

In re Citigroup Securities Litigation

U.S. Securities Litigation

Role	BFA is sole Lead Counsel for Court-appointed Lead Plaintiff Public Sector Pension Investment Board and Named Plaintiff Anchorage Police & Fire Retirement System.
Background	Plaintiffs allege that Citigroup and its senior management misrepresented and concealed that the company's internal controls and risk management systems suffered from serious and longstanding deficiencies that exposed the Company to massive regulatory penalties that will cost significantly more than \$1 billion to remediate.
Court	U.S. District Court for the Southern District of New York
Case Number	20-CV-9132
Status	Pending

BFA is sole Lead Counsel for Court-appointed Lead Plaintiff Public Sector Pension Investment Board (“PSP”) and Named Plaintiff Anchorage Police & Fire Retirement System. Plaintiffs allege that Citigroup and its senior management misrepresented and concealed that the company's internal controls and risk management systems suffered from serious and longstanding deficiencies that exposed the Company to massive regulatory penalties that will cost significantly more than \$1 billion to remediate.

On May 24, 2023, BFA filed a notice of motion and brief in support of leave to amend the Consolidated Amended Complaint, and a proposed Second Amended Consolidated Complaint asserting securities claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 on behalf of themselves and all others similarly situated who, between February 24, 2017 and October 12, 2020, inclusive, (i) purchased or otherwise acquired Citigroup Inc. common stock; (ii) purchased the exchanged-traded call options on Citigroup common stock listed in Exhibit A of the proposed Complaint; and/or (iii) sold the exchange-traded put options on Citigroup

common stock listed in Exhibit A of the proposed Complaint; and were damaged thereby.

The proposed Second Amended Class Action Complaint alleges that Defendants' claims that Citigroup's fundamental risk management failures had been remediated and its enterprise-wide risk management (ERM) was effective were false and misleading. Instead, in the place of effective ERM, Citigroup maintained thousands of siloed data systems that were incompatible with one another and served as outdated legacies of hundreds of acquisitions over the course of decades. Despite Defendants' claims of a successful overhaul of Citigroup's infrastructure and technology that promised to align Citigroup with regulatory requirements, the truth was that, by 2017, Defendants had scrapped its overhaul as a "total disaster," unbeknown to the public, and had ordered a "freeze" on investment in compliance. As a result of its systemic deficiencies, Citigroup was ineffective at identifying, managing, monitoring, reporting, or controlling—much less remediating—the ERM deficiencies that it had faced for years.