



UNITED STATES OF AMERICA
SECURITIES AND EXCHANGE COMMISSION
CITIGROUP GLOBAL MARKETS FAIR FUND

SEC v. Citigroup Global Markets Inc.,
1:11-cv-07387-JSR (S.D.N.Y. 2011)



Fair Fund Notice

Dear Investor,

This notice is to inform you of the existence of the Citigroup Global Markets Inc. Fair Fund (the "Citi Fair Fund"). The Citi Fair Fund was established May 23, 2017 by Court Order by the United States Securities and Exchange Commission ("SEC" or the "Commission") to distribute disgorgement, prejudgment interest and a civil penalty totaling approximately \$288 million paid by Citigroup Global Markets Inc. ("CGM").¹ Pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act, the Citi Fair Fund will be distributed to investors that were harmed by misrepresentations and omissions of material facts made in connection with the marketing of a collateralized debt obligation ("CDO") called Class V Funding III (the "Funding").

The SEC filed a complaint in the U.S. District Court for the Southern District of New York (the "Court") against CGM alleging that it violated the antifraud provisions of the Securities Act of 1933 (Sections 17(a) (2) and (3)), by, among other things, making misrepresentations regarding the selection of assets for the Funding's CDO portfolio and failing to disclose CGM's financial interest in the transaction. CGM consented to the entry of a Final Judgment that required it to pay \$285 million.

This notice is being sent to all investor participants in the Funding according to records provided by the SEC. This notice may also be provided, at the Distribution Agent's discretion, to any other persons that may be potentially eligible to recover from the Citi Fair Fund. We are writing to notify you that you may be able to recover from the Citi Fair Fund.

¹ The SEC brought a related administrative proceeding against Credit Suisse Alternative Capital, Inc. ("CSAC") and a CSAC affiliate which resulted in the entry of an Order requiring CSAC and an affiliate to pay \$2.55 million. These monies have been added to the Citi Fair Fund to be distributed to harmed investors.



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Who is Potentially Eligible?

It has not yet been finally determined how the Citi Fair Fund will be distributed. However, investors potentially eligible for a recovery from the Citi Fair Fund may include any person (which shall include natural persons and entities) who purchased an interest in the Funding in its issuance, including super senior and subordinated interests, on or about February 28, 2007, and suffered an economic loss as a direct result of that investment. The investor must prove that he, she or it suffered an economic loss as a result of its investment in the Funding by providing documentation of the original investment(s), premium payments received, associated hedges, or any recoveries received.

The Funding investments include the following CUSIPS:

18272FAB5	18272FAG4
18272FAD1	18272KAA6
18272FAE9	18272KAC2
18272FAF6	

How Will the Process Work?

In advance of preparing a Distribution Plan, the Distribution Agent is inviting investors to provide information regarding their investments in the Funding. For clarification or to seek additional information, the Distribution Agent may meet with investors potentially eligible to recover and who have made a submission. Using the information received from these submissions, the Distribution Agent, in consultation with the SEC, will develop the Distribution Plan for the Citi Fair Fund. The Distribution Plan will be formulated in the interests of justice, with a goal of providing a fair and reasonable distribution of the Citi Fair Fund assets to those investors that suffered economic losses as a result of CGM’s misconduct. The Distribution Plan will be filed with the Court and be subject to a comment period.

In order to be considered for a recovery from the Citi Fair Fund, please provide us with information regarding your transactions in the Funding. It would be helpful if you would include the following information:

1. A detailed statement with supporting documentation, where relevant, pertaining to:
 - A. Background information about the investor entity, including information such as: the entity type (*i.e.*, whether it is a bank, pension plan, insurance company, hedge fund, or other type of financial institution), the domicile of the entity, and the nature of the entity’s business;
 - B. An explanation of the investment in the Funding generally, including factors such as: when the initial investment was made and the tranche, the total amount of the investment, how long the investor held the investment, whether the Funding assets purchased were incorporated into another CDO, and the investor’s strategy in connection with the Funding investments; and



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Distribution Agent

- C. The investor's role in the structured finance markets generally (*e.g.*, investor's percentage of total revenues earned from structured finance activities, investor's activity in the market, whether the investor or any of its subsidiaries or affiliates acted as a collateral manager, issuer or arranger of structure finance products).
2. Disclosure of any premium payments received by the investor (including any parent entity, subsidiary or affiliate of the investor), and the dates and the amounts of such payments;
3. Disclosure of any lawsuits or other proceedings the investor pursued to recover losses from its investments in the Funding and any payments received by the investor (including any parent entity, subsidiary or affiliate of the investor) in connection with such lawsuits or proceedings; and
4. Disclosure of any other payments received by the investor (including any parent entity, subsidiary or affiliate of the investor) that constitute a recovery for the investor's losses from its investments in the Funding (*e.g.*, insurance recoveries).

The submission may be mailed to the address provided below and/or submitted electronically at the following e-mail address: info@citicdofairfund.com. All submissions are to be made under penalty of perjury under the laws of the United States of America stating that the information supplied is true, correct, and complete, and that all documents submitted in support of the information are true and correct copies of what they purport to be.

Please also note that all submissions must be made directly to the Distribution Agent, even if the material has already been provided to Commission staff.

What is the Deadline for Making a Submission?

Submissions must be postmarked no later than 60 days from the date of this notice. If you need assistance or if you have any questions regarding this notice, please contact the Distribution Agent at info@citicdofairfund.com or visit www.citicdofairfund.com.