

**What is this?** This is notice of a Proposed Settlement in a class action lawsuit. This notice explains your legal rights.

**What is this lawsuit about?** The Settlement would resolve the lawsuit Bertram Hirsch and Igor Romanov v. Citibank, N.A., U.S.D.C. Southern District of New York, No. 12-civ-1124-DAB. The lawsuit alleges that 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. Citibank denies these allegations and any wrongdoing. The Court has not ruled on the merits of the claims in this lawsuit. 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.

**Why am I getting this notice?** You were identified as someone who received an AA Miles Form 1099 from Citibank between January 1, 2009 and July 13, 2017.

**What does the Settlement provide?** Citibank has agreed to pay a maximum of \$1,750,000 to pay monetary settlement awards to Settlement Class Members. Settlement Class Members who submit valid claims will receive a settlement award of 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. 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. The exact amount of a Settlement Class Member’s settlement award will depend on whether the Settlement Class Member affirms that he/she reported and paid taxes on the income attributable to the receipt of AA Miles set forth in the AA Miles Form 1099, the Settlement Class Member’s applicable federal tax rate, and the amount of claims submitted.

Settlement Class Counsel and/or Plaintiffs claim that 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. Citibank also has agreed to pay Settlement Class Counsel’s attorneys’ fees, costs and expenses up to \$1,200,000 (subject to Court approval), and settlement administration costs, which do not come out of settlement award amounts. Plaintiffs will seek service awards not to exceed \$25,000 for Plaintiff Bertram Hirsch and \$12,500 for Plaintiff Igor Romanov (subject to Court

approval), to be paid by Citibank. Citibank has reserved the right to object to the amount of the service awards. 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.

**How do I receive a payment?** To receive a settlement award, you must complete and submit a valid and timely Claim Form by **November 27, 2017**. The Claim Form is available online at the Settlement Website located at [www.HirschAirlineMilesSettlement.com](http://www.HirschAirlineMilesSettlement.com). You can also obtain a Claim Form by calling the Settlement Administrator at 1-866-403-0679. You can submit your Claim Form either by mail by sending it to Hirsch Airline Miles Settlement, c/o Rust Consulting, Inc., Settlement Administrator - 5671, P.O. Box 2599, Faribault, MN 55021-9599 or online at [www.HirschAirlineMilesSettlement.com](http://www.HirschAirlineMilesSettlement.com).

**Your other options.** If you do not want monetary compensation from this Settlement and you want to keep the right to sue or continue to sue Citibank on your own regarding these claims, then you must exclude yourself from the Settlement by sending a letter requesting exclusion to the Settlement Administrator by **October 11, 2017**. If you do not exclude yourself from the Settlement, you can object to any part of the Settlement. You must file your written objection with the Court, and mail it to Settlement Class Counsel and Citibank’s counsel, by **October 11, 2017**. Further details on how to exclude yourself or object, including the specific information you must provide, are available at [www.HirschAirlineMilesSettlement.com](http://www.HirschAirlineMilesSettlement.com). If you do nothing, you will not be eligible for a settlement award. You will still be a Settlement Class Member and bound by the Settlement, and you will release Citibank (and its agents and affiliates) from any and all liability related to the issues in this lawsuit.

**When is the Final Approval Hearing?** The Court will hold a hearing to consider whether to finally approve the Settlement as fair, adequate and reasonable and to consider Plaintiffs’ applications for attorney’s fees and costs and service awards on January 31, 2018, at 4:00 p.m. (or at such other date and time later set by Court Order), 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.

**Do I have a lawyer?** 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.

**How do I get more information about the Settlement?** This notice contains limited information about the Settlement. For more information, visit [www.HirschAirlineMilesSettlement.com](http://www.HirschAirlineMilesSettlement.com). You can also obtain additional information, a long-form notice or Claim Form by calling 1-866-403-0679.