

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

BERTRAM HIRSCH AND IGOR ROMANOV V. CITIBANK, N.A.,
NO. 12-CIV-1124-DAB.

If you received an IRS Form 1099 from Citibank reporting to the IRS that you received income attributable to the receipt of promotional American Airlines miles between January 1, 2009 through July 13, 2017, you may be entitled to payment from a class action settlement.

Submit a claim at www.HirschAirlineMilesSettlement.com by November 27, 2017

A federal court authorized this Notice. This is not a solicitation from a lawyer.

- In this case, Plaintiffs allege that between January 1, 2009 and July 13, 2017, Citibank did not adequately disclose to customers that it would report the taxable value of promotional American Airlines miles (“AA miles”) awarded to customers as income to the Internal Revenue Service (“IRS”) by issuing IRS Form 1099s (“AA Miles Form 1099”), that the AA miles do not constitute reportable income, and that Citibank overvalued the AA miles for reporting purposes. The two sides disagree on whether Plaintiffs and the Settlement Class would prevail at trial. By agreeing to settle, Citibank has not conceded the truth or validity of any of the claims against it.
- As a result of the settlement, you may be eligible for a payment. Your payment will be up to 70% of the amount of income attributable to the receipt of AA miles that Citibank reported on the Settlement Class Member’s AA Miles Form 1099 multiplied by the Settlement Class Member’s federal tax rate. Based on this calculation, some Settlement Class Members may receive a payment of up to \$245. The amount of the payment may be higher or lower depending on whether you affirm that you reported and paid taxes on the income attributable to the receipt of AA Miles set forth in the AA Miles Form 1099, your applicable federal tax rate, and the amount of claims submitted.
- Your rights and options, and the deadlines to exercise them, are explained in this Notice. Your legal rights are affected whether you act, or do not act. Please read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

SUBMIT A CLAIM FORM	If you submit a valid claim form by November 27, 2017 , you will receive a payment and will give up certain rights to sue Citibank.
EXCLUDE YOURSELF FROM THE CASE	This is the only option that allows you to sue Citibank on your own regarding the claims in this case, but you will not receive a payment from the Settlement. The deadline for excluding yourself is October 11, 2017 .
OBJECT TO THE SETTLEMENT	Write to the Court about why you do not like the Settlement. The deadline for objecting is October 11, 2017 .
DO NOTHING	If you do nothing, you will receive no money from the Settlement, but you will still give up certain rights to sue Citibank.

- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made if the Court approves the Settlement and after appeals are resolved. Please be patient.

QUESTIONS? CALL 1-866-403-0679 TOLL FREE, OR VISIT
www.HirschAirlineMilesSettlement.com

BASIC INFORMATION

1. Why is there a Notice?

A Court authorized this Notice because you have a right to know about the proposed settlement of this class action lawsuit and about all of your options before the Court decides whether to give final approval to the Settlement. This Notice explains the lawsuit, the Settlement and your legal rights.

The United States District Court for the Southern District of New York is overseeing this case, and the Honorable Deborah A. Batts is the judge responsible for this case. The case is known as Bertram Hirsch and Igor Romanov v. Citibank, N.A., No. 12-civ-1124-DAB. The people who sued are called the “Plaintiffs.” The defendant is Citibank, N.A. (“Citibank”).

2. What is this lawsuit about?

Plaintiffs, for themselves and on behalf of an alleged class, allege that Citibank did not adequately disclose to customers that Citibank would report the taxable value of the AA miles awarded to customers as income to the IRS by issuing AA Miles Form 1099s, that the AA miles do not constitute reportable income, and that Citibank overvalued the AA miles for reporting purposes. The complaint in this lawsuit is posted on the Settlement Website, at www.HirschAirlineMilesSettlement.com, and contains all of the allegations and claims asserted against Citibank. Citibank denies these allegations; however, in order to avoid the expense, inconvenience and distraction of continued litigation, Citibank has agreed to the Settlement described herein. There were two appeals in the United States Court of Appeals for the Second Circuit, in which the court held that Plaintiffs Bertram Hirsch and Igor Romanov were not subject to Citibank’s arbitration agreement.

3. Why is this a class action?

In a class action, one or more people called Class Representatives (here, Bertram A. Hirsch and Igor Romanov) sue on behalf of people who allegedly have similar claims. This group is called a Class and the persons included are called Class Members. One court resolves the issues for all of the Class Members, except for those who exclude themselves from the Class. Here, the Court has certified a class action for settlement purposes only.

4. Why is there a Settlement?

The Court has not decided in favor of either Plaintiffs or Citibank. Instead, both sides agreed to the Settlement to avoid the risk and cost of further litigation and a trial. The Class Representatives and their attorneys think the Settlement is in the best interests of all Class Members.

WHO IS IN THE SETTLEMENT CLASS?

5. How do I know if I am a part of the Settlement Class?

If you received notice of the Settlement from a postcard addressed to you, then you likely are a Settlement Class Member.

The Court has certified the case as a class action for settlement purposes only. The “Settlement Class” is defined as:

All persons or entities in the United States who received an IRS Form 1099 from Citibank as a result of opening a Citibank deposit account and receiving American Airline miles through Citibank promotions in which Citibank valued the American Airline miles at 2.5 cents per mile, during the period between January 1, 2009 and July 13, 2017.

“Settlement Class Member” is defined as any person in the Settlement Class who does not opt out of the Settlement. If you are still not sure whether you are included, you can visit www.HirschAirlineMilesSettlement.com, you may write the Settlement Administrator at Hirsch Airline Miles Settlement, c/o Rust Consulting, Inc., Settlement Administrator - 5671, P.O. Box 2599, Faribault, MN 55021-9599 or you may call 1-866-403-0679 (toll-free) for more information.

THE LAWYERS REPRESENTING YOU

6. Do I have lawyers in this case?

The Court has appointed James C. Kelly, Esq. of the Law Office of James C. Kelly, and Samuel P. Sporn, Esq. of Schoengold & Sporn, P.C., to represent you and the other Settlement Class Members. These lawyers are called Settlement Class Counsel. You will not be personally charged by these lawyers. You may enter an appearance through an attorney hired at your own expense if you so desire, but you do not have to do so.

7. How will Settlement Class Counsel be paid?

On or before September 26, 2017, Settlement Class Counsel will file an application with the Court requesting that the Court approve payment to them by Citibank of up to \$1,200,000 for their attorneys' fees, costs and expenses. The payment to Settlement Class Counsel and Plaintiffs would compensate them for investigating the facts, litigating the case (including two appeals before the Second Circuit Court of Appeals, depositions and a bench trial), conducting discovery and negotiating the Settlement. Settlement Class Counsel and/or Plaintiffs may advise the Court that they believe they purportedly provided approximately \$10,000,000 in value to the Settlement Class based upon changes which Plaintiffs contend were made by Citibank to its customer deposit account agreement, deposit account signature card and valuation of the AA miles in connection with deposit account promotions. Citibank does not take a position on these representations. Although Citibank has agreed not to oppose attorneys' fees, costs and expenses of up to \$1,200,000, the Court may award less than the amounts requested. Settlement Class Counsel also will ask the Court to approve payment of service awards in the amount of \$25,000 to Bertram A. Hirsch and \$12,500 to Igor Romanov for their time, expense and effort they have personally invested in this Action. The Court may award less than the amounts requested for service awards. Citibank has reserved the right to object to the amounts of the service awards.

THE SETTLEMENT BENEFITS

8. What does the Settlement provide?

Citibank has agreed to pay: (1) the maximum sum of \$1,750,000 to satisfy settlement awards paid on a claims-made basis to Settlement Class Members who submit valid and timely claims; (2) an award of attorneys' fees, costs and expenses to Settlement Class Counsel not to exceed \$1,200,000, to be approved by the Court (not to come out of settlement awards); (3) service awards to the Class Representatives in an amount to be approved by the Court (not to come out of settlement awards) and (4) the reasonable costs of notice and administration of the Settlement (not to come out of settlement awards).

9. How much will my payment be?

Settlement Class Members who submit valid and timely claims will receive a settlement award. However, the exact amount of the settlement award will depend on each Settlement Class Member's unique circumstances and the amount of claims submitted. Settlement Class Members who affirm that they reported and paid taxes on the income attributable to the receipt of the AA miles set forth in his or her AA Miles Form 1099 will be eligible to receive a settlement award calculated by multiplying up to 70% of the reported income by the Settlement Class Member's applicable federal tax rate, subject to adjustment based on the amount of claims submitted. For example, if a Settlement Class Member's federal tax rate was 35% and the amount of income attributable to receipt of AA Miles on his/her AA Miles Form 1099 was \$1,000, his/her Settlement Award would be up to \$245. Settlement Class Members who do not affirm that they reported and paid taxes on the income attributable to the receipt of the AA miles will be eligible to receive a settlement award of up to \$40. If the amount of settlement awards would exceed the sum of \$1,750,000, the settlement awards will be reduced on a pro rata basis.

10. What am I giving up to stay in the Class?

If you do not exclude yourself from the Settlement Class, you may make a claim for a settlement award, but you cannot sue, continue to sue or be part of any other lawsuit against Citibank about the issues in this case. It also means that all of the decisions by the Court will bind you. The "Released Claims" included in the Settlement Agreement describe the precise legal claims that you give up if you remain in the Settlement Class. The Settlement Agreement is available on the Settlement Website, at www.HirschAirlineMilesSettlement.com.

HOW TO APPLY FOR A PAYMENT

11. How can I get a payment?

To qualify for a settlement award, you must submit a valid and timely claim form. You may get a claim form on the Settlement Website, at www.HirschAirlineMilesSettlement.com, or by calling the toll-free settlement telephone number, at 1-866-403-0679. **Read the instructions carefully, fill out the form, sign it and submit it.** To be valid, the claim form must be completed fully and accurately, signed and timely submitted. A claim form may be submitted by mail to the Settlement Administrator at: Hirsch Airline Miles Settlement, c/o Rust Consulting, Inc., Settlement Administrator - 5671, P.O. Box 2599, Faribault, MN 55021-9599, or online via the Settlement Website, at www.HirschAirlineMilesSettlement.com.

If you are submitting your claim online via the Settlement Website, it must be submitted no later than **November 27, 2017**. If you are mailing your claim form to the Settlement Administrator, it must be postmarked by that date.

12. When would I get a payment?

The Court will hold a hearing on **January 31, 2018 at 4:00 p.m.** (or at such other date and time later set by Court Order) to decide whether finally to approve the Settlement. The Court may adjourn the Settlement Hearing without further notice to Members of the Class. If the Court approves the Settlement, after that, there may be appeals. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. Everyone who sends in a claim form will be informed of the progress of the Settlement through information posted at www.HirschAirlineMilesSettlement.com. Please be patient.

EXCLUDING YOURSELF FROM THE SETTLEMENT

13. How do I get out of the Settlement?

If you do not want benefits from the Settlement, and you want to keep the right to sue or continue to sue Citibank on your own about the issues in this case, then you must take steps to exclude yourself from the Settlement Class. This is sometimes referred to as “opting out” of the Settlement Class. If you exclude yourself, you are no longer a Settlement Class Member.

To exclude yourself from the Settlement, you must send a letter by mail that (a) is signed by you; (b) includes your full name, address and phone number; and (c) includes the following statement: “I/we request to be excluded from the settlement in the Hirsch action.” No request for exclusion will be valid unless all of the information described above is included. No person in the Settlement Class, or any person acting on behalf of or in concert or participation with a person in the Settlement Class, may exclude any other person from the Settlement Class.

You must mail your exclusion request postmarked no later than October 11, 2017 to the following address:

Hirsch Airline Miles Settlement
c/o Rust Consulting, Inc.
Settlement Administrator - 5671
P.O. Box 2599
Faribault, MN 55021-9599

14. If I do not exclude myself, can I sue Citibank for the same thing later?

No. If you do not exclude yourself, you give up any right to sue (or continue to sue) Citibank for the claims the Settlement resolves. You must exclude yourself from the Settlement Class in order to try to pursue your own lawsuit against Citibank.

15. If I exclude myself, can I get money from this Settlement?

No. If you ask to be excluded, you will not get any settlement award, and you cannot object to the Settlement.

OBJECTING TO THE SETTLEMENT

16. How do I tell the Court that I do not agree with the Settlement?

If you are in the Settlement Class and do not exclude yourself, you can object to any part of the Settlement, the Settlement as a whole, Settlement Class Counsel's request for attorneys' fees, costs and expenses and/or Settlement Class Counsel's request for service awards for Plaintiffs. To object, you must submit a letter that includes the following:

- The name of this case, which is Bertram Hirsch and Igor Romanov v. Citibank, N.A., No. 12-civ-1124-DAB;
- Your full name, address and telephone number;
- An explanation of the basis upon which you claim to be a Settlement Class Member;
- All grounds for the objection, accompanied by any legal support for the objection known to you or your counsel and any documents supporting the objection;
- The identity of all counsel, if any, who represent you, including any former or current counsel who may be entitled to compensation for any reason related to the objection to the Settlement;
- A statement confirming whether you intend to personally appear and/or testify at the Final Approval Hearing (discussed below), and listing any counsel who will appear at the Final Approval Hearing on your behalf and any witnesses you intend to call to testify at the Final Approval Hearing; and
- Your signature (an attorney's signature is not sufficient).

You are entitled to object on your own without an attorney, or pro se. You must submit your objection to the Court and it must be filed no later than October 11, 2017:

Clerk of the Court
U.S. District Court for the Southern District of New York
United States Courthouse
500 Pearl Street
New York, NY 10007

You must also send your objection by mail, hand or overnight delivery service to the following addresses postmarked no later than October 11, 2017:

James C. Kelly, Esq.
The Law Office of James C. Kelly
244 5th Ave., Suite K-278
New York, NY 10001

Julia B. Strickland, Esq.
Stroock & Stroock & Lavan LLP
2029 Century Park East
Los Angeles, CA 90067-3086

Samuel P. Sporn, Esq.
Schoengold & Sporn, P.C.
World Wide Plaza
393 West 49th Street, Suite 5HH
New York, NY 10019

If you do not submit a timely or complete objection, you waive all objections to the Settlement and will not be permitted to object to the Settlement at the Final Approval Hearing or otherwise. Only Settlement Class Members may object to the Settlement.

17. What is the difference between objecting and excluding?

You object to the Settlement when you wish to remain a Settlement Class Member and be subject to the Settlement, but disagree with some aspect of the Settlement. An objection allows your views to be heard in Court.

In contrast, excluding yourself from the Settlement Class means that you are no longer a Settlement Class Member and do not want to be subject to the terms and conditions of the Settlement. Once excluded, you lose any right to receive any settlement payment and to object to any aspect of the Settlement because the case no longer affects you.

IF YOU DO NOTHING

18. What happens if I do nothing at all?

If you do nothing, you will not receive any payment from the Settlement. You will be giving up rights to be part of any other lawsuit or make any other claim against Citibank for the claims released by the Settlement. The “Released Claims” included in the Settlement Agreement describe the precise claims that you give up if you remain in the Settlement. A copy of the Settlement Agreement is available on the Settlement Website, at www.HirschAirlineMilesSettlement.com.

THE COURT’S FINAL APPROVAL HEARING

19. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at 4:00 p.m. on **January 31, 2018** (or at such other date and time later set by Court Order), at the United States District Court for the Southern District of New York, United States Courthouse, 500 Pearl Street, Courtroom 24B, New York, NY 10007. The Court may adjourn the Settlement Hearing without further notice to Members of the Class. At this hearing, the Court will consider whether the Settlement is fair, reasonable and adequate. The Court will also consider any request by Settlement Class Counsel for attorneys’ fees, costs and expenses and service awards for the Class Representatives. If there are valid objections that comply with the requirements in Question 16 above, the Court also will consider them and will hear from those objectors who have asked to speak at the hearing.

20. Do I have to come to the hearing?

No. You are not required to attend the Final Approval Hearing. Settlement Class Counsel will answer any questions the Court may have. If you or your personal attorney want to attend the Final Approval Hearing, you are more than welcome to do so at your expense. If you submit a written objection, you do not have to come to Court to talk about it. As long as you submit your written objection on time, to the proper address and it complies with the requirements in Question 16 above, the Court will consider it.

21. May I speak at the hearing?

You may ask the Court for permission to speak at the Final Approval Hearing, but only in connection with an objection that you have timely submitted to the Court according to the procedure set forth in Question 16 above. To speak at the Final Approval Hearing, you must also send a letter with your full name, address, telephone number, and signature, which states that it is your “Notice of Intention to Appear at the Final Approval Hearing for the settlement in Bertram Hirsch and Igor Romanov v. Citibank, N.A.,” and sets forth the reasons you want to be heard and the name of any attorneys who will be appearing on your behalf. Be sure to also include copies of any papers, exhibits or other evidence or information that you plan to present to the Court at the Final Approval Hearing. Your Notice of Intention to Appear must be postmarked no later than January 2, 2018 and be sent to all addresses in Question 16. You cannot speak at the hearing if you excluded yourself from the Settlement.

GETTING MORE INFORMATION

22. Is this the entire Settlement?

This Notice is only a summary of the proposed Settlement. More details are in a Settlement Agreement. You can get a copy of the Settlement Agreement by visiting the Settlement Website at www.HirschAirlineMilesSettlement.com, or you can write to Hirsch Airline Miles Settlement, c/o Rust Consulting, Inc., Settlement Administrator - 5671, P.O. Box 2599, Faribault, MN 55021-9599 or call 1-866-403-0679 toll free for more information.

DO NOT CALL OR WRITE TO THE COURT OR THE CLERK OF THE COURT. DO NOT CONTACT CITIBANK OR ITS COUNSEL ABOUT THE SETTLEMENT. TELEPHONE REPRESENTATIVES OF CITIBANK ARE NOT AUTHORIZED TO CHANGE THE TERMS OF THE SETTLEMENT OR THIS NOTICE.