

# CITIGROUP

## **Securities Regulators Announce Settlement with Citigroup in Auction Rate Securities Investigation**

Under the terms of the settlement by state and federal regulators, Citigroup will offer to repurchase at par, no later than November 5, 2008, all auction rate securities from all Citigroup retail customers who held those securities at the time the auction market failed on February 12, 2008. For purposes of the settlement, retail customers are defined to include individual investors, all businesses with account values of up to \$10 million, and all charities regardless of account values.

Citigroup will also:

- Reimburse all retail investors who sold their auction rate securities at a discount after the market failed;
- Consent to a special, public arbitration procedure to resolve claims of consequential damages suffered by retail investors who were unable to access their funds, in which Citigroup will concede liability related to its sale of auction rate securities;
- Undertake to expeditiously provide liquidity solutions to all other institutional investors; and
- Reimburse all refinancing fees to any state municipal issuers who issued auction rate securities through Citigroup between August 1, 2007 and February 11, 2008, and who refinanced those securities after February 11, 2008.

Courtesy North American Securities Administrators Association, *Securities Regulators Announce Settlement with Citigroup in Auction Rate Securities Investigation*, August 7, 2008.