of 2006 of $5.64 billion, or $1.12 per share. The April 17, 2006 Form 8-K stated in relevant part:

First Quarter Highlights

* * *

- Record corporate and investment banking revenues, up 21%, driven by strong franchise momentum.
  - Record international corporate and investment banking revenues, up 34%, and net income, up 80%
  - Record fixed income markets revenues of $3.15 billion, up 8%; record equity market revenues of $1.18 billion, up 67%; record investment banking revenue of $1.22 billion, up 34%
  - #1 rank in global debt underwriting; #1 in announced global M&A; #2 in global equity underwriting
  - Record transaction services revenues, up 22%, driven by double-digit growth in customer balances

* * *

- U.S. consumer average loans grew 10%, reflecting loan growth in consumer lending and retail distribution of 18% and 8% respectively, and commercial business core loans, up 23%. Card purchase sales increased 11%, while average managed receivables declined 2%

* * *

CORPORATE AND INVESTMENT BANKING

- ***Capital Markets and Banking***
  - Record fixed income markets revenues of $3.15 billion, up 8%, reflected broad-based performance across products and regions, including record results in emerging markets trading, municipals, and credit products. Compared to the fourth quarter 2005, fixed income market revenues increased 51%.
  - Record equity markets revenues of $1.18 billion, up 67%, were driven by strong growth globally, including cash trading, derivatives, and convertibles.
  - Record investment banking revenues increased 34%, driven by higher debt underwriting and advisory fees.

142. On May 5, 2006, Citigroup filed its Form 10-Q for the quarter ended March 31, 2006 (the "May 5, 2006 Form 10-Q"), which included the same materially false and misleading financial results previously reported in the April 17, 2006 Form 8-K.

143. The May 5, 2006 Form 10-Q also included a Certification signed by Defendant Prince, which stated:

> I, Charles Prince, certify that:
>
> 1. I have reviewed this Quarterly Report on Form 10-Q of Citigroup Inc.;
>
> 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
>
> 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
>
> 4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
>
> a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
>
> b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
>
> c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness

of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2006

/s/ Charles Prince

144. Defendant Krawcheck signed a certification in the May 5, 2006 Form 10-Q that was virtually identical to the certification of Defendant Prince.

145. The May 5, 2006 Form 10-Q also assured investors that the Company had sound risk management policies to ensure that the risks of delinquency of its lending portfolios were offset through other means. For example, the May 5, 2006 Form 10-Q stated:

> The Company provides a wide range of mortgage and other loan products to its customers. In addition to providing a source of liquidity and less expensive funding, securitizing these assets also reduces the Company's credit exposure to the borrowers. The Company's mortgage loan securitizations are primarily non-recourse, thereby effectively transferring the risk of future credit losses to the purchasers of the securities issued by the trust.

146. With respect to Citigroup's exposure to losses as a result of the Company's unconsolidated VIEs, the May 5, 2006 Form 10-Q stated the following in Note 8 to the Consolidated Financial Statements:

> [T]he Company may, along with other financial institutions, provide liquidity facilities, such as commercial paper backstop lines of credit to the VIEs. The Company may be a party to derivative contracts with VIEs, may provide loss enhancement in the form of letters of credit and other guarantees to the VIEs, may be the investment manager, and *may* also have an ownership interest in certain VIEs. Although actual losses are not expected to be material, the Company's maximum exposure to loss as a result of its involvement with VIEs that are not consolidated was $90 billion and $91 billion at March 31, 2006 and December 31, 2005, respectively.

147. The above statements contained in the April 17, 2006 Form 8-K and the May 5, 2006 Form 10-Q were untrue and contained omissions of material fact, because they misstated the Company's financial condition and did not report Citigroup's consolidated financial statements in accordance with GAAP. Among other things, the April 17, 2006 Form 8-K and the May 5, 2006 Form 10-Q overstated the value of the mortgage-related securities and other assets carried on Citigroup's books, did not disclose Citigroup's exposure to losses related to these instruments, and did not reflect write downs of these instruments to their true fair value. Further, the April 17, 2006 Form 8-K and the May 5, 2006 Form 10-Q did not properly account for the mortgage-related assets held off-balance sheet and failed to properly consolidate the VIEs. Citigroup also did not disclose that it had issued "liquidity puts," contractually obligating itself to purchase billions of dollars in high risk asset-backed commercial paper once those assets had already become illiquid and highly impaired. Moreover, Citigroup failed to properly

account for the contingent liability represented by the liquidity puts, thereby further inflating the value of its balance sheet.

148. The April 17, 2006 Form 8-K and the May 5, 2006 Form 10-Q also failed to disclose that the Company could not satisfactorily mitigate the risk associated with derivatives based on asset-backed securities, in particular mortgage-backed securities, and also failed to disclose that Citigroup was increasingly leveraging risky subprime mortgages that resulted in Citigroup having billions of dollars of exposure to mortgage-backed assets and that, in so doing, the Company failed to abide by its risk management policies and guidelines. The statements contained in the April 17, 2006 Form 8-K and the May 5, 2006 Form 10-Q also failed to state that Citigroup materially understated its reported "value at risk" ("VaR") because it did not adequately consider that Citigroup's risky exposure to U.S. subprime ABS CDOs were backed by subprime-related assets.

149. The statements in the April 17, 2006 Form 8-K and the May 5, 2006 Form 10-Q were also untrue and contained omissions of material fact because the Company did not disclose its liabilities resulting from its participation in the auction rate securities market or incorporate these significant liabilities when reporting its financial results. By failing to disclose the Company's significant holdings and liabilities arising from its involvement in the auction rate securities market or incorporate these liabilities into its financial results, the April 17, 2006 Form 8-K and the May 5, 2006 Form 10-Q materially misrepresented the various financial metrics as described above and misstated the Company's financial health.

2. <u>2006 Financial Results</u>

150. On July 17, 2006, Citigroup issued a press release, filed with the SEC on Form 8-K, (the "July 17, 2006 Form 8-K") announcing the Company's financial results

for the quarter ended June 30, 2006. Specifically, Citigroup reported net income for the second quarter of 2006 of $5.27 billion, or $1.05 per share. The July 17, 2006 Press Release stated in relevant part:

> **Second Quarter Highlights**
>
> * * *
>
> - Corporate and investment banking revenues were the second highest ever, increasing 31%; income up 26%.
>   - International corporate and investment banking revenues up 23%; U.S. revenues up 44%.
>   - Fixed income and equity markets revenues up 51% and 30%, respectively, despite volatile emerging market conditions. Investment banking revenues were up 24%.
>   - YTD #1 rank in global debt underwriting; #2 in global announced M&A; #2 in global equity underwriting.
>   - Record transaction services revenues and net income, up 26% and 18%, respectively, driven by double-digit growth in customer balances.
>
> * * *
>
> - U.S. consumer revenues and net income increased 1% and 11%, respectively. Average loans were up 13% and deposits increased 8%. Retail banking investment product sales increased 37%, and card purchase sales grew 12%.
>
> * * *
>
> **Management Comment**
>
> "In the second quarter, we achieved our second highest income from continuing operations while making significant progress on our strategic initiatives.
>
> * * *
>
> U.S. consumer also achieved strong volume growth and, despite headwinds from spread compression, showed improving momentum from the first quarter. And in corporate and investment banking, we achieved our second

highest revenues, despite challenging conditions in the emerging markets," said Prince.

"We are very pleased with the momentum we are building as we execute on our strategic initiatives, strengthen our franchises, and position Citigroup for continued long-term earnings growth," said Prince.

* * *

CORPORATE AND INVESTMENT BANKING

- ***Capital Markets and Banking***

    - Fixed income markets revenues of $2.76 billion, up 51%, were driven by strong results in municipals, foreign exchange, and credit products.

    - Equity markets revenues of $945 million, up 30%, reflected strong
performance in derivatives, convertibles, and cash trading.

    - Investment banking revenues of $1.15 billion, up 24%, were driven by higher debt and equity underwriting revenues and increased advisory fees.

151. On August 4, 2006, the Company filed its Form 10-Q for the quarter ended June 30, 2006 (the "August 4, 2006 Form 10-Q"), which included the same materially false and misleading financial results previously reported in the July 17, 2006 Form 8-K.

152. The August 4, 2006 Form 10-Q contained virtually identical certifications by Prince and Krawcheck as in the Company's 10-Q for the previous financial quarter.

153. The August 4, 2006 Form 10-Q also assured investors that the Company had sound risk management policies to ensure that the risks of delinquency of its lending portfolios were offset through other means. For example, the August 4, 2006 Form 10-Q stated:

> The Company provides a wide range of mortgage and other loan liquidity and less expensive funding, securitizing these assets also reduces the Company's credit exposure to the borrowers. The Company's mortgage loan securitizations are primarily non-recourse, thereby effectively transferring the risk of future credit losses to the purchasers of the securities issued by the trust.

154. With respect to Citigroup's exposure to losses as a result of the Company's unconsolidated VIEs, the August 4, 2006 Form 10-Q stated the following in Note 14 to the Consolidated Financial Statements:

> [T]he Company may, along with other financial institutions, provide liquidity facilities, such as commercial paper backstop lines of credit to the VIEs. The Company may be a party to derivative contracts with VIEs, may provide loss enhancement in the form of letters of credit and other guarantees to the VIEs, may be the investment manager, and may also have an ownership interest in certain VIEs. Although actual losses are not expected to be material, the Company's maximum exposure to loss as a result of its involvement with VIEs that are not consolidated respectively.

155. The above statements contained in the July 17, 2006 Form 8-K and the August 4, 2006 Form 10-Q were untrue and contained omissions of material fact because, among other reasons, they misstated the Company's financial condition and did not report Citigroup's consolidated financial statements in accordance with GAAP. Among

the value of the mortgage-related securities and other assets carried on Citigroup's books, did not disclose Citigroup's exposure to losses related to these instruments, and did not reflect write downs of these instruments to their true fair value. Further, the July 17, 2006 Form 8-K and the August 4, 2006 Form 10-Q did not properly account for the

VIEs. Citigroup also did not disclose that it had issued "liquidity puts," contractually obligating itself to purchase billions of dollars in high risk asset-backed commercial paper once those assets had already become illiquid and highly impaired. Moreover, Citigroup failed to properly account for the contingent liability represented by the liquidity puts, thereby further inflating the value of its balance sheet.

156. The July 17, 2006 Form 8-K and the August 4, 2006 Form 10-Q failed to disclose that the Company could not satisfactorily mitigate the risk associated with derivatives based on asset-backed securities, in particular mortgage-backed securities, and also failed to disclose that Citigroup was increasingly leveraging risky subprime mortgages that resulted in Citigroup having billions of dollars of exposure to mortgage-backed assets and that, in so doing, the Company failed to abide by its risk management policies and guidelines.

157. The statements contained in the July 17, 2006 Form 8-K and the August 4, 2006 Form 10-Q also materially understated Citigroup's reported VaR because it did not adequately consider that Citigroup's risky exposure to U.S. subprime ABS CDOs were backed by subprime-related assets. The statements set forth in the July 17, 2006 Form 8-K and the August 4, 2006 Form 10-Q were also untrue and contained omissions of material fact because the Company did not disclose its liabilities resulting from its participation in the auction rate securities market or incorporate these significant liabilities when reporting its financial results. By failing to disclose the Company's significant holdings and liabilities arising from its involvement in the auction rate securities market or incorporate these liabilities into its financial results, the July 17, 2006 Form 8-K and the August 4, 2006 Form 10-Q materially misrepresented the various financial metrics as described above and misstated the Company's financial health.

3. 3Q06 Financial Results

158. On October 19, 2006, Citigroup issued a press release, filed with the SEC on Form 8-K, (the "October 19, 2006 Form 8-K") announcing the Company's financial results for the quarter ended September 30, 2006. Specifically, Citigroup reported net income of $5.5 billion, or $1.10 per share for the third quarter of 2006. The October 19, 2006 Form 8-K stated in relevant part:

> Third Quarter Summary
>
> - Total revenues were approximately even with the third quarter 2005, as international revenue growth was offset by a decline in U.S. revenues, reflecting lower revenues in capital markets driven businesses.
> - Corporate and investment banking revenues and net income declined 6% and 4%, respectively.
>   - o Capital markets and banking revenues and net lower revenues in fixed income markets and equity underwriting, which was partially offset by growth in debt underwriting and advisory.
>   - o YTD #1 rank in global debt underwriting, #2 in global announced M&A, and #2 in global equity underwriting.
>   - o Transaction services revenues were a record, up 20%, and net income increased [illegible] driven by double-digit
>
> * * *
>
> Management Comment
>
> "Our third quarter results were driven by strength in several businesses, including international revenues, up 11%. In our U.S. consumer franchise, we are pleased with the trends we are seeing, and throughout our businesses we had good expense discipline. That said, results from [illegible] going forward," said Charles Prince, Chairman and Chief Executive Officer of Citigroup.

* * *

CORPORATE AND INVESTMENT BANKING

- ***Capital Markets and Banking***
  - Fixed income markets revenues declined 16% to $2.3 billion, primarily driven by lower results in commodities, interest rate products, and foreign exchange.
  - Equity markets revenues of $868 million were approximately even with the prior-year period, as improved performance in derivatives and equity finance was offset by lower results in convertibles and cash trading.
  - Investment banking revenues of $1.1 billion were approximately even with the prior-year period, as 13% growth in debt underwriting revenues and increased advisory fees were offset by a decline in equity underwriting.

159. On November 3, 2006, the Company filed its Form 10-Q for the third quarter of 2006 (the "November 3, 2006 Form 10-Q"), which included the same materially false and misleading financial results previously reported in the October 19, 2006 Form 8-K.

160. The November 3, 2006 Form 10-Q also contained virtually identical certifications by Prince and Krawcheck as in the Company's 10-Q for the previous financial quarter.

161. The November 3, 2006 Form 10-Q also attempted to assure investors that the Company had sound risk management policies to ensure that the risks of delinquency of its lending portfolios were offset through other means. For example, the November 3, 2006 Form 10-Q stated:

The Company provides a wide range of mortgage and other loan

> products to its customers. In addition to providing a source of liquidity Company's credit exposure to the borrowers. The Company's mortgage loan securitizations are primarily non-recourse, thereby effectively transferring the risk of future credit losses to the purchasers of the securities issued by the trust.

162. With respect to Citigroup's exposure to losses as a result of the Company's unconsolidated VIEs, the November 3, 2006 Form 10-Q stated the following in Note 14 to the Consolidated Financial Statements:

> [T]he Company may, along with other financial institutions, provide liquidity facilities, such as commercial paper backstop lines of credit to the VIEs. The Company may be a party to derivative contracts with VIEs, may provide loss enhancement in the form of letters of credit and other guarantees to the VIEs, may be the investment manager, and may also have an ownership interest in certain VIEs. Although actual losses are not expected to be material, the Company's maximum exposure to loss as a result of its involvement with VIEs that are not consolidated was $93 billion and $91 billion at September 30, 2006 and

163. The above statements contained in the October 19, 2006 Form 8-K and the November 3, 2006 Form 10-Q were untrue and contained omissions of material fact because, among other reasons, they misstated the Company's financial condition and did not report Citigroup's consolidated financial statements in accordance with GAAP.

164. Among other things, the October 19, 2006 Form 8-K and the November 3, 2006 Form 10-Q overstated the value of the mortgage-related securities and other assets carried on Citigroup's books, did not disclose Citigroup's exposure to losses related to these instruments, and did not reflect write downs of these instruments to their true fair value. Further, the October 19, 2006 Form 8-K and the November 3, 2006 Form 10-Q did not properly account for the mortgage-related assets held off-balance sheet and failed [illegible] "liquidity puts," contractually obligating itself to purchase billions of dollars in high risk

asset-backed commercial paper once those assets had already become illiquid and highly impaired. Moreover, Citigroup failed to properly account for the contingent liability represented by the liquidity puts, thereby further inflating the value of its balance sheet.

165. The October 19, 2006 Form 8-K and the November 3, 2006 Form 10-Q also failed to disclose that the Company could not satisfactorily mitigate the risk associated with derivatives based on asset-backed securities, in particular mortgage-backed securities, and also failed to disclose that Citigroup was increasingly leveraging risky subprime mortgages that resulted in Citigroup having billions of dollars of exposure to mortgage-backed assets and that, in so doing, the Company failed to abide by its risk management policies and guidelines.

166. The statements contained in the October 19, 2006 Form 8-K and the November 3, 2006 Form 10-Q also materially understated Citigroup's reported VaR because it did not adequately consider that Citigroup's risky exposure to U.S. subprime ABS CDOs were backed by subprime-related assets. The statements set forth in the July October 19, 2006 Form 8-K and the November 3, 2006 Form 10-Q were also untrue and contained omissions of material fact because the Company did not disclose its liabilities resulting from its participation in the auction rate securities market or incorporate these significant liabilities when reporting its financial results. By failing to disclose the Company's significant holdings and liabilities arising from its involvement in the auction rate securities market or incorporate these liabilities into its financial results, the October 19, 2006 Form 8-K and the November 3, 2006 Form 10-Q materially misrepresented the various financial metrics as described above and misstated the Company's financial health.

4. **Year-End 2006 Financial Results**

167. On January 19, 2007, Citigroup issued a press release, filed with the SEC on Form 8-K, (the "January 19, 2007 Form 8-K") announcing the Company's financial results for the quarter ended December 31, 2006 and full year 2006. Specifically, Citigroup reported net income for the fourth quarter of 2006 of $5.13 billion, or $1.03 per share, and net income of $21.54 billion, or $4.31 per share, for the year ended 2006. The January 19, 2007 Form 8-K stated in relevant part:

> **Management Comment**
> "Our results were highlighted by double-digit revenue growth in our corporate and investment banking, wealth management and alternative investment businesses.
>
> * * *
>
> **Fourth Quarter Summary**
>
> - ***Revenues were a record, up 15%, driven by 14% revenue growth in corporate and investment banking, 79% in alternative investments*** **and** 21% in global wealth management. Global consumer revenues increased 9%.
>
> * * *
>
>   - Deposits and loans grew 20% and 16%, respectively. In global consumer, investment AUMs increased 17%. Capital markets and banking ranked *#1* in global debt underwriting, #2 in announced M&A and #2 in global equity underwriting and global loan syndications for the full year 2006. In global wealth management, client assets under fee-based management grew 15%.
>
> * * *
>
> **CORPORATE AND INVESTMENT BANKING**
>
> - ***Capital Markets and Banking***
>   - Fixed income markets revenues increased 32% to $2.75 billion, primarily driven by improved results in

interest rate and credit products and foreign exchange.

- Equity markets revenues grew 17% to $900 million on higher results in cash trading, convertibles and equity finance and prime brokerage.

- Investment banking revenues increased 16% to a record $1.34 billion, reflecting higher debt and equity underwriting revenues, up 17% and 47% respectively.

168. On February 23, 2007, Citigroup filed its Form 10-K for fiscal 2006 (the "February 23, 2007 10-K"), which included the same materially false and misleading financial results previously reported in the January 19, 2007 Form 8-K.

169. The February 23, 2007 Form 10-K also contained virtually identical certifications by Prince and Krawcheck as in the Company's Form 10-Q for the previous financial quarter.

170. The February 23, 2007 Form 10-K also attempted to assure investors that the Company had sound risk management policies to ensure that the risks of delinquency of its lending portfolios were offset through various means. For example, the February 23, 2007 Form 10-K stated:

> The Company provides a wide range of mortgage and other loan products to its customers. In addition to providing a source of liquidity and less expensive funding, securitizing these assets also reduces the Company's credit exposure to the borrowers. The Company's mortgage loan securitizations are primarily non-recourse, thereby effectively transferring the risk of future credit losses to the purchasers of the securities issued by the trust.

171. The February 23, 2007 Form 10-K also stated that Citigroup mitigates risk in its mortgage portfolio by selling most of the loans it originates:

> As with all other lending activity, this exposes Citigroup to several risks, including credit, liquidity and interest rate risks. To manage credit and liquidity risk, Citigroup sells most of the mortgage loans it

originates, but retains the servicing.

172. With respect to Citigroup's exposure to losses as a result of the Company's unconsolidated VIEs, the February 23, 2007 Form 10-K stated the following in Note 22 to the Consolidated Financial Statements:

> [T]he Company may, along with other financial institutions, provide liquidity facilities, such as commercial paper backstop lines of credit to the VIEs. The Company may be a party to derivative contracts with VIEs, may provide loss enhancement in the form of letters of credit and other guarantees to the VIEs, may be the investment manager, and may also have an ownership interest in certain VIEs. Although actual losses are not expected to be material, the Company's maximum exposure to loss as a result of its involvement with VIEs that are not consolidated was $109 billion and $91 billion at December 31, 2006 and 2005, respectively.

173. KPMG signed an Independent Auditors' Report in the February 23, 2007 Form 10-K, which stated:

> We have audited the accompanying consolidated balance sheets of Citigroup Inc. and subsidiaries (the "Company" or "Citigroup") as of December 31, 2006 and 2005, the related consolidated statements of income, changes in stockholders' equity and cash flows for each of the years in the three-year period ended December 31, 2006, and the related consolidated balance sheets of Citibank, N.A. and subsidiaries as of December 31, 2006 and 2005. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.
>
> We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Citigroup as of December 31, 2006 and 2005, the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2006, and the financial position of Citibank, N.A. and subsidiaries as of December 31, 2006 and 2005, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, in 2006 the Company changed its methods of accounting for defined benefit pensions and other postretirement benefits, stock-based compensation, certain hybrid financial instruments and servicing of financial assets, and in 2005 the Company changed its method of accounting for conditional asset retirement obligations associated with operating leases.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of Citigroup's internal control over financial reporting as of December 31, 2006, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 23, 2007 expressed an unqualified opinion on management's assessment of, and the effective operation of, internal control over financial reporting.

KPMG LLP
New York, New York
February 23, 2007

174. The above statements contained in the January 19, 2007 Form 8-K and the February 23, 2007 Form 10-K were untrue and contained omissions of material fact because, among other reasons, they misstated the Company's financial condition and did not report Citigroup's consolidated financial statements in accordance with GAAP.

175. Among other things, the January 19, 2007 Form 8-K and the February 23, 2007 Form 10-K overstated the value of the mortgage-related securities and other assets carried on Citigroup's books, did not disclose Citigroup's exposure to losses related to these instruments, and did not reflect write downs of these instruments to their true fair value. Further, the January 19, 2007 Form 8-K and the February 23, 2007 Form 10-K did

not properly account for the mortgage-related assets held off-balance sheet and failed to properly consolidate the VIEs. Citigroup also did not disclose that it had issued "liquidity puts," contractually obligating itself to purchase billions of dollars in high risk asset-backed commercial paper once those assets had already become illiquid and highly impaired. Moreover, Citigroup failed to properly account for the contingent liability represented by the liquidity puts, thereby further inflating the value of its balance sheet.

176. The January 19, 2007 Form 8-K and the February 23, 2007 Form 10-K also failed to disclose that the Company could not satisfactorily mitigate the risk associated with derivatives based on asset-backed securities, in particular mortgage-backed securities, and also failed to disclose that Citigroup was increasingly leveraging risky subprime mortgages that resulted in Citigroup having billions of dollars of exposure to mortgage-backed assets and that, in so doing, the Company failed to abide by its risk management policies and guidelines.

177. The statements contained in the January 18, 2007 Form 8-K and the February 23, 2007 Form 10-K also materially understated Citigroup's reported VaR because it did not adequately consider that Citigroup's risky exposure to U.S. subprime ABS CDOs were backed by subprime-related assets. The statements set forth in the January 18, 2007 Form 8-K and the February 23, 2007 Form 10-K were also untrue and contained omissions of material fact because the Company did not disclose its liabilities resulting from its participation in the auction rate securities market or incorporate these significant liabilities when reporting its financial results. By failing to disclose the Company's significant holdings and liabilities arising from its involvement in the auction rate securities market or incorporate these liabilities into its financial results, the January

15, 2007 Form 8-K and the February 23, 2007 Form 10-K materially misrepresented the various financial metrics as described above and misstated the Company's financial health.

178. On February 25, 2007, the Company issued a press release, filed with the SEC on Form 8-K on March 3, 2007, stating that Gary Crittenden, then Chief Financial Officer effective March 12, 2007, and that Defendant Krawcheck would transition to her new position as Chairman and Chief Executive Officer of Citigroup's Global Wealth Management business division.

5. **<u>1Q07 Financial Results</u>**

179. On April 16, 2007, Citigroup issued a press release, filed with the SEC on Form 8-K, (the "April 16, 2007 Form 8-K") announcing the Company's financial results for the quarter ended March 31, 2007. Specifically, Citigroup reported net income for the first quarter of 2007 of $5.01 billion, or $1.01 per share, which included a charge of

April 16, 2007 Form 8-K stated in relevant part:

> **Management Comment**
>
> "We generated strong momentum this quarter, with revenues increasing 15% to a record, driven by growing customer business volumes. Global consumer deposits were up 12% and global consumer loans grew 11%. In our international franchises, revenues grew 18%, led by international with improving expense management and, after adjusting for certain non-recurring items, we generated positive operating leverage. Offsetting and a lower level of tax benefits than last year," said Charles Prince, Chairman and Chief Executive Officer of Citi.
>
> * * *

FIRST QUARTER SUMMARY

- *Revenues were a record, up 15%, driven by 21% revenue growth in markets & banking*, including record revenues in fixed income and equity markets, investment banking and transaction services. International consumer revenues grew 14% and global wealth management revenues were a record, up 13%. U. S. consumer revenue growth continued to trend positively, up 6%.

  - Revenue growth reflected customer volume growth. Deposits and loans grew 18% and 15%, respectively. In global consumer, AUMs increased 12%. Securities and banking ranked #1 in global debt and equity underwriting and #2 in completed M&A for the first quarter. In global wealth management, client assets under fee-based management grew 13% and client capital in alternative investments grew 52%.

  - Net interest revenues grew 8% as volume growth was partially offset by net interest margin compression.

* * *

- Credit costs increased $1.26 billion, primarily driven by an increase in net credit losses of $509 million and a net charge of $597 million to increase loan loss reserves. The $597 million net charge compares to a net reserve release of $154 million in the prior-year period.

  - In U.S. consumer, higher credit costs reflected an increase in net credit losses of $164 million and a net charge of $182 million to increase loan loss reserves. The $182 million net charge compares to a net reserve release of $196 million in the prior-year period. Credit costs increased primarily in U.S. consumer lending and U.S. retail distribution, reflecting portfolio growth, an increase in delinquencies in second mortgages, and a change in estimate of loan losses inherent in the portfolio.

* * *

  - Markets & banking credit costs increased primarily due to a net charge of $286 million to increase loan loss reserves due to portfolio growth, which includes higher commitments to leveraged transactions and an increase in average loan tenor. The $286 million net charge compares to a $33 million net charge to increase reserves in the prior-year period. The global corporate credit environment remained stable.

* * *

MARKETS & BANKING

- ***Securities and Banking***

  - Fixed income markets revenues increased 20% to a record $3.8 billion, driven by improved results across all products, including interest rates and currencies, and credit and securitized products.

  - Equity markets revenues grew 26% to a record $1.5 billion on higher results in cash trading, derivatives, equity finance and prime brokerage.

  - Gross investment banking revenues were a record $1.8 billion, reflecting record equity underwriting revenues, up 83%, and record advisory and other fees, up 45%. Net investment banking revenues increased 31% to $1.6 billion.

  - Operating expenses increased 7% due to increased staffing and higher business volumes. The rate of growth in expenses also reflects the absence of a $346 million pre-tax charge related to SFAS 123(R) in the prior-year period.

  - Credit costs increased due to a net charge of $286 million to increase loan loss reserves. The increase in loan loss reserves was driven by portfolio growth, which includes higher commitments to leveraged transactions and an increase in average loan tenor.

  - Net income increased 34% to a record $2.2 billion.

180. On May 4, Form 2007, Citigroup filed its Form 10-Q for the first quarter of 2007 (the "May 4, 2007 Form 10-Q"), which included the same materially false and misleading financial results previously reported in the April 16, 2007 Form 8-K.

181. The May 4, 2007 Form 10-Q also contained virtually identical certifications by Prince and Crittenden as in the Company's 10-K for the previous financial quarter and year end.

182. The May 4, 2007 10-Q also attempted to assure investors that the Company had sound risk management policies to ensure that the risks of delinquency of its lending portfolios were offset through other means. For example, the May 4, 2007 Form 10-Q stated:

> The Company provides a wide range of mortgage and other loan products to its customers. In addition to providing a source of liquidity and less expensive funding, securitizing these assets also reduces the Company's credit exposure to the borrowers. The Company's mortgage loan securitizations are primarily non-recourse, thereby effectively transferring the risk of future credit losses to the purchasers of the securities issued by the trust.

183. With respect to Citigroup's exposure to losses as a result of the Company's unconsolidated VIEs, the May 4, 2007 Form 10-Q stated the following in Note 13 to the Consolidated Financial Statements:

> [T]he Company may, along with other financial institutions, provide liquidity facilities, such as commercial paper backstop lines of credit to the VIEs. The Company may be a party to derivative contracts with VIEs, may provide loss enhancement in the form of letters of credit and other guarantees to the VIEs, may be the investment manager, and may also have an ownership interest in certain VIEs. Although actual losses are not expected to be material, the Company's maximum exposure to loss as a result of its involvement with VIEs that are not consolidated was $108 billion and $109 billion at March 31, 2007 and December 31, 2006, respectively.

184. In the May 4, 2007 Form 10-Q, the Company also announced that it had elected to early adopt FAS 157, effective January 1, 2007. FAS 157 required, among other things, that Citigroup employ valuation techniques "to measure fair value to maximize the use of observable inputs and minimize the use of unobservable inputs." In addition, FAS 157 "preclude[d] the use of block discounts for instruments traded in an active market, which were previously applied to large holdings of publicly-traded equity securities, and require[d] the recognition of trade-date gains related to certain derivative trades that use unobservable inputs in determining the fair value." According to the Company, the cumulative effect of this change and the elimination of the guidance in EITF Issue No. 2 (superseded by FAS 157) which prohibited the recognition of one-day

going on certain derivative trades when determining fair value of instruments not traded on an active market, resulted in an increase to retained earnings of $75 million.

185. In the May 4, 2007 Form 10-Q, the Company categorized Citigroup's assets into three categories purportedly in accordance with FAS 157. Level 1 assets measured fair value using "[q]uoted prices for identical instruments in active markets." Level 2 assets purported to represent those assets whose value was based on " [q]uoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable." Level 3 assets were assets whose "significant value drivers are unobservable." Citigroup represented that its Level 2 and Level 3 assets were the following amounts:

> Level 2: (i) Trading securities were $206.4 billion and trading and derivatives were $257.6 billion; (ii) investment were $165.2 billion; and assets measured on a recurring basis were $4.5 billion while assets measured on a non-recurring basis (primarily representing loans held for sale and assets obtained from purchase acquisitions) were $12.6 billion.
>
> Level 3: (i) Trading securities were $35 billion and trading derivatives were $6.6 billion; (ii) investments were $12.6 billion and (iii) assets measured on a recurring basis were $8.9 billion while assets measured on a non-recurring basis were $2.6 billion.

186. The above statements contained in the April 16, 2007 Form 8-K and the May 4, 2007 Form 10-Q were untrue and contained omissions of material fact because, among other reasons, they misstated the Company's financial condition and did not report Citigroup's consolidated financial statements in accordance with GAAP.

187. Among other things, the April 16, 2007 Form 8-K and the May 4, 2007 Form 10-Q overstated the value of the mortgage-related securities and other assets carried on Citigroup's books, did not disclose Citigroup's exposure to losses related to these

Further, the April 16, 2007 Form 8-K and the May 4, 2007 Form 10-Q did not properly account for the mortgage-related assets held off-balance sheet and failed to properly consolidate the VIEs. Citigroup also did not disclose that it had issued "liquidity puts," contractually obligating itself to purchase billions of dollars in high risk asset-backed commercial paper once those assets had already become illiquid and highly impaired. Moreover, Citigroup failed to properly account for the contingent liability represented by the liquidity puts, thereby further inflating the value of its balance sheet.

188. The April 16, 2007 Form 8-K and the May 4, 2007 Form 10-Q also failed to disclose that the Company could not satisfactorily mitigate the risk associated with derivatives based on asset-backed securities, in particular mortgage-backed securities, and also failed to disclose that Citigroup was increasingly leveraging risky subprime mortgages that resulted in Citigroup having billions of dollars of exposure to mortgage-backed assets and that, in so doing, the Company failed to abide by its risk management policies and guidelines.

189. The statements contained in the April 16, 2007 Form 8-K and the May 4, [illegible] adequately consider that Citigroup's risky exposure to U.S. subprime ABS CDOs were backed by subprime-related assets. The statements set forth in the April 16, 2007 Form 8-K and the May 4, 2007 Form 10-Q were also untrue and contained omissions of material fact because the Company did not disclose its liabilities resulting from its participation in its financial results. By failing to disclose the Company's significant holdings and

liabilities arising from its involvement in the auction rate securities market or incorporate these liabilities into its financial results, the April 16, 2007 Form 8-K and the May 4, 2007 Form 10-Q materially misrepresented the various financial metrics as described above and misstated the Company's financial health.

6. 2Q07 Financial Results

190. On July 20, 2007, Citigroup issued a press release, filed with the SEC on Form 8-K, (the "July 20, 2007 Form 8-K") announcing the Company's financial results for the quarter ended June 30, 2007. Specifically, Citigroup reported net income for the second quarter of 2007 of $6.23 billion, or $1.24 per share, up 18% from the prior year. The July 20, 2007 Form 8-K stated in relevant part:

> ***Management Comment***
>
> "We have very clear priorities to drive growth and we are executing on all of them. We generated ***record revenues,*** up 20%, and record earnings from continuing operations, up 18%, both driven by our record international results," said Charles Prince, Citi Chairman and Chief Executive Officer.
>
> "We continued to generate revenue and volume growth in our U.S. consumer franchise, while making excellent progress in re-weighting Citi toward our other businesses, especially our international franchises, where revenues and net income increased over 30%. Our capital markets-driven businesses performed extremely well and international consumer revenues and volumes grew at a double-digit pace," said Prince.
>
> * * *
>
> **SECOND QUARTER SUMMARY**
>
> - **Revenues** were a record, up 20%, led by 34% growth in international revenues. International markets & banking revenues grew 50%, international consumer revenues increased 16%, and wealth management revenues more than doubled.
>
>   - Revenue growth reflected double-digit customer volume growth. Deposits and loans grew 20% and 17%, respectively. Securities and banking ranked #1 in global debt underwriting, #2 in announced M&A, #3 in global equity underwriting, and achieved record revenues in equity markets and transaction services. In global wealth

management, client assets under fee-based management grew 40%, and client capital in alternative investments increased 55%.

- o Strong volume growth drove a 16% increase in net interest revenues.

- o Excluding the impact of acquisitions, organic revenue growth was 16%.

* * *

- **Credit costs** increased $934 million, primarily driven by an increase in net credit losses of $259 million and a net charge of $465 million to increase loan loss reserves. The $465 million net charge compares to a net reserve release of $210 million in the prior-year period.

  - o In U.S. consumer, higher credit costs reflected an increase in net credit losses of $183 million and a net charge of $245 million to increase loan loss reserves. The $245 million net charge compares to a net reserve release of $274 million in the prior-year period. The increase in net credit losses and loan loss reserves primarily reflected higher delinquencies in second mortgages in consumer lending, a change in estimate of loan losses inherent in the cards portfolio, and portfolio growth.

* * *

  - o Markets & banking credit costs declined, reflecting a stable global credit environment and the absence of a $118 million net increase to loan loss reserves recorded in the prior-year period.

* * *

MARKETS & BANKING

- ***Securities and Banking***

  - o Fixed income markets revenues increased 24% to $3.42 billion, driven by improved results across all products, including interest rates and currencies, credit and securitized products, and commodities.

  - o Equity markets revenues grew 67% to a record $1.58 billion on higher results in cash trading, derivatives, equity finance, and convertibles.

  - o Gross investment banking revenues were $1.65 billion, reflecting record equity underwriting revenues of $539 million, up 90%, and increased advisory and other fees, up 34%. Net investment banking revenues increased 28% to $1.47 billion.

- Operating expenses increased 30% due to higher business volumes and compensation costs.

- Credit costs decreased reflecting a stable global corporate credit environment and the absence of a $120 million net increase to loan loss reserves recorded in the prior-year period.

- Net income increased 52% to $2.15 billion.

191. On August 3, 2007, Citigroup filed its Form 10-Q for the second quarter of 2007 (the "August 3, 2007 Form 10-Q"), which included the same materially false and misleading financial results previously reported in the July 20, 2007 Form 8-K.

192. The August 3, 2007 Form 10-Q contained virtually identical certifications by Prince and Crittenden as in the Company's 10-Q for the previous financial quarter.

193. The August 3, 2007 Form 10-Q also to assured investors that the Company had sound risk management policies to ensure that the risks of delinquency of its lending portfolios were offset through other means. For example, the August 3, 2007 Form 10-Q stated:

> The Company provides a wide range of mortgage and other loan products to its customers. In addition to providing a source of liquidity and less expensive funding, securitizing these assets also reduces the Company's credit exposure to the borrowers.
>
> * * *
>
> The Company's mortgage loan securitizations are primarily non-recourse, thereby effectively transferring the risk of future credit losses to the purchasers of the securities issued by the trust.

194. With respect to Citigroup's exposure to losses as a result of the Company's unconsolidated VIEs, the August 3, 2007 Form 10-Q stated the following in Note 13 to the Consolidated Financial Statements:

> [T]he Company may, along with other financial institutions, provide liquidity facilities, such as commercial paper backstop lines of credit to the VIEs. The Company may be a party to derivative contracts with VIEs, may provide loss enhancement in the form of letters of credit and other guarantees to the VIEs, may be the investment manager, and may also have an ownership interest in certain VIEs. Although actual losses are not expected to be material, the Company's maximum exposure to loss as a result of its involvement with VIEs that are not consolidated was $89 billion and $91 billion at June 30, 2006 and December 31, 2005, respectively.

195. The above statements contained in the July 20, 2007 Form 8-K and the August 3, 2007 Form 10-Q were untrue and contained omissions of material fact because, among other reasons, they misstated the Company's financial condition and did not report Citigroup's consolidated financial statements in accordance with GAAP. Among other things, the July 20, 2007 Form 8-K and the August 3, 2007 Form 10-Q overstated the value of the mortgage-related securities and other assets carried on Citigroup's books, did not disclose Citigroup's exposure to losses related to these instruments, and did not reflect write downs of these instruments to their true fair value. Further, the July 20, 2007 Form 8-K and the August 3, 2007 Form 10-Q did not properly account for the mortgage-related assets held off-balance sheet and failed to properly consolidate the VIEs. Citigroup also did not disclose that it had issued "liquidity puts," contractually obligating itself to purchase billions of dollars in high risk asset-backed commercial paper once those assets had already become illiquid and highly impaired. Moreover, Citigroup failed to properly account for the contingent liability represented by the liquidity puts, thereby further inflating the value of its balance sheet.

196. The July 20, 2007 Form 8-K and the August 3, 2007 Form 10-Q also failed to disclose that the Company could not satisfactorily mitigate the risk associated with derivatives based on asset-backed securities, in particular mortgage-backed securities, and also failed to disclose that Citigroup was increasingly leveraging risky subprime mortgages that resulted in Citigroup having billions of dollars of exposure to mortgage-backed assets and that, in so doing, the Company failed to abide by its risk management policies and guidelines.

197. The statements contained in the July 20, 2007 Form 8-K and the August 3, 2007 Form 10-Q also materially understated Citigroup's reported VaR because it did not adequately consider that Citigroup's risky exposure to U.S. subprime ABS CDOs were backed by subprime-related assets. The statements set forth in the July 20, 2007 Form 8-K and the August 3, 2007 Form 10-Q were also untrue and contained omissions of material fact because the Company did not disclose its liabilities resulting from its participation in the ARS market or incorporate these significant liabilities when reporting its financial results. By failing to disclose the Company's significant holdings and liabilities arising from its involvement in the auction rate securities market or incorporate these liabilities into its financial results, the July 20, 2007 Form 8-K and the August 3, 2007 Form 10-Q materially misrepresented the various financial metrics as described above and misstated the Company's financial health.

7. <u>3Q07 Financial Results</u>

198. On October 1, 2007, Citigroup issued a press release entitled "Citigroup Expects Substantial Declines in Third Quarter Net Income," filed with the SEC on Form 8-K, (the "October 1, 2007 Form 8-K"). In the October 1, 2007 Form 8-K, Citigroup announced disappointing results, estimating a 60% decline in net income from the prior-

year quarter as a result of "dislocations in the mortgage-backed securities and credit markets." Prince stated that "the decline in income was driven primarily by weak performance in fixed income credit market alternatives, write-downs in leveraged loan commitments, and increases in consumer credit costs." The October 1, 2007 Form 8-K also stated in relevant part:

> **Securities and Banking**
>
> Revenue reductions from:
>
> - o Write-downs of approximately $1.4 billion pre-tax, net of underwriting fees, on funded and unfunded highly leveraged finance commitments. These commitments totaled $69 billion at the end of the second quarter, and $57 billion at the end of the third quarter. Write-downs were recorded on all highly leveraged finance commitments where there was value impairment, regardless of the expected funding date.
>
> - o Losses of approximately $1.3 billion pre-tax, net of hedges, on the value of sub-prime mortgage-backed securities warehoused for future collateralized debt obligation ("CDO") securitizations, CDO positions, and leveraged loans warehoused for future collateralized loan obligation ("CLO") securitizations.
>
> - o Losses of approximately $600 million pre-tax in fixed income credit trading due to significant market volatility and the disruption of historical pricing relationships.

199. On November 5, 2007, Citigroup issued a press release, titled "Citi's Subprime Related Exposure in Securities and Banking," filed with the SEC on Form 8-K, (the "November 5, 2007 Form 8-K"), which disclosed, to a limited extent, the Company's exposure to risky subprime-related assets and investments. The November 5, 2007 Form 8-K stated, in relevant part:

> **Citigroup Inc. (NYSE: C)** announced today significant declines since September 30, 2007 in the fair value of the approximately $55 billion in

U.S. sub-prime related direct exposures in its Securities and Banking (S&B) business. Citi estimates that, at the present time, the reduction in revenues attributable to these declines ranges from approximately $8 billion to $11 billion (representing a decline of approximately $5 billion to $7 billion in net income on an after-tax basis).

These declines in the fair value of Citi's sub-prime related direct exposures followed a series of rating agency downgrades of sub-prime U.S. mortgage related assets and other market developments, which occurred after the end of the third quarter. The impact on Citi's financial results for the fourth quarter from changes in the fair value of these exposures will depend on future market developments and could differ materially from the range above.

Citi also announced that, while significant uncertainty continues to prevail in financial markets, it expects, taking into account maintaining its current dividend level, that its capital ratios will return within the range of targeted levels by the end of the second quarter of 2008. Accordingly, Citi has no plans to reduce its current dividend level.

The $55 billion in U.S. sub-prime direct exposure in S&B as of September 30, 2007 consisted of (a) approximately $11.7 billion of sub-prime related exposures in its lending and structuring business, and (b) approximately $43 billion of exposures in the most senior tranches (super senior tranches) of collateralized debt obligations which are collateralized by asset-backed securities (ABS CDOs).

Lending and Structuring Exposures

Citi's approximately $11.7 billion of sub-prime related exposures in the lending and structuring business as of September 30, 2007 compares to approximately $13 billion of sub-prime related exposures in the lending and structuring business at the end of the second quarter and approximately $24 billion at the beginning of the year.(1) The $11.7 billion of sub-prime related exposures includes approximately $2.7 billion of CDO warehouse inventory and unsold tranches of ABS CDOs, approximately $4.2 billion of actively managed sub-prime loans purchased for resale or securitization at a discount to par primarily in the last six months, and approximately $4.8 billion of financing transactions with customers secured by sub-prime collateral.(2) These amounts represent fair value determined based on observable transactions and other market data. Following the downgrades and market developments referred to above, the fair value of the CDO warehouse inventory and unsold tranches of ABS CDOs has declined significantly,

(1) In the third quarter, Citi recorded declines in the aggregate of approximately $1.0 billion on a revenue basis in the lending and structuring business, and to a much lesser extent the trading positions described in footnote 2, and declines of approximately $0.5 billion on a revenue basis on its super senior exposures (approximately $0.3 billion greater on a revenue basis than the losses reported in Citi's October 15 earnings release). Citi also recorded declines in the third quarter of approximately $0.3 billion on a revenue basis on collateralized loan obligations warehouse inventory unrelated to sub-prime exposures.

(2) S&B also has trading positions, both long and short, in U.S. sub-prime residential mortgage-backed securities (RMBS) and related products, including ABS CDOs, that are not included in these figures. The exposure from these positions is actively managed and hedged, although the effectiveness of the hedging products used may vary with material changes in market conditions. Since the end of the third quarter, such trading positions have not had material losses while the declines in the fair value of the other sub-prime related exposures in the lending and structuring business have not been significant.

ABS CDO Super Senior Exposures

Citi's $43 billion in ABS CDO super senior exposures as of September 30, 2007 is backed primarily by sub-prime RMBS collateral. These exposures include approximately $25 billion in commercial paper principally secured by super senior tranches of high grade ABS CDOs and approximately $18 billion of super senior tranches of ABS CDOs, consisting of approximately $10 billion of high grade ABS CDOs, approximately $8 billion of mezzanine ABS CDOs and approximately $0.2 billion of ABS CDO-squared transactions.

Although the principal collateral underlying these super senior tranches is U.S. sub-prime RMBS, as noted above, these exposures represent the most senior tranches of the capital structure of the ABS CDOs. These super senior tranches are not subject to valuation based on observable market transactions. Accordingly, fair value of these super senior exposures is based on estimates about, among other things, future housing prices to predict estimated cash flows, which are then discounted to a present value. The rating agency downgrades and market developments referred to above have led to changes in the appropriate discount rates applicable to these super senior tranches, which have resulted in significant declines in the estimates of the fair value of S&B super senior exposures.

200. On November 5, 2007, Citigroup also filed its Form 10-Q for the third quarter of 2007 (the "November 5, 2007 Form 10-Q"), which included the same results previously reported in the July 20, 2007 Form 8-K.

201. The above statements contained in the October 1, 2007 Form 8-K, the November 5, 2007 Form 8-K and the November 5, 2007 Form 10-Q were untrue and contained omissions of material fact because, among other reasons, they misstated the Company's financial condition and did not report Citigroup's consolidated financial statements in accordance with GAAP. Among other things, the October 1, 2007 Form 8-K, the November 5, 2007 Form 8-K and the November 5, 2007 Form 10-Q overstated the value of the mortgage-related securities and other assets carried on Citigroup's books, did not disclose Citigroup's true exposure to losses related to these instruments, and did not reflect write downs of these instruments to their true fair value. Further, the October 1, 2007 Form 8-K, the November 5, 2007 Form 8-K and the November 5, 2007 Form 10-Q did not properly account for the mortgage-related assets held off-balance sheet and failed to properly consolidate the VIEs. Citigroup also did not disclose that it had issued "liquidity puts," contractually obligating itself to purchase billions of dollars in high risk asset-backed commercial paper once those assets had already become illiquid and highly impaired. Moreover, Citigroup failed to properly account for the contingent liability represented by the liquidity puts, thereby further inflating the value of its balance sheet.

202. The October 1, 2007 Form 8-K, the November 5, 2007 Form 8-K and the November 5, 2007 Form 10-Q also failed to disclose that the Company could not satisfactorily mitigate the risk associated with derivatives based on asset-backed securities, in particular mortgage-backed securities, and also failed to disclose that

Citigroup having billions of dollars of exposure to mortgage-backed assets and that, in so doing, the Company failed to abide by its risk management policies and guidelines.

203. The statements contained in the October 1, 2007 Form 8-K, the November 5, 2007 Form 8-K and the November 5, 2007 Form 10-Q also materially understated Citigroup's reported VaR because it did not adequately consider that Citigroup's risky exposure to U.S. subprime ABS CDOs were backed by subprime-related assets. The statements set forth in the October 1, 2007 Form 8-K, the November 5, 2007 Form 8-K and the November 5, 2007 Form 10-Q were also untrue and contained omissions of material fact because the Company did not disclose its liabilities resulting from its participation in the auction rate securities market or incorporate these significant liabilities when reporting its financial results. By failing to disclose the Company's significant holdings and liabilities arising from its involvement in the auction rate securities market or incorporate these liabilities into its financial results, the October 1, 2007 Form 8-K, the November 5, 2007 Form 8-K and the November 5, 2007 Form 10-Q materially misrepresented the various financial metrics as described above and misstated the

204. Coinciding with the disclosures of the Company's third quarter results, on November 5, 2007, Citigroup announced the resignation of Chairman and CEO Prince, and that a committee had been formed to conduct a search to find his replacement.

205. On December 11, 2007, Citigroup announced that the Board of Directors

the Institutional Clients Group, as the Company's new Chief Executive Officer and a member of the Board of Directors, effective immediately.

8. <u>Year-End 2007 Financial Results</u>

206. On January 15, 2008, Citigroup issued a press release, filed with the SEC on Form 8-K (the "January 15, 2008 Form 8-K"), announcing the Company's financial results for the quarter ended December 31, 2007 and full year 2007. Specifically, Citigroup reported a net loss for the fourth quarter of 2007 of $9.83 billion, or a loss of $1.99 per share, and net income of $3.62 billion, or $0.72 per share, for the year ended 2007. The January 15, 2008 Form 8-K stated in relevant part:

> ***Management Comment***
>
> "Our financial results this quarter are clearly unacceptable. Our poor performance was driven primarily by two factors — significant write-downs and losses on our sub-prime direct exposures in fixed income markets, and a large increase in credit costs in our U.S. consumer loan portfolio. Looking beyond these two factors, revenues and volumes continued to grow strongly in a number of our franchises and we generated record results in international consumer, transaction services, wealth management, and advisory," said Vikram Pandit, Chief Executive Officer of Citi.
>
> "We have begun to take actions to ensure that Citi is well positioned to compete and win across our franchises while effectively keeping a tight control over our business risks. We are taking several steps to strengthen our capital base, including today's announcement regarding an investment in Citi by several long-term sophisticated investors, our dividend reset, and our continued focus on divesting non-core assets and businesses. We are taking actions to enhance our risk management processes and to improve expense productivity. We are also in the midst of a thorough review of our businesses, which when complete, will drive our execution priorities," said Pandit.
>
> "Over the past five weeks I have been touring our businesses and listening to many of Citi's important constituents — employees, investors, clients, regulators and many others. These discussions have only confirmed my deep belief in the power and strength of Citi. We have a unique franchise that is well positioned in growing markets with tremendous capabilities to serve clients around the world. We intend to build on our advantages to

deliver superior results for our clients, investors, and employees," said Pandit.

* * *

FOURTH QUARTER SUMMARY

- **Revenues** were $7.2 billion, down 70%, driven by significant write-downs on sub-prime related direct exposures in fixed income markets (discussed below). Revenues across many businesses increased, driven by growth in business volumes.

    - U.S. consumer revenues grew 6%, driven by higher business volumes with average deposits and managed loans, both up 10%.

    - International consumer revenues increased 45%, driven by organic volume growth, the impact of recent acquisitions, a $507 million pre-tax gain on Visa Inc. shares, and a $313 million pre-tax gain on the sale of an ownership interest in Nikko Cordial's Simplex Investment Advisors. Average deposits and loans increased 21% and 30%, respectively, and investment sales were up 24%.

    - In markets & banking, securities and banking revenues were negative due to write-downs and losses related to deterioration in the mortgage-backed and credit markets, including:

    - Write-downs of $17.4 billion on sub-prime related direct exposures. These exposures on September 30, 2007 were comprised of approximately $11.7 billion of gross lending and structuring exposures and approximately $42.9 billion of net ABS CDO super senior exposures (ABS CDO super senior gross exposures of $53.4 billion). At December 31, 2007, sub-prime related direct exposures were comprised of approximately $8.0 billion of gross lending and structuring exposures and approximately $29.3 billion of net ABS CDO super senior exposures (ABS CDO super senior gross exposures of $39.8 billion). See detail in Schedule B on page 12.

    - Lower revenues due to write-downs on non sub-prime securitized products and in fixed income proprietary trading.

    - These results were partially offset by double-digit revenue growth in interest rate and currency trading, commodities, and record advisory revenues.

- o Transaction services revenues were a record, up 44%, driven by increased liability balances, up 35%, and higher assets under custody, up 26%.

- o Markets and banking international revenues included strong double-digit revenue growth in Asia, Latin America, and Japan.

- o Global wealth management revenues increased 27%, as U.S. revenues grew 7% and international revenues more than doubled due to double-digit organic growth and increased ownership in Nikko Cordial.

* * *

MARKETS & BANKING

- ***Securities and Banking***

Fixed income markets recorded negative revenue of $16.9 billion driven by:

- o Write-downs of $17.4 billion, on sub-prime related direct exposures. These exposures on September 30, 2007 were comprised of approximately $11.7 billion of gross lending and structuring exposures and approximately $42.9 billion of net ABS CDO super senior exposures (ABS CDO super senior gross exposures of $53.4 billion). On December 31, 2007, sub-prime related direct exposures were comprised of approximately $8.0 billion of gross lending and structuring exposures and approximately $29.3 billion of net ABS CDO super senior exposures (ABS CDO super senior gross exposures of $39.8 billion). See detail in Schedule B on page 12.

- o Lower revenues due to write-downs on non sub-prime securitized products and in fixed income proprietary trading.

- o These results were partially offset by double-digit revenue growth in interest rate and currency trading and commodities.

- o Equity markets revenues declined 18% to $738 million as record revenues in cash trading and strong growth in equity finance were more than offset by weaker performance in derivatives and convertibles, and write-downs in proprietary trading.

- o Lending revenues increased 88% to $989 million, primarily driven by hedging gains related to the corporate loan portfolio.

- o Net investment banking revenues were $1.3 billion, down 3%.

- o Record advisory and other fees increased 43% to $547 million. For 2007, Citi ranked #3 in global announced M&A.

- o Equity underwriting revenues were even with the prior-year period. For 2007, Citi ranked #3 in global equity underwriting.

- o Debt underwriting revenues of $414 million declined 38%, reflecting $205 million of write-downs on funded and unfunded highly leveraged finance commitments, and lower industry-wide underwriting volumes. The $205 million write-down in highly leveraged finance commitments was partially offset by $70 million of net recoveries on highly leveraged finance commitments recorded in Lending.

- o Operating expenses increased 17%, reflecting higher other operating and administrative expenses offset by a decline in incentive compensation costs. Other operating and administrative expenses grew primarily due to acquisitions and higher business development costs, and a $370 million pre-tax charge related to headcount reductions.

- o Credit costs increased significantly, primarily driven by $535 million in net credit losses on loans with sub-prime related direct exposure, and a $284 million net charge to increase loan loss and unfunded lending commitment reserves reflecting a slight weakening in overall portfolio credit quality, as well as loan loss reserves for specific counterparties. The loan loss reserves for specific counterparties includes $169 million for sub-prime related direct exposures.

- o Results also reflected a significant increase in the effective tax rate, primarily due to higher tax-rates in the jurisdictions where the write-downs on sub-prime direct exposures were incurred.

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Transaction Services

- ***Revenues*** were a record $2.29 billion, up 44%, driven by higher customer volumes, stable net interest margins, and the acquisition of The Bisys Group,